

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION — 1988

SIXTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 14, 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 the Reverend Bruce Talso, Crystal Assembly of God Church, Crystal, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Nelson, K., was excused.

Clausnitzer and Shaver were excused until 2:45 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. Larsen moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 1774, 1794, 1819, 1971, 2016, 2185, 2246, 2272, 2419, 2422, 2434, 2468, 2470, 2508, 2568, 2630, 2637, 1681, 1961, 1983, 2042, 2117, 2190, 2224, 2296, 2487, 1643, 2011 and 1922 and S. F. No. 1594 have been placed in the members' files.

PETITIONS AND COMMUNICATIONS

The following communication was received:

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

March 10, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1988 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Date Approved 1988</i>	<i>Date Filed 1988</i>
236		406	March 10	March 10
1184		407	March 10	March 10

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

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

H. F. No. 4, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; allowing the legislature to authorize certain lotteries.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 684, A bill for an act relating to transportation; creating a state institutions town road account; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 162.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 161.082, subdivision 2a, is amended to read:

Subd. 2a. An amount equal to 20 percent of the county turnback account must be expended, ~~within counties having two or more towns,~~ on town road bridge structures that are 10 feet or more in length and on town road culverts that replace existing town road bridges. In addition, if the present bridge structure is less than ten feet in length but a hydrological survey indicates that the replacement bridge structure or culvert must be ten feet or more in length, then the bridge or culvert is eligible for replacement funds. The expenditures on bridge structures and culverts may be on a matching basis, and if on a matching basis, not more than 90 percent of the cost of a bridge structure or culvert may be paid from the county turnback account.

An amount equal to 37 percent of the county turnback account must be set aside as a town road account and distributed as provided in section 162.081.

Sec. 2. [162.55] [STATE INSTITUTIONS ROAD AND HIGHWAY ACCOUNT.]

A state institutions road and highway account is created in the state treasury. Money in the account is appropriated to the commissioner of transportation to pay state aid to towns, cities, and counties to maintain and improve roads, streets, and highways that:

(1) do not otherwise receive state aid under this chapter; and

(2) provide substantial access to a state institution or a unit of the state outdoor recreation system as defined in section 86A.04.

The balance in the account must not be canceled. Distribution of money in the account is governed by a committee appointed by the commissioner of transportation, consisting of a county highway engineer, a county board member, a city council member, and two town supervisors. Roads, streets, and highways maintained or improved with money from this account must meet the same maintenance standards that apply to roads, streets, and highways that are maintained or improved with money from the state-aid system, except that town roads maintained with money from this account must meet the maintenance standards that apply to town roads maintained with money from the town road account in the county state-aid highway fund.

Sec. 3. [APPROPRIATION.]

The sum of \$200,000 is appropriated from the general fund to the state institutions road and highway account created in section 2."

Delete the title and insert:

"A bill for an act relating to transportation; creating a state institutions road and highway account; appropriating money; amending Minnesota Statutes 1986, section 161.082, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 162."

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

The report was adopted.

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

H. F. No. 1100, A bill for an act relating to education; establishing the state board of Minnesota colleges; prescribing powers, transferring functions; requiring report; proposing coding for new law as Minnesota Statutes, chapter 136E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [ADVISORY TASK FORCE.]

A task force shall be established to study the governance options for post-secondary education between the state university system, community college system, and technical institute system. The task force shall consider issues related to system mission differentiation, facilities, employment contracts, implementation, and other related concerns. The advisory task force shall be appointed by the chairs of the senate education and house higher education committees and house appropriations and senate finance divisions. Members shall include: one legislator from each of those committees and divisions; two representatives of the community colleges; two representatives of the technical institutes; two representatives of the state universities; two representatives of labor; two representatives of business; one student representative each from the community colleges and technical institutes; two members appointed by the Minnesota school boards association; a member of the HECB staff; a representative of the department of employee relations; and a mediator from the bureau of mediation services. The task force shall select a chair. Staffing shall be provided by senate counsel and research and house research. The advisory task force shall report its recommended procedures to the legislature by February 1, 1989.

Sec. 2. [APPROPRIATION.]

\$ is appropriated from the general fund to the advisory task force for expenses."

Amend the title accordingly

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1346, A bill for an act relating to crime; imposing criminal penalties on persons who sign certain documents with a false or fictitious name; amending Minnesota Statutes 1986, section 171.22.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 169.121, subdivision 5a, is amended to read:

Subd. 5a. [CHEMICAL DEPENDENCY ASSESSMENT CHARGE.] When a court sentences a person convicted of an offense enumerated in section 169.126, subdivision 1, it shall impose a chemical dependency assessment charge of \$75. This section applies when the sentence is executed, stayed, or suspended. The court may not waive payment or authorize payment of the assessment charge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment charge would create undue hardship for the convicted person or that person's immediate family.

The court shall collect and forward to the commissioner of finance the total amount of the chemical dependency assessment charge and within 60 days after sentencing or explain to the commissioner in writing why the money was not forwarded within this time period. The commissioner shall credit the money to the drinking and driving repeat offense prevention account created in section 169.126, subdivision 4a.

The chemical dependency assessment charge required under this section is in addition to the surcharge required by section 609.101.

Sec. 2. Minnesota Statutes 1986, section 169.91, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] When any person is arrested for any violation of any law or ordinance relating to the operation or registration of vehicles punishable as a petty misdemeanor, misdemeanor, gross misdemeanor, or felony, the arrested person shall be taken into custody and immediately taken before a judge within the county in which the offense charged is alleged to have been committed and who has jurisdiction over the offenses and is nearest or most accessible with reference to the place where the arrest is made, in any of the following cases:

(1) When a person arrested demands an immediate appearance before a judge;

(2) When a person is arrested and charged with an offense under this chapter causing or contributing to an accident resulting in injury or death to any person;

(3) When the person is arrested upon a charge of negligent homicide;

(4) When the person is arrested upon a charge of driving or

operating or being in actual physical control of any motor vehicle while under the influence of intoxicating liquor or drugs;

(5) When the person is arrested upon a charge of failure to stop in the event of an accident causing death, personal injuries, or damage to property;

(6) When there is reasonable cause for believing that the person arrested may leave the state, except as provided in subdivision 4;

(7) In any other event when the person arrested refused to give a promise in writing to appear in court, as provided in subdivision 3.

Sec. 3. Minnesota Statutes 1986, section 169.91, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO APPEAR.] When a person is arrested for any violation of any law or ordinance relating to motor vehicles, their registration or their operation, or the use of the highways, the arresting officer shall prepare a written notice to appear in court. This place must be before a judge within the county in which the offense charged is alleged to have been committed who has jurisdiction and is nearest or most accessible with reference to the place of arrest.

In order to secure release, if the arrested person is eligible for release, without being taken into custody and immediately taken before a judge, as provided in this section, the arrested person must give a promise in writing to appear in court by signing the written notice prepared by the arresting officer. The officer shall retain the original of the notice and deliver the copy marked "SUMMONS" to the person arrested. The officer shall then release the person arrested from custody.

Sec. 4. Minnesota Statutes 1986, section 169.92, is amended to read:

169.92 [FAILURE TO APPEAR.]

Subdivision 1. Any person willfully violating the person's written promise failing to appear in court, given as provided in required by sections 169.90 to 169.95, is guilty of a misdemeanor, provided the person is found guilty of the charge upon which originally arrested. A written promise to person may appear in court may be complied with by either in person or through an appearance by counsel.

Subd. 2. When a nonresident is released upon a promise in writing fails to appear and has not appeared in court or complied comply with other orders of the court regarding the appearance or proceed-

ings, the court shall notify the commissioner of public safety of the nonappearance upon a form provided by the commissioner.

Subd. 3. Upon receipt of notice from the court that the nonresident did not appear in court following release from custody upon the nonresident's promise in writing to appear, the commissioner of public safety shall forward a copy of the report to the driver licensing authority of the state, district, territory, possession or province of residence of the person.

Subd. 4. (a) Upon receiving a report from the driver licensing authority of a state, district, territory or possession of the United States or a province of a foreign country which has an agreement in effect with this state pursuant to section 169.91 that a resident of this state or a person licensed as a driver in this state did not appear in court following written promise to appear in compliance with the terms of the citation in the party jurisdiction, the commissioner of public safety shall notify the driver that the driver's license will be suspended unless the commissioner receives notice within 30 days that the driver has appeared in the appropriate court of the other jurisdiction. If the commissioner does not receive notice of the appearance of the Minnesota resident in the appropriate court within 30 days of the date of the commissioner's notice to the driver, the commissioner may suspend the person's driver's license.

(b) The order of suspension shall indicate the reason for the order and shall notify the person that the person's license shall remain suspended until the person has furnished evidence, satisfactory to the commissioner, of compliance with any order entered by the court.

(c) Suspension shall be ordered under this subdivision only when the report from the other jurisdiction clearly identifies the person arrested; describes the violation, specifying the section of the traffic law, ordinance or rule violated; indicates the location and date of the offense; and describes the vehicle involved and its registration number.

Sec. 5. Minnesota Statutes 1986, section 169.99, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, there shall be a uniform ticket issued throughout the state by the police and peace officers or by any other person for violations of this chapter and ordinances in conformity thereto. Such uniform traffic ticket shall be in the form and have the effect of a summons and complaint. There shall also be included on the uniform ticket a receipt in lieu of bail which, when signed by the defendant, shall be a guarantee by the defendant to appear in the court having jurisdiction over the matter. The uniform ticket shall state that if the defendant fails to appear in court in response to the ticket, an arrest warrant may be issued. The uniform traffic ticket shall consist of four parts, on paper sensitized

so that copies may be made without the use of carbon paper, as follows:

(1) the complaint, with reverse side for officer's notes for testifying in court, driver's past record, and court's action, printed on white paper;

(2) the abstract of court record for the department of public safety, which shall be a copy of the complaint with the certificate of conviction on the reverse side, printed on yellow paper;

(3) the police record, which shall be a copy of the complaint and of the reverse side of copy (1), printed on pink paper;

(4) the summons, with, on the reverse side, such information as the court may wish to give concerning the traffic violations bureau, and a plea of guilty and waiver, printed on off-white tag stock.

Sec. 6. Minnesota Statutes 1986, section 169.99, subdivision 2, is amended to read:

Subd. 2. ~~The attorney general commissioner of public safety shall by rule promulgated in the manner provided by law prescribe the detailed form of the uniform traffic ticket, and shall revise the uniform ticket on such subsequent occasions as the attorney general deems necessary and proper to keep the uniform ticket in conformity with highway traffic rules. In the manner provided by law the attorney general shall give notice to all interested parties of a hearing to be held prior to the promulgation of the uniform traffic ticket or any changes therein. The uniform traffic ticket shall not be in mandatory use throughout the state until 18 months after the attorney general has first promulgated the uniform traffic ticket and the attorney general shall enforce the uniformity of the promulgated traffic ticket throughout the state and federal law. The rulemaking provisions of chapter 14 do not apply to this subdivision.~~

Sec. 7. Minnesota Statutes 1986, section 171.01, subdivision 13, is amended to read:

Subd. 13. [CONVICTION.] The term "conviction" means a final conviction either after trial or upon a plea of guilty; also a forfeiture of cash or collateral deposited to guarantee a defendant's appearance in court, which forfeiture has not been vacated, or a breach of a condition of release without bail, ~~including violation of a written promise to appear~~, is equivalent to a conviction.

Sec. 8. Minnesota Statutes 1986, section 171.08, is amended to read:

171.08 [LICENSEE TO HAVE LICENSE IN POSSESSION.]

Every licensee shall have the license in immediate possession at all times when operating a motor vehicle and shall display it upon demand of a peace officer, an authorized representative of the department, or an officer authorized by law to enforce the laws relating to the operation of motor vehicles on public streets and highways. Unless the person is the holder of a limited license issued under section 171.30, no person charged with violating the possession requirement shall be convicted if the person produces in court or the office of the arresting officer a driver's license previously issued to that person for the class of vehicle being driven which was valid at the time of arrest or satisfactory proof that at the time of the arrest the person was validly licensed for the class of vehicle being driven. The licensee shall also, upon request of any officer, write the licensee's name in the presence of the officer to determine the identity of the licensee.

Sec. 9. Minnesota Statutes 1986, section 171.22, is amended to read:

171.22 [UNLAWFUL ACTS.]

Subdivision 1. [ACTS.] It shall be unlawful for any person:

(1) to display, or cause or permit to be displayed, or have in possession, any canceled, revoked, suspended, fictitious, or fraudulently altered driver's license; ~~or~~

(2) to lend the person's driver's license to any other person or knowingly permit the use thereof by another; ~~or~~

(3) to display or represent as one's own any driver's license not issued to that person; ~~or~~

(4) to fail or refuse to surrender to the department, upon its lawful demand, any driver's license which has been suspended, revoked, or canceled; ~~or~~

(5) to use a ~~false~~ ~~or~~ fictitious name or date of birth to any police officer or in any application for a driver's license, or to knowingly make a false statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any such application; ~~or~~

(6) to alter any driver's license, or to counterfeit or make any fictitious license; ~~or~~

(7) to take any part of the driver's license examination for another or to permit another to take the examination for that person; or

(8) to use the name of another person to any police officer for the purpose of falsely identifying oneself to the police officer.

Subd. 2. [PENALTIES.] Any person who violates subdivision 1, clause (8), is guilty of a gross misdemeanor. Any person who violates any other provision of subdivision 1 is guilty of a misdemeanor.

Sec. 10. [EFFECTIVE DATE.]

Section 9 is effective August 1, 1988, and applies to crimes committed on or after that date. Sections 1 to 8 are effective August 1, 1988."

Delete the title and insert:

"A bill for an act relating to traffic regulation; requiring courts to forward chemical dependency assessment charges to the commissioner of finance within 60 days of sentencing; removing obsolete language from the traffic law and the uniform traffic ticket; changing the manner in which the uniform traffic ticket is revised; requiring limited licenseholders to possess the limited license at all times when operating a motor vehicle; increasing penalties for using a false identity to a police officer or in a driver's license application; amending Minnesota Statutes 1986, sections 169.91, subdivisions 1 and 3; 169.92; 169.99, subdivisions 1 and 2; 171.01, subdivision 13; 171.08; and 171.22; and Minnesota Statutes 1987 Supplement, section 169.121, subdivision 5a."

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. 1469, A bill for an act relating to traffic regulations; providing for restrictions on vehicles transporting firewood on highways; amending Minnesota Statutes 1986, section 169.81, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 169.80, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] It is a misdemeanor for a person to drive or move, or for the owner to cause or knowingly permit to be driven or moved, on a highway a vehicle or vehicles of a size or weight exceeding the limitations stated in sections 169.80 to 169.88, or otherwise in violation of sections 169.80 to 169.88, other than

section 169.81, subdivision 5a, and the maximum size and weight of vehicles as prescribed in sections 169.80 to 169.88 shall be lawful throughout this state, and local authorities shall have no power or authority to alter these limitations except as express authority may be granted in sections 169.80 to 169.88.

When all the axles of a vehicle or combination of vehicles are weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight of the vehicle or combination of vehicles so weighed.

When each of the axles of any group that contains two or more consecutive axles of a vehicle or combination of vehicles have been weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight on the group of axles so weighed.

When, in any group of three or more consecutive axles of a vehicle or combination of vehicles any axles have been weighed separately and two or more axles consecutive to each other in the group have been weighed together, the sum of the weights of the axles weighed separately and the axles weighed together shall be evidence of the total gross weight of the group of axles so weighed.

The provisions of sections 169.80 to 169.88 governing size, weight, and load shall not apply to fire apparatus, or to implements of husbandry temporarily moved upon a highway, or to loads of loose hay or corn stalks if transported by a horse-drawn vehicle or drawn by a farm tractor, or to a vehicle operated under the terms of a special permit issued as provided by law. For purposes of sections 169.80 to 169.88, a specialized vehicle resembling a low-slung two-wheel trailer having a short bed or platform shall be deemed to be an implement of husbandry when the vehicle is used exclusively to transport implements of husbandry; and the term "temporarily moved upon a highway" shall mean a movement not to exceed 50 miles.

In addition to any other special permits authorized, an annual permit may be issued authorizing movements on interstate highways and movements exceeding 50 miles on noninterstate highways of oversize vehicles and loads when the vehicles or combination of vehicles are used exclusively to transport implements of husbandry. Annual permits are issued in accordance with the applicable provisions of section 169.86, except that the transporting vehicle or combination of vehicles may be moved at the discretion of the permittee without prior route approval from the permit issuing office of the department of transportation if:

(a) The overall width of the transporting vehicle, including load, does not exceed 14 feet;

(b) The transporting vehicle otherwise complies with equipment requirements and length, height and weight limitations prescribed by this chapter;

(c) The movement is made after the hour of sunrise and not later than 30 minutes after sunset;

(d) The movement is not made when visibility is impaired by weather, fog or other conditions rendering persons and vehicles not clearly visible at a distance of 500 feet, or on Sundays after 12 o'clock noon, and holidays;

(e) The transporting vehicle shall display at the front and rear end of the load or vehicle a pair of flashing amber lights, as provided in section 169.59, subdivision 4, whenever the overall width of the vehicle exceeds ten feet, six inches; and

(f) The movement, if made on a trunk highway, is made on a trunk highway with a surfaced roadway width of not less than 24 feet.

The fee for an annual permit is \$24."

Page 1, line 20, delete everything after the period

Page 1, delete line 21

Renumber the section in sequence

Amend the title as follows:

Page 1, line 4, delete "section" and insert "sections 169.80, subdivision 1; and"

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. 1498, A bill for an act relating to health; providing for a Medicare enrollee's consumer bill of rights; providing for a reconsideration process if service is denied or limited; allowing for a determination of urgent need; proposing coding for new law in Minnesota Statutes, chapter 62D.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 62D.06, subdivision 1, is amended to read:

Subdivision 1. The governing body of any health maintenance organization which is a nonprofit corporation may include enrollees, providers, or other individuals; provided, however, that after a health maintenance organization which is a nonprofit corporation has been authorized under sections 62D.01 to 62D.29 for one year, and by January 1, 1990, at least 40 51 percent of the governing body shall be composed of consumers elected by the enrollees from among the enrollees.

After a health maintenance organization which is a local governmental unit has been authorized under sections 62D.01 to 62D.29 for one year, an enrollee advisory body shall be established. The enrollees who make up this advisory body shall be elected by the enrollees from among the enrollees.

Sec. 2. Minnesota Statutes 1986, section 62D.07, subdivision 3, is amended to read:

Subd. 3. ~~An evidence~~ Contracts and evidences of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature and requirements for referrals, prior authorizations, and second opinions;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom grievances may be registered.

(c) On the cover page of the evidence of coverage and contract, a clear and complete statement of enrollees' rights as consumers, including but not limited to a description of each of the following: The statement must be captioned "Important Consumer Information and Enrollee Bill of Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:

CONSUMER INFORMATION

(1) COVERED SERVICES: Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.

(2) PROVIDERS: Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of the health maintenance organization) providers.

(3) REFERRALS: Certain services which are covered are available only by referral. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name of health maintenance organization). Your contract explains referral procedures.

(4) EMERGENCY SERVICES: Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

(5) EXCLUSIONS: Certain services or medical supplies are not covered. You should read the contract for a detailed explanation of all exclusions.

(6) CONTINUATION: You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) CANCELLATION: Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

ENROLLEE BILL OF RIGHTS

(1) based upon the delivery system of each health maintenance organization, a statement which describes any type of health care professional as defined in section 145.61, whose services may be available only by referral of the health maintenance organization's participating staff;

(2) Enrollees have the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in a manner which assures continuity and, when medically necessary, the right to including emergency services available 24-hours a day and seven days a week;

(3) (2) Enrollees have the consumer's right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(4) (3) Enrollees have the right to refuse treatment; and

(5) the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(6) (4) Enrollees have the right to file a grievance with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers;

(7) the right to initiate a legal proceeding when dissatisfied with the health maintenance organization's final determination regarding a grievance;

(8) the right of the enrollee and dependents to continue group coverage in the event the enrollee is terminated or laid off from employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;

(9) the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals, and the right to choose from among remaining participating primary care professionals;

(10) the right to cancel an individual health maintenance contract within ten days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days; and

(11) (5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force;

(6) Medicare enrollees have the right to voluntarily disenroll from the health maintenance organization and the right not to be requested or encouraged to disenroll except in circumstances specified in federal law; and

(7) Medicare enrollees have the right to a clear description of nursing home and home care benefits covered by the health maintenance organization.

Sec. 3. Minnesota Statutes 1986, section 62D.09, subdivision 1, is amended to read:

Subdivision 1. (a) Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of consumer rights as described in section 62D.07 2, subdivision 3, paragraph paragraphs (b) and (c). Prior to any oral marketing presentation, the agent marketing the plan must inform the potential enrollees that any complaints concerning the material presented should be directed to the health maintenance organization, the commissioner of health, or, if applicable, the employer.

(b) Detailed marketing materials must affirmatively disclose all exclusions and limitations in the organization's services or kinds of services offered to the contracting party, including but not limited to the following types of exclusions and limitations:

(1) health care services not provided;

(2) health care services requiring copayments or deductibles paid by enrollees;

(3) the fact that access to health care services does not guarantee access to a particular provider type; and

(4) health care services that are or may be provided only by referral of a physician.

(c) No marketing materials may lead consumers to believe that all health care needs will be covered. All marketing materials must alert consumers to possible uncovered expenses with the following language in bold print: "THIS HEALTH CARE PLAN MAY NOT COVER ALL YOUR HEALTH CARE EXPENSES; READ YOUR CONTRACT CAREFULLY TO DETERMINE WHICH EXPENSES ARE COVERED." Immediately following the disclosure required under paragraph (b), clause (3), consumers must be given a telephone number to use to contact the health maintenance organization for specific information about access to provider types.

(d) The disclosures required in paragraph (b) are not required on billboards or image, and name identification advertisement.

Sec. 4. Minnesota Statutes 1986, section 62D.09, is amended by adding a subdivision to read:

Subd. 4. Every health maintenance organization shall provide the information described in section 2, subdivision 3, paragraphs (b) and (c), to enrollees or their representatives on request, within a reasonable time. Information on how to obtain referrals, prior authorization, or second opinion shall be given to the enrollee or an enrollee's representative in person or by telephone within one business day following the day the health maintenance organization or its representative receives the request for information.

Sec. 5. Minnesota Statutes 1986, section 62D.09, is amended by adding a subdivision to read:

Subd. 5. Each health maintenance organization shall issue a membership card to its enrollees. The membership card must:

(1) identify the health maintenance organization;

(2) include the name, address, and telephone number to call if the enroller has a complaint;

(3) include the telephone number to call or the instruction on how to receive authorization for emergency care; and

(4) include the telephone number to call to appeal to the commissioner of health.

Sec. 6. Minnesota Statutes 1986, section 62D.11, is amended by adding a subdivision to read:

Subd. 3. [DENIAL OF SERVICE.] Within a reasonable time after receiving an enrollee's written or oral communication to the health maintenance organization concerning a refusal of service or inadequacy of services, the health maintenance organization shall provide the enrollee with a written statement of the reason for the refusal of service, and a statement approved by the commissioner of health which explains the health maintenance organization complaint procedures, and in the case of Medicare enrollees, which also explains Medicare appeal procedures.

Sec. 7. Minnesota Statutes 1986, section 62D.11, is amended by adding a subdivision to read:

Subd. 4. [COVERAGE OF SERVICE.] A health maintenance organization may not deny or limit coverage of a service which the enrollee has already received:

(1) solely on the basis of lack of prior authorization or second opinion, to the extent that the service would otherwise have been covered under the member's contract by the health maintenance organization had prior authorization or second opinion been obtained; or

(2) from a nonparticipating provider, if (i) the service was ordered or recommended by a participating provider; (ii) the service would otherwise be covered, or was part of a discharge plan of a participating provider; and (iii) the enrollee was not given prior written notice stating that this service by a nonparticipating provider would not be covered, and listing the participating providers of this service available in the enrollee's area.

Sec. 8. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 7. [RETALIATORY ACTION PROHIBITED.] No health maintenance organization may take retaliatory action against a provider solely on the grounds that the provider disseminated information regarding coverage of benefits or benefit limitations of an enrollee's contract or interpreted provisions of the provider agreement that limit the prescribing, providing, or ordering of care.

Sec. 9. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 14. [PRIOR AUTHORIZATION AND APPROVAL.] Questions regarding prior authorization and approval are the responsibility of the provider, not the enrollee. Each health maintenance organization shall establish a telephone number, which need not be toll-free, that providers may call with questions about coverage, prior authorization, and approval of medical services. The telephone

number must be staffed by an employee of the health maintenance organization during normal working hours during the normal work week. After normal working hours, the telephone number must be equipped with an answering machine and recorded message to allow the caller an opportunity to leave a message. The health maintenance organization must respond to questions within 24 hours after they are received. At the request of a provider, the health maintenance organization shall provide a copy of the health maintenance contract for enrollees in the provider's service area.

Sec. 10. Minnesota Statutes 1986, section 62D.20, is amended to read:

62D.20 [RULES.]

Subdivision 1. [RULEMAKING.] The commissioner of health may, pursuant to chapter 14, promulgate such reasonable rules as are necessary or proper to carry out the provisions of sections 62D.01 to 62D.29. Included among such rules shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and reasonable exclusions therefrom. Nothing in such rules shall force or require a health maintenance organization to provide elective, induced abortions, except as medically necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician; the rules shall provide every health maintenance organization the option of excluding or including elective, induced abortions, except as medically necessary to prevent the death of the mother, as part of its comprehensive health maintenance services.

Subd. 2. [PRIOR AUTHORIZATION.] The commissioner shall adopt rules that address the issue of appropriate prior authorization requirements, considering consumer needs, administrative concerns, and the nature of the benefit.

Sec. 11. [QUALITY ASSURANCE.]

The commissioner of health shall prepare a report to the legislature before January 15, 1989, that describes the state's efforts to assess and to improve quality assurance standards of health maintenance organizations licensed under chapter 62D. The commissioner of human services shall contribute information and data from the state's programs to enroll medical assistance recipients in prepayment plans. The report shall provide recommendations for improvement of health maintenance organization quality assurance mechanisms and operating procedures to the legislature and the health maintenance organizations.

Sec. 12. [MANDATED BENEFITS.]

The commission on health plan regulatory reform, established by Laws 1987, chapter 370, shall address the issues related to mandated benefits. Consumer choice and access to the most appropriate and cost-effective health care providers must be investigated and considered in light of the structure of managed care plans that are being designed and offered currently. The commission shall consider the long-term savings associated with a broad choice of provider groups available to consumers.

Sec. 13. [EFFECTIVE DATES.]

Section 3, subdivision 1, paragraph (a) is effective August 1, 1988. Section 2 and the remaining provisions of section 3 are effective January 1, 1989. Section 8 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; setting forth requirements for statements of exclusions and limitations; requiring detailed statement when coverage is denied; clarifying statement of enrollee bill of rights; setting forth requirements for marketing materials; requiring membership card; requiring written denial of service; prohibiting denial of coverage in certain circumstances; prohibiting retaliatory action; specifying procedures for prior approval; requiring report; amending Minnesota Statutes 1986, sections 62D.06, subdivision 1; 62D.07, subdivision 3; 62D.09, subdivision 1, and by adding subdivisions; 62D.11, by adding subdivisions; 62D.12, by adding subdivisions; and 62D.20."

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. 1526, A bill for an act relating to transportation; motor carriers; requiring brakes for towed vehicles over 3,000 pounds; requiring brakes on all wheels of motor vehicles; amending Minnesota Statutes 1986, section 169.67, subdivisions 3 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 169.67, subdivision 3, is amended to read:

Subd. 3. [TRAILERS, SEMITRAILERS, TANK TRAILERS.] Every trailer, semitrailer, or other vehicle of a gross weight of 1,500 pounds or more, when drawn or pulled upon a highway, shall be equipped with brakes adequate to control the movement of and to stop and to hold such vehicle, and so designed as to be applied by the driver of a towing motor vehicle from its cab, except (a) trailers owned by farmers when transporting agricultural products produced on the owner's farm or supplies back to the farm of the owner of the trailer, (b) custom service vehicles drawn by motor vehicles equipped with brakes capable of stopping both vehicles within the distance required by law for vehicles with four-wheel brakes and contractors' custom service vehicles not exceeding 30,000 pounds gross weight and 45 miles per hour when drawn by a motor vehicle capable of stopping the combination within the performance standards of subdivision 5, (c) trailers or semitrailers when used by retail dealers delivering implements of husbandry, (d) motor vehicles drawn by motor vehicles equipped with brakes capable of stopping the combination of vehicles within the performance requirements of this section, (e) tank trailers not exceeding 8,500 pounds gross weight used solely for transporting liquid fertilizer or gaseous fertilizer under pressure, or distributor trailers not exceeding 8,500 pounds gross weight used solely for transporting and distributing dry fertilizer, when hauled by a truck capable of stopping with loaded trailer attached in the distance specified by subdivision 5 for vehicles equipped with four-wheel brakes, providing the gross weight of such trailer or semitrailer other than those described in clause (e) when drawn by a pleasure vehicle shall not exceed 3,000 pounds, or when drawn by a truck or tractor shall not exceed 6,000 pounds, and except disabled vehicles towed to a place of repair.

Sec. 2. Minnesota Statutes 1986, section 169.67, subdivision 4, is amended to read:

Subd. 4. [SERVICE BRAKES ON ALL WHEELS; EXCEPTIONS.] Every new motor vehicle, trailer, or semitrailer, sold in this state manufactured after June 30, 1988, and operated upon the highways shall be equipped with service brakes upon all wheels of every such vehicle, except mobile cranes not exceeding 45 miles per hour and capable of stopping within the performance standards of subdivision 5, and except that any motorcycle, any semitrailer of less than 1,500 pounds gross weight, a third wheel, of a swivel type, on a house trailer, a temporary auxiliary axle attached to a motor vehicle during the period of road restrictions for the purpose of relieving weight of another axle, when the temporary auxiliary axle and the axle to be relieved do not exceed the combined gross weight of 18,000 pounds, and the vehicle to which such temporary axle is attached meets the brake requirements of this section, need not be equipped with brakes; and except, further, that brakes are not required on the front wheels of vehicles manufactured before July 1, 1988, having three or more axles or upon more than one wheel of a motorcycle provided the brakes on the other wheels are adequate to

stop the vehicle in accordance with the braking performance requirements of subdivision 5.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to transportation; providing for brakes on motor vehicles manufactured after June 30, 1988; amending Minnesota Statutes 1986, section 169.67, subdivisions 3 and 4."

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. 1534, A bill for an act relating to education; changing licensing requirements for registered barbers and registered apprentice barbers; amending Minnesota Statutes 1986, sections 154.05; 154.07; 154.09; and 154.18.

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. 1586, 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.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1630, A bill for an act relating to child abuse; requiring a clergyman who knows or has reason to believe a child is being

abused to report the information to law enforcement authorities or the local welfare agency; amending Minnesota Statutes 1986, section 626.556, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 626.556, subdivision 3, is amended to read:

Subd. 3. [PERSONS MANDATED TO REPORT] (a)(1) A professional or the professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, or law enforcement; and (2) a professional who is a member of the clergy or other minister of any religion who knows or has reason to believe a child is being neglected or physically or sexually abused, or has been neglected or physically or sexually abused within the preceding three years, shall immediately report the information to the local welfare agency, police department, or the county sheriff. Provided, that a member of the clergy or other minister of any religion is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c). The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency orally and in writing. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency.

(b) Any person may voluntarily report to the local welfare agency, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency orally and in writing. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b.

(d) Any person mandated to report shall, upon request to the local welfare agency, receive a summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours."

Amend the title as follows:

Page 1, line 2, delete "clergyman" and insert "member of the clergy"

Page 1, line 6, delete "1986" and insert "1987 Supplement"

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. 1634, A bill for an act relating to child care; expanding eligibility for child care sliding fee program; providing for reimbursement of child care provider accreditation fees; creating an office of child care providers assistance in the department of human services; increasing the number of certain licensing inspections; requiring a study of day care funding sources; requiring a privately operated child care in capitol complex; establishing state policy for certain inspections; exempting construction materials and equipment from sales tax; creating a tuition tax credit; creating an employer tax credit for child care operations; establishing state grants to county government; appropriating money; amending Minnesota Statutes 1986, sections 16B.04, subdivision 2; 16B.39, by adding a subdivision; 245.783, by adding a subdivision; 245.884; 256.01, subdivision 2; 268.91, subdivision 4, and by adding a subdivision; 290.06, by adding subdivisions; and 297A.25, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245 and 256.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 16B.04, subdivision 2, is amended to read:

Subd. 2. [POWERS AND DUTIES, GENERAL.] Subject to other provisions of this chapter, the commissioner is authorized to:

(1) supervise, control, review, and approve all state contracts and purchasing;

(2) provide agencies with supplies and equipment and operate all central store or supply rooms serving more than one agency;

(3) approve all computer plans and contracts, and oversee the state's data processing system;

(4) investigate and study the management and organization of agencies, and reorganize them when necessary to ensure their effective and efficient operation;

(5) manage and control state property, real and personal;

(6) maintain and operate all state buildings including the state capitol building and grounds;

(7) supervise, control, review, and approve all capital improvements to state buildings and the capitol building and grounds;

(8) provide central duplicating, printing, and mail facilities;

(9) oversee publication of official documents and provide for their sale;

(10) manage and operate parking facilities for state employees and a central motor pool for travel on state business; and

(11) establish and administer a state building code; and

(12) provide rental space within the capitol complex for a private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter. The commissioner shall report back to the legislature by October 1, 1984, with the recommendation to implement the private day care operation.

Sec. 2. Minnesota Statutes 1986, section 16B.39, is amended by adding a subdivision to read:

Subd. 3. [DAY CARE FOR STATE EMPLOYEES.] The commissioner must provide rental space within the capitol complex for a

private day care center for children of state employees. The commissioner shall contract for services as provided in this chapter.

Sec. 3. Minnesota Statutes 1987 Supplement, section 245A.04, subdivision 4, is amended to read:

Subd. 4. [INSPECTIONS; WAIVER.] (a) Before issuing a license, the commissioner shall conduct an inspection of the program. The inspection must include but is not limited to:

- (1) an inspection of the physical plant;
- (2) an inspection of records and documents;
- (3) an evaluation of the program by consumers of the program; and
- (4) observation of the program in operation.

For the purposes of this subdivision, "consumer" means a person who receives the services of a licensed program, the person's legal guardian, or the parent or individual having legal custody of a child who receives the services of a licensed program.

(b) The evaluation required in paragraph (a), clause (3) or the observation in paragraph (a), clause (4) is not required prior to issuing a provisional license under subdivision 7. If the commissioner issues a provisional license under subdivision 7, these requirements must be completed within one year after the issuance of a provisional license. The observation in paragraph (a), clause (4) is not required if the commissioner determines that the observation would hinder the persons receiving services in benefiting from the program.

(c) The licensing authority must make one unannounced inspection of day care facilities licensed under this chapter each year they are licensed. If a violation is found during inspection or a complaint is filed against the operator, a second unannounced inspection may be made.

Sec. 4. Minnesota Statutes 1987 Supplement, section 245A.09, is amended by adding a subdivision to read:

Subd. 8. [ACCREDITATION OF DAY CARE PROGRAMS.] The commissioner shall encourage day care providers to participate in a nationally recognized accreditation system for early childhood programs. The commissioner shall allow a credit toward the license fees of licensed day care operators who obtain accreditation in an amount equal to the cost of the accreditation validation fee.

Sec. 5. [245A.17] [OFFICE OF CHILD CARE PROVIDERS ASSISTANCE.]

Subdivision 1. [CREATION.] An office of child care providers assistance is created within the department of human services.

Subd. 2. [DUTIES; REPORT.] The office shall provide and advertise the existence of a toll-free telephone number that child care service providers may use to contact the office. The commissioner shall, by the toll-free number, give to child care services providers free technical assistance in understanding licensing rules, information concerning the operation of child care services as a business, information on the training of providers, and accept suggestions and criticism concerning licensing, funding, training, or related issues.

The staff of the office shall present an annual report to the legislature on its duties, services, and the complaints received.

Sec. 6. Minnesota Statutes 1987 Supplement, section 256.01, subdivision 2, is amended to read:

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

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

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

(3) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

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

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

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

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

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

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

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

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

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed four years. It is further provided that no order establishing an

experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

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

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

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

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

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

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs. For the medical assistance and AFDC programs, disallowances shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for the AFDC and medical assistance programs. For the food stamp program, sanctions shall be shared by each county board, with 50 percent of the sanction being distributed to each county in the same proportion as that county's administrative costs for food stamps are to the total of all food stamp administrative costs for all counties, and 50 percent of the sanctions being distributed to each county in the same proportion as that county's value of food stamp benefits issued are to the total of all benefits issued for all counties. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

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

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

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

(16) Have the authority to make direct payments to facilities providing shelter to women and their children pursuant to section 256D.05, subdivision 3. Upon the written request of a shelter facility that has been denied payments under section 256.05, subdivision 3, the commissioner shall review all relevant evidence and make a determination within 30 days of the request for review regarding issuance of direct payments to the shelter facility. Failure to act within 30 days shall be considered a determination not to issue direct payments.

(17) Distribute grants to counties to be used to reduce the backlog in day care licensing applications.

Sec. 7. [RULES.]

The commissioner of human services may adopt emergency rules and shall adopt permanent rules to implement grants to counties under section 256.01, subdivision 2, paragraph (17), to be used to reduce the backlog in day care licensing applications.

Sec. 8. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 4, is amended to read:

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

(1) receive aid to families with dependent children;

(2) have household income below the eligibility levels for aid to families with dependent children 125 percent of the federal poverty level or who meet the requirements of paragraph (b), clause (2); or

(3) have household income within a the range established by the commissioner in paragraph (c).

(b) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Child care services to the following families must be made available without cost to the families:

(1) families whose incomes are below the threshold of eligibility for aid to families with dependent children 125 percent of the federal poverty level, but that are not receiving aid to families with dependent children; must be made available without cost to the families; and

(2) families headed by a parent under age 21 who is completing requirements for a high school diploma or equivalency degree whose family income is less than 270 percent of the federal poverty level without regard to the income of the parents or siblings of the minor parent.

(c) Child care services to families with incomes in the commissioner's established range between 125 percent and 270 percent of the federal poverty level, except families described in paragraph (b), clause (2), must be made available on a sliding fee basis. The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size.

(d) If a disproportionate amount of the available money is provided to any one of the groups described in subdivision 4, paragraph (a), the county board shall document to the commissioner the reason the group received a disproportionate share. If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize among the groups to be served. Counties shall assure that a person receiving child care assistance from the sliding fee program prior to July 1, 1987, continues to receive assistance, providing the person meets all other eligibility criteria. Set-aside money must be prioritized by the state, and counties do not have discretion over the use of this money.

Sec. 9. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 5a. [LOAN PROGRAM FOR CHILD CARE.] (a) A county board may establish a loan program to provide money for child care to a family whose income is above the range established by the commissioner for child care services on a sliding fee basis.

(b) The county board may establish criteria for eligibility for loans under this section and criteria for limiting the amounts of the loans and the period of time a loan may be available. The county board may determine the terms of the loan agreement. The county board that establishes a loan program under this section shall establish a repayment schedule that is based upon the family's income level at the end of the period of time for which the loan was granted.

(c) The county board shall administer the loan program from taxes levied by the county for community social services under section 256E.06, subdivision 5, and other taxes or fees levied by the county.

(d) Money that is repaid to the county for a loan under this section shall be placed in a fund established by the county for the loan program in this section.

Sec. 10. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 8, is amended to read:

Subd. 8. [CHILD CARE RATES.] The county board may limit the subsidy or loan allowed by setting a maximum on the provider child care rate that the county shall subsidize or finance through loans. The rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate for like care arrangements in that county. In order to be reimbursed for more than 110 percent of the median rate, a provider with employees must pay wages for teachers, assistants, and aides that are more than 110 percent of the county average rate for child care workers.

Sec. 11. Minnesota Statutes 1986, section 268.91, subdivision 10, is amended to read:

Subd. 10. [EXTENSION OF EMPLOYMENT OPPORTUNITIES.] The county board shall insure that child care services available to county residents are well advertised and that everyone who receives or applies for aid to families with dependent children is informed of training and employment opportunities and programs, including child care services. The county board shall ensure that a person who receives child care services on a sliding fee basis is informed of the availability of a loan for child care services under section 9 after the person's eligibility for the sliding fee services ends.

Sec. 12. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 12, is amended to read:

Subd. 12. [FAIR HEARING PROCESS.] (a) Applicants and recipients have the option to request the county to conduct a conciliation conference to attempt to resolve complaints arising from any of the following actions:

- (1) a determination of ineligibility for child care assistance;
- (2) unauthorized termination of child care assistance;
- (3) determination of the factors considered in setting the family fee; and
- (4) income redetermination resulting in change of a family fee; and
- (5) denial of an application for a loan under section 9 or termination of a loan agreement under section 9.

(b) The county shall notify the applicant or the recipient, in writing, of any adverse action. The determination described in paragraph (a), clauses (1) and (3), must include written notice of the applicant's or recipient's right to the election described in paragraph (c), where and how to request the election, the time limit within which to make the request, and the reasons for the determination. Notice of the proposed actions described in paragraph (a), clauses (2) and (4), must be mailed to the applicant or recipient at least 15 calendar days before the effective date of the action. The notice must clearly state what action the county proposes to take, the effective date of the proposed action, the reasons for the proposed action, the necessary corrective measures, the option to request either a conciliation conference or an administrative hearing, where and how to make the request, the time limits within which a request must be made, and the consequence of the action.

(c) An applicant or recipient who receives a determination or notice of proposed action under paragraph (b) must mail or deliver either a written notice of request for a conciliation conference to the administering agency or a written notice of request for the hearing specified under paragraph (e) to the administering agency on or before the effective date of the proposed action or the date specified in the notice, or the action will be final.

(d) The county shall provide a conciliation conference within 30 days of receipt of a written request.

The county shall give the applicant or recipient ten calendar days' notice of the conference date. The applicant or recipient and the county's representative have the right to appear, to bring witnesses, and to submit documentation. The written request and the resolution, if any, of the conference shall be maintained as part of the official record. The county's representative shall issue a written resolution only if mutual agreement is reached between the county's representative and the applicant or recipient. The resolution must be signed by both parties and issued the same day as the conciliation conference is held. Participating in a conciliation conference or

signing a resolution does not constitute a waiver of the right to an administrative hearing.

An applicant or recipient may, within 15 calendar days of the conference, mail or deliver a written request to the administering agency for an administrative hearing. Unless an appeal is requested, a determination, proposed action, or resolution of a conciliation conference will be final after the 15-day period has passed.

(e) A fair hearing shall be conducted in the manner prescribed by section 268.10, subdivision 3. A right to review will be provided in accordance with section 268.10, subdivision 5. The proposed action will not take effect until the appeal is decided by the administrative hearing process.

Sec. 13. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 13. [RULES.] The commissioner of human services may adopt emergency rules and shall adopt permanent rules to implement the sliding fee scale program in subdivision 4.

Sec. 14. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 22. [CONTINUING EDUCATION FOR DAY CARE PROVIDERS.] A credit may be taken against the tax due under this chapter equal to 25 percent of the cost incurred by a taxpayer for tuition and required fees, books, and supplies for a course of study to improve skills as a day care operator. The credit provided in this subdivision is available to an employee of a child day care or residential facility that is licensed under chapter 245A or to an owner or operator of a facility who pays for courses taken by persons employed at the facility. The credit is available for classes in subject areas approved by the commissioner of human services in agency rules. To be certified, a course must provide information or training that is directly related to knowledge and skills necessary to provide day care services.

Sec. 15. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 23. [EMPLOYERS' DAY CARE FACILITIES.] A taxpayer may take a credit against the tax due under this chapter equal to 50 percent of amounts paid by the taxpayer for qualified employer day care facility costs during the first taxable year. The credit shall be reduced in the following tax years to 40 percent in the second year; 30 percent in the third year; 20 percent in the fourth year; and ten percent in the fifth year. For purposes of this subdivision, "qualified

employer day care facility costs" means the following expenditures made in connection with an employer-provided day care facility:

(1) the cost of construction, renovation, or remodeling of the facility;

(2) the cost of furniture, equipment, materials, and supplies used to provide day care services at the facility; and

(3) amounts expended for salaries paid and benefits provided to employees whose primary function is providing day care services at the facility.

For purposes of this subdivision, "employer-provided day care facility" means a child day care facility that:

(1) is licensed under chapter 245A;

(2) is located either at the site of the employer's business operation or within two miles of that site; and

(3) is owned by the employer or receives over 75 percent of its annual gross revenues as payments from the employer. A taxpayer may take the credit provided under this subdivision for no more than five taxable years.

Sec. 16. Minnesota Statutes 1986, section 290.06, is amended by adding a subdivision to read:

Subd. 24. [EMPLOYER'S DAY CARE SUBSIDY.] A taxpayer may take a credit against the tax due under this chapter equal to 50 percent of amounts paid by the taxpayer for direct subsidy of individual employees' costs for day care at a home or facility licensed under chapter 245A during the taxable year. The credit shall be reduced in the following tax years to 40 percent in the second year; 30 percent in the third year; 20 percent in the fourth year; and ten percent in the fifth year. A taxpayer may take a credit under this subdivision for no more than five taxable years.

Sec. 17. Minnesota Statutes 1986, section 297A.25, is amended by adding a subdivision to read:

Subd. 37. [DAY CARE CENTER MATERIALS AND EQUIPMENT.] (a) The gross receipts from the sale or use of all materials and supplies or equipment used or consumed in constructing or incorporated into the construction of a child day care facility licensed under chapter 245A, are exempt, as are other educational facilities. In the case of a day care facility that is located in a private residence, the exemption shall apply to materials, supplies, and equipment purchased for construction of improvements to the resi-

dence that are required to meet the state day care facility licensing standards and are used exclusively for the purpose of providing day care services.

(b) The gross receipts from the sale or use of all materials or supplies used or consumed in the process of providing child day care services licensed under chapter 245A are exempt.

Sec. 18. [STUDY OF FUNDING SOURCES.]

The commissioner of human services, in conjunction with the council on children, youth, and families, shall study the existing public and private funding sources for child care services licensed under chapter 245A including the AFDC special needs program, the sliding fee child care program, the maternal and child nutrition program, county funding, Title XX funding, and private foundation, corporate, community social services act, or nonprofit funding to child care services providers and parents.

The study shall determine if:

(1) individual funding sources meet existing needs and at what level each source is funded;

(2) the need for subsidized child care services for low-income parents is being met;

(3) present funding mechanisms are efficient or can be made more efficient;

(4) there are alternative or better ways to encourage private funding for child care services;

(5) the funding level has an impact on availability of day care facilities; and

(6) day care reimbursement rates are meeting actual costs for quality child care.

The commissioner shall report the results of the study, together with any proposed legislation to implement study recommendations, to the legislature by January 1, 1989.

Sec. 19. [APPROPRIATIONS; EFFECT ON REVENUE AND COLLECTIONS.]

Subdivision 1. [APPROPRIATIONS.] (a) \$100,000 is appropriated from the general fund to the commissioner of human services to provide grants to counties under sections 6 and 7 to reduce the

backlog of day care licensing applications, to be available until June 30, 1989.

(b) \$716,551 is appropriated from the general fund to the commissioner of human services for the child care sliding fee program established in Minnesota Statutes, section 268.91, to be available until June 30, 1989.

(c) \$112,500 is appropriated from the general fund to the commissioner of human services for the office of child care providers assistance established in section 5, to be available until June 30, 1989. The staff complement of the department of human services is increased by three full-time equivalent positions.

Subd. 2. [EFFECT ON REVENUE AND COLLECTIONS.] (a) \$17,500 is the projected annual reduction in the amounts collected through licensing fees under Minnesota Statutes, chapter 245A, the human services licensing act, as a result of section 4.

(b) \$344,509 is the annual decrease in income tax revenues that is projected to result from the day care continuing education tax credit established in section 14.

(c) The income tax credits established in section 15, for employer-operated day care facilities, and section 16, for employee day care subsidies, are not projected to result in a decrease in income tax revenues.

(d) \$308,940 is the annual decrease in sales tax revenues that is projected to result from the exemptions established in section 17 for day care materials, supplies, and equipment.

Sec. 20. [EFFECTIVE DATE.]

Sections 1, 2, 3, and 18 are effective August 1, 1988. Sections 4, 5, 6, 7, 13, and 19 are effective July 1, 1988. Section 8 is effective January 1, 1989. Sections 14, 15, 16, and 17 are effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to child care; expanding eligibility for child care sliding fee program; providing for reimbursement of child care provider accreditation fees; creating an office of child care providers assistance in the department of human services; increasing the number of certain licensing inspections; authorizing county boards to establish loan programs for child care; requiring a study of day care funding sources; requiring a privately operated child care center in capitol complex; exempting construction materials and

equipment from sales tax; creating a tuition tax credit; creating an employer tax credit for child care operations; establishing state grants to county government; appropriating money; amending Minnesota Statutes 1986, sections 16B.04, subdivision 2; 16B.39, by adding a subdivision; 268.91, subdivision 10, and by adding subdivisions; 290.06, by adding subdivisions; and 297A.25, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 245A.04, subdivision 4; 245A.09, by adding a subdivision; 256.01, subdivision 2; and 268.91, subdivisions 4, 8, and 12; proposing coding for new law in Minnesota Statutes, chapter 245A."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1658, A bill for an act relating to marriage dissolution; providing for shared care of minor children; changing certain support and maintenance provisions; amending Minnesota Statutes 1986, sections 518.003, subdivision 3; 518.005, subdivision 2; 518.03; 518.10; 518.131, subdivisions 1, 2, 3, 6, and 7; 518.155; 518.156; 518.165, subdivisions 1 and 2; 518.166; 518.167, subdivisions 1 and 2; 518.168; 518.17, subdivisions 1, 3, and by adding a subdivision; 518.171, subdivision 6; 518.175; 518.176; 518.177; 518.18; 518.185; 518.55, subdivision 1, and by adding a subdivision; 518.551, subdivisions 5 and 6; 518.552, subdivisions 1, 2, and by adding a subdivision; 518.612; 518.619, subdivisions 1, 3, and 4; 518.62; 518.63; and 518.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1986, sections 518.17, subdivisions 2 and 6; and 518.552, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the

marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support agreement of the parties if each party is represented by independent counsel, unless the agreement is not in the interest of justice. In other cases the court shall order child support in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom.

The court shall multiply the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$4001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of \$4000.

Net Income defined as:

Total monthly
income less

- *(i) Federal Income Tax
- *(ii) State Income Tax
- (iii) Social Security Deductions
- (iv) Reasonable Pension Deductions

*Standard
Deductions apply-
use of tax tables
recommended

- (v) Union Dues
- (vi) Cost of Dependent
Insurance Coverage

- (vii) Cost of Individual or Group Health/Hospitalization Coverage or an Amount for Actual Medical Expenses
- (viii) A Child Support or Maintenance Order that is Currently Being Paid.

"Net income" does not include the income of the obligor's spouse.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, debts to a unit of government, including tax liabilities, and resources of the parents, including real and personal property;

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved but recognizing that the parents now have separate households;

(4) the amount of the aid to families with dependent children grant for the child or children; and

(5) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and

(6) the parents' debts as provided in paragraph (c).

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent, or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the either party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing

goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

Any further ~~departure below the guidelines decrease in child support~~ that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(d) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(e) The above guidelines are binding in each case unless the court makes express findings of fact as to the reason for departure below or above the guidelines.

Sec. 2. Minnesota Statutes 1986, section 518.552, is amended to read:

518.552 [MAINTENANCE.]

Subdivision 1. In a proceeding for dissolution of marriage or legal separation, or in a proceeding for maintenance following dissolution of the marriage by a court which lacked personal jurisdiction over the absent spouse and which has since acquired jurisdiction, the court may grant a maintenance order for either spouse if it finds that the spouse seeking maintenance:

(a) lacks sufficient property, including marital property apportioned to the spouse, to provide for reasonable needs of the spouse considering the duration of the marriage and the standard of living established during the marriage, especially, but not limited to, a period of training or education, or

(b) is unable to provide adequate self-support, after considering the duration of the marriage and the standard of living established during the marriage and all relevant circumstances, through appropriate employment, or is the custodian of a child whose condition or

circumstances make it appropriate that the custodian not be required to seek employment outside the home.

Subd. 2. The maintenance order shall be in amounts and for periods of time, either temporary or permanent, as the court deems just, without regard to marital misconduct, and after considering all relevant factors, including the following:

(a) the financial resources of the party seeking maintenance, including marital property apportioned to the party, and the party's ability to meet needs independently, including the extent to which a provision for support of a child living with the party includes a sum for that party as custodian;

(b) the time necessary to acquire sufficient education or training to enable the party seeking maintenance to find appropriate employment, and the probability, given the party's age and skills, of completing education or training and becoming fully or partially self-supporting;

(c) the standard of living established during the marriage;

(d) the duration of the marriage and, in the case of a homemaker, the length of absence from employment and the extent to which any education, skills, or experience have become outmoded and earning capacity has become permanently diminished;

(e) the loss of earnings, seniority, retirement benefits, and other employment opportunities forgone by the spouse seeking spousal maintenance;

(f) the age, and the physical and emotional condition of the spouse seeking maintenance;

(g) the ability of the spouse from whom maintenance is sought to meet needs while meeting those of the spouse seeking maintenance; and

(h) the contribution of each party in the acquisition, preservation, depreciation, or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker or in furtherance of the other party's employment or business; and

(i) in the case of awards for temporary maintenance only, the affirmative obligation of the party seeking maintenance to seek employment, consistent with the recipient's abilities, unless precluded by age or physical or emotional incapacity.

Subd. 3. Nothing in this section shall be construed to favor a

temporary award of maintenance over a permanent award, where the factors under subdivision 2 justify a permanent award.

Where there is some uncertainty as to the necessity of a permanent award, the court shall order a permanent award leaving its order open for later modification.

Sec. 3. Minnesota Statutes 1987 Supplement, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] The terms of a decree respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost-of-living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair. On a motion for modification of maintenance, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court shall take into consideration the needs of the children and shall not consider the financial circumstances of each party's spouse, if any. A modification which decreases support or maintenance may be made retroactive only ~~with respect to any period during which the support obligor has pending a motion for modification but only from the date that notice of the motion has been given to the obligee and to the court or other entity which issued each support order upon a showing that any failure to pay in accord with the terms of the original order was for reasons beyond the obligor's control.~~ A modification which increases support or maintenance shall not be made retroactive if the obligor has substantially complied with the previous order. Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Sec. 4. [EFFECTIVE DATE; APPLICATION.]

Sections 1 and 2 are effective August 1, 1988. Section 3 is effective on the date a waiver is obtained under United States Code, title 42, section 666(a) or on the date it is determined that such a waiver is not necessary, whichever is earlier. The commissioner of human services shall request a waiver promptly after enactment of sections 1 to 3.

Delete the title and insert:

"A bill for an act relating to marriage dissolution; changing certain support and maintenance provisions; amending Minnesota Statutes 1986, sections 518.551, subdivision 5; 518.552; Minnesota Statutes 1987 Supplement, section 518.64, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 1674, A bill for an act relating to education; allowing school districts to require chemical dependency assessments of suspended pupils as a part of a readmission plan; amending Minnesota Statutes 1986, section 127.30, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 13, after "dependency" insert "by a community-based professional skilled in chemical dependency assessment and treatment"

Page 1, line 15, after the period insert "The professional must inform the school district that contact has occurred between the suspended student and the professional if required by the readmission plan, but the professional must keep completely confidential any information related to any assessment or treatment provided to the suspended student."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1701, A bill for an act relating to family law; making surrogate mother agreements void and unenforceable; prohibiting advertisements for surrogate mothers; prohibiting the arranging of surrogate mother agreements; proposing coding for new law in Minnesota Statutes, chapters 257 and 259.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [257.50] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] As used in sections 1 to 4, the following terms have the meanings given in this section.

Subd. 2. [SURROGATE MOTHER AGREEMENT.] "Surrogate mother agreement" is an agreement, contract, or arrangement whereby a woman consents to be naturally or artificially inseminated with the sperm of a man who is not her husband and voluntarily terminate her parental rights to any child conceived and born as a result of the insemination, leaving the father as the child's only legal parent.

Subd. 3. [SURROGATE MOTHER.] "Surrogate mother" is a woman who is a party to a surrogate mother agreement.

Subd. 4. [FATHER.] "Father" is a man whose sperm is used under a surrogate mother agreement to attempt to impregnate a woman who is not his wife.

Subd. 5. [COMPENSATION.] "Compensation" is any payment except payment or reimbursement of the actual medical expenses incurred in connection with prenatal care or childbirth for a surrogate mother.

Sec. 2. [257.501] [AGREEMENT VOID.]

A surrogate mother agreement is void and unenforceable as contrary to the public policy of this state. If a child is born to a woman who has attempted to enter a surrogate mother agreement, any matters relating to determination of the child's parentage, custody, visitation, or support shall be governed by sections 257.51 to 257.74.

Sec. 3. [257.502] [ADVERTISING PROHIBITED; INJUNCTION.]

It is unlawful for any person in this state to post, issue, or circulate in this state, or cause any publisher or broadcaster to publish, post, issue, circulate, or broadcast in this state, an advertisement seeking a woman to act as a surrogate mother for compensation in this state. It is unlawful for any nonresident individual or foreign corporation to post, issue, or circulate in this state or cause any publisher or broadcaster to publish, post, issue, circulate, or broadcast in this state an advertisement seeking a woman to act as a surrogate mother for compensation, unless the advertisement contains notice that surrogate mother agreements are void in this state. The attorney general or county attorney shall seek an injunction against the person who causes a publisher or broadcaster or an employee of a publisher or broadcaster to publish, post, issue, circulate, or broadcast any advertisement that is unlawful under

this section. The attorney general or county attorney may receive court costs and attorney fees.

Sec. 4. [257.503] [ARRANGING AGREEMENT PROHIBITED.]

It is unlawful for a person, other than a father, the father's wife, or a surrogate mother, knowingly to induce, arrange, or procure the formation of a surrogate mother agreement. Whoever violates this section shall pay a civil penalty in an amount not greater than \$10,000. The attorney general or county attorney shall bring a civil action in district court to enforce this section and may receive court costs and attorney fees.

Sec. 5. [259.251] [COMPENSATION FOR RELINQUISHING CHILD; PENALTY.]

Subdivision 1. [RECEIVING FEE.] A parent who knowingly receives compensation for:

- (1) consenting to the adoption of the parent's child;
- (2) authorizing the placement of the parent's child for adoption; or
- (3) voluntarily terminating parental rights to a child

is guilty of a gross misdemeanor.

Subd. 2. [PAYING A FEE.] Whoever knowingly pays a parent compensation for:

- (1) consenting to the adoption of the parent's child;
- (2) authorizing the placement of the parent's child for adoption; or
- (3) voluntarily terminating parental rights to a child

is guilty of a gross misdemeanor.

Subd. 3. [COMPENSATION DEFINED.] For the purposes of this section, "compensation" means any payment except payment or reimbursement of the actual medical expenses incurred in connection with prenatal care or childbirth for a surrogate mother.

Subd. 4. [SURROGATE MOTHER AGREEMENT DEFINED.] For purposes of this section, "surrogate mother agreement" is an agreement, contract, or arrangement whereby a woman consents to be naturally or artificially inseminated with the sperm of a man who is not her husband and voluntarily terminate her parental rights to

any child conceived and born as a result of the insemination, leaving the father as the child's only legal parent."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1702, A bill for an act relating to driving while intoxicated; authorizing judges to order convicted DWI offenders to install an approved ignition interlock device as a condition of operating a motor vehicle; authorizing the department of public safety to require installation of an ignition interlock device as a condition of a limited license; requiring the department of public safety to certify interlock devices; providing penalties for misuse or tampering, and for failure to use the device; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the following amendments:

Page 1, line 20, delete "blood" and delete "0.02" and insert "0.03"

Page 2, line 35, delete line 35 and insert:

"Subd. 4. [PAYMENT FOR INSTALLATION.] If a court or the commissioner orders the"

Page 2, line 36, before "shall" insert ", the court or commissioner"

Page 3, line 2, delete "may" and insert "or the commissioner must"

Page 3, line 18, after the period insert: "These guidelines shall include, but need not be limited to, requirements that the devices (1) meet the accuracy requirements of the department, (2) do not impede the safe operation of the vehicle, (3) resist tampering and give evidence if tampering is attempted, and (4) operate reliably over the range of automobile environments. The department may, consistent with its guidelines, adopt in whole or relevant part the guidelines, rules, studies, or independent laboratory tests adopted or relied on by other states or other state agencies for the certification or approval of ignition interlock devices."

Page 3, line 21, delete everything after the period

Page 3, delete lines 22 and 23

Page 3, line 24, delete everything before "The"

Page 5, after line 4, insert:

"Sec. 2. [STUDY REQUIRED.]

The department of public safety shall monitor and study the use of ignition interlock devices in other states, and report to the legislature by January 1, 1989, with its findings.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective June 1, 1989."

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. 1736, A bill for an act relating to advertising devices; providing for specific service signs relating to rural commercial businesses to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2, 10, and by adding a subdivision; and 160.293, subdivisions 1 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 160.292, subdivision 2, is amended to read:

Subd. 2. "Specific service sign" means a rectangular sign panel not greater than 1½ feet by six feet displaying the name of a rural agricultural business, motel, restaurant, resort, or recreational camping area business name and, where appropriate, the direction to and distance to the rural agricultural business, camping area, motel, restaurant, or resort.

Sec. 2. Minnesota Statutes 1986, section 160.292, subdivision 10, is amended to read:

Subd. 10. "Specific service" means restaurants and rural agricultural businesses, and motels, resorts, or recreational camping areas that provide sleeping accommodations for the recreational traveler traveling public.

Sec. 3. Minnesota Statutes 1986, section 160.293, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] Specific service signs are to be used to create and implement a system of signing for the purpose of displaying ~~motel, restaurant, resort and recreational camping area~~ specific service information to the traveling public on nonfreeway type trunk highways in rural areas.

Sec. 4. Minnesota Statutes 1986, section 160.293, subdivision 3, is amended to read:

Subd. 3. [NUMBER OF TRUNK HIGHWAY INTERSECTIONS.] A specific service sign for a rural agricultural business, restaurant, motel, resort or recreational camping area is limited to one intersection on the trunk highway system.

Sec. 5. Minnesota Statutes 1986, section 160.295, is amended by adding a subdivision to read:

Subd. 5. [RURAL AGRICULTURAL BUSINESS.] A rural agricultural business must be open a minimum of eight hours per day, six days per week, and 12 months per year. However, seasonal activities may qualify if they are open eight hours per day and six days per week during the normal seasonal period.

Delete the title and insert:

"A bill for an act relating to advertising devices; providing for specific service signs relating to rural agricultural businesses to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2 and 10; 160.293, subdivisions 1 and 3; and 160.295, by adding a subdivision."

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. 1745, A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes; permitting the county to make a negotiated land sale.

Reported the same back with the following amendments:

Page 3, after line 25, insert:

"Sec. 3. Minnesota Statutes 1986, section 383A.281, subdivision 13, is amended to read:

Subd. 13. [COUNTY PERSONNEL SYSTEM.] "County personnel system" means all employees in the departments or agencies of county government or joint city and county agencies which receive their funding in whole or in part from the county board, including employees of:

- (a) elected officials;
- (b) ~~the Saint Paul Ramsey medical center commission~~; and
- (c) (b) the court administrator of district court; but not including:
 - (1) district and municipal court judges;
 - (2) court reporters, law clerks, referees employed by the district and municipal courts, employees of the municipal court, and the second judicial district administrator's office;
 - (3) court commissioners;
 - (4) the public defender;
 - (5) employees of the examiner of titles, agricultural extension service, humane society, historical society, and soil and water conservation district; and
 - (6) other employees not subject to a county personnel system because of state law.

Sec. 4. Minnesota Statutes 1986, section 383A.286, subdivision 2, is amended to read:

Subd. 2. [UNCLASSIFIED POSITIONS.] The following positions shall be in the unclassified service:

- (a) positions held by elected officials or persons appointed to fill an elected office;
- (b) one assistant for each elected official;
- (c) the director or principal administrative officer of a department of county government or agency created by law, except that the affirmative action officer, personnel director, internal auditor, and director of budgeting and accounting shall be positions in the classified service;
- (d) doctors, residents, and student nurses employed by the county or county agency;

(e) members of a board or commission appointed by the county, or the county and the city, and acting in an advisory capacity;

(f) weed inspectors, election judges, or election clerks;

(g) special police officers or special deputy sheriffs serving without pay;

(h) judges, court administrators, court reporters, receivers, referees, the examiner or assistant examiners of titles, public defenders, arbiters, jurors, court administrator of district court, or persons appointed by the district court to make or conduct a special inquiry of a judicial or temporary character;

(i) all positions in the municipal court of Ramsey county and the second judicial district administrator's office;

(j) the executive director and eight principal assistants;

(k) the chief executive officer of the medical center and seven principal assistants;

(l) interns, student workers, law clerks, or other employees employed for a limited duration as determined by the county board;

~~(m)~~ (l) positions designated by the county board as unclassified pursuant to subdivision 3;

~~(n)~~ (m) the sheriff, the sheriff's chief deputy, three principal assistants, and a personal secretary; and

~~(o)~~ (n) the county attorney, the county attorney's first assistant, one principal assistant, and a personal secretary.

Sec. 5. Minnesota Statutes 1987 Supplement, section 383A.554, is amended to read:

383A.554 [POWERS AND DUTIES.]

Before December 31, 1988 1989, the charter commission shall deliver to the board of county commissioners either (1) its report determining that the present form of county government is adequate for the county and that a charter is not necessary or desirable, or (2) a draft of a proposed charter. The report must be signed by a majority of the members of the charter commission. The proposed charter may provide for any form of government consistent with the constitution of the state of Minnesota. It may provide for the establishment and administration of all departments of a county government and for the regulation of all local county functions. It may abolish or consolidate any department or agency. The charter commission is

required to hold at least one public hearing in each of the county commissioner districts.

It shall provide for present functions to be assumed by new elective or appointive officers as shall be provided for in the charter and may provide for other powers consistent with other law. It shall provide methods of procedure in respect to the operation of the government created and the duties of all officers. It shall provide for a home rule charter commission consistent with article XII, section 5, of the constitution of the state of Minnesota and may provide for alternative methods for amending or abandoning the charter consistent with the constitution. The county may be authorized to acquire by gift, devise, purchase, or condemnation or sell or lease any property needed for the full discharge of its duties and powers. All special and general laws authorizing the county to incur indebtedness or issue bonds shall be subject to the charter, provided that the charter provisions are not in conflict with general laws relating to public indebtedness. The county shall continue to have all the powers granted by law.

Personnel matters relating to Ramsey county employees shall continue to be governed by Minnesota Statutes, sections 383A.281 to 383A.301 and Minnesota Statutes, sections 197.455 to 197.48. A charter proposed for adoption under sections 383A.551 to 383A.556 shall not apply to personnel matters."

Renumber the remaining section

Amend the title as follows:

Page 1, line 5, before the period insert "; removing references to personnel from the county personnel law; extending the time for the charter study commission; amending Minnesota Statutes 1986, sections 383A.281, subdivision 13; and 383A.286, subdivision 2; Minnesota Statutes 1987 Supplement, section 383A.554"

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. 1780, A bill for an act relating to public safety; creating the state advisory council of examiners for fire protection systems; requiring licenses and inspections by the department of labor and industry; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 326.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [326.83] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 13.

Subd. 2. [FIRE PROTECTION SYSTEM CONTRACTOR.] "Fire protection system contractor" means a person who contracts to sell, design, install, modify, alter, repair, maintain, or examine a fire protection system or its parts or related equipment.

Subd. 3. [FIRE PROTECTION SYSTEM.] "Fire protection system" means a sprinkler or standpipe and hose system for fire protection purposes only that is composed of an integrated system of underground and overhead piping. "Fire protection system" does not include the water service piping to a city water main or piping used for potable water purposes or piping used for heating or cooling purposes. Openings from potable water piping for fire protection systems must be made by persons properly licensed under section 326.40. Nothing in this subdivision is intended to conflict with the Minnesota state building code or the Minnesota uniform fire code.

Subd. 4. [JOURNEYMAN SPRINKLER FITTER.] "Journeyman sprinkler fitter" means a person who is certified as competent to engage in installing, connecting, altering, repairing, or adding to a fire protection system for and under the supervision of a fire protection system contractor.

Subd. 5. [APPRENTICE SPRINKLER FITTER.] "Apprentice sprinkler fitter" means a person, other than a fire protection system contractor or journeyman sprinkler fitter, who is regularly engaged in the industry learning the business under the direct supervision of a fire protection system contractor or journeyman sprinkler fitter and whose duties are those of a helper only to the fire protection system contractor or journeyman sprinkler fitter. Apprentices must be registered with the department of labor and industry division of apprenticeship in accordance with chapter 178.

Subd. 6. [PERSON.] "Person" includes an individual, partnership, joint venture, association, corporation, or otherwise organized business entity, or combination of them.

Subd. 7. [DEPARTMENT.] "Department" means the department of labor and industry.

Subd. 8. [COMMISSIONER.] "Commissioner" means the commissioner of labor and industry.

Sec. 2. [326.84] [LICENSE REQUIRED.]

Subdivision 1. [IN GENERAL.] A person may not sell, design, install, modify, alter, repair, maintain, or make a maintenance inspection on a fire protection system, or offer to do so unless licensed to perform these duties or except as a registered professional engineer acting solely in a professional capacity. No license is required for modification, alteration, repair, maintenance, or maintenance inspection of an existing installation in a nonresidential facility, if the work is done by an employee of the owner of the facility. Except as provided in this section, if a license is required under sections 1 to 13, no person offering fire protection services may do any of the following unless the person is a licensed fire protection system contractor:

(1) advertise as a fire protection system contractor, fire sprinkler contractor, or sprinkler fitter;

(2) add the person's name to, or in connection with, the title "fire protection system contractor," "fire sprinkler contractor," or "sprinkler fitter"; or

(3) add the person's name to any other words that tend to represent the person as a fire protection system contractor, fire sprinkler contractor, or sprinkler fitter.

A person who advertises as a fire protection system contractor must include in the advertisement the number of the person's license as a fire protection system contractor.

A vehicle used to conduct a fire protection system business must have prominently displayed on its exterior the company name and license number of the fire protection system contractor performing fire protection services.

Subd. 2. [EXCEPTION.] However, plumbers licensed under section 326.40 may contract to sell, design, install, modify, alter, demolish, repair, maintain, or examine a standpipe and hose system not in connection with parts of an automatic sprinkler system.

Subd. 3. [FIRE PROTECTION SYSTEM CONTRACTOR.] (a) The fire protection system contractor is responsible for the preparation of detailed fire protection drawings for installation in accordance with the applicable fire protection engineering standards published by the National Fire Protection Association, Inc., and applicable statutes and rules of the state of Minnesota and its political subdivisions.

(b) A fire protection system contractor may be required by a municipality to pay fees normally imposed for local permits and to

submit plans for review under section 11. However, a political subdivision of the state may not impose requirements to prove qualifications other than the production of a license valid under sections 1 to 13.

(c) No person may engage in or work at the business of a fire protection system contractor or journeyman sprinkler fitter unless licensed to do so by the commissioner. Sections 1 to 13 do not apply to a person solely selling or supplying products or materials to a licensed fire protection system contractor.

Subd. 4. [SPRINKLER FITTER.] A person may not undertake the prescribed activities of a sprinkler fitter under this chapter without having a valid license in possession.

Subd. 5. [INSPECTOR'S CREDIT.] An employee performing the duties of inspector for the department in regulating fire sprinkler systems may not receive time credit for the inspection duties when making an application for a license required by this section.

Sec. 3. [326.85] [RULES.]

The commissioner may adopt emergency rules for permit, filing, and inspection fees; for the qualifications, examination, and licensing of fire protection system contractors, journeyman sprinkler fitters, and registered apprentices; and for enforcement of sections 1 to 13.

Sec. 4. [326.86] [EXCEPTION TO EXAMINATION.]

Persons who submit satisfactory proof to the commissioner that they have been actively engaged in fire protection systems installation either as fire protection system contractors or journeyman sprinkler fitters for a period of five years prior to the effective date of this section, and who apply for licenses within 60 days after the effective date of this section, must be granted the appropriate license upon payment of the required annual license fee.

Sec. 5. [326.87] [LICENSE DISPLAY; RENEWAL; DUPLICATE.]

Subdivision 1. [IN GENERAL.] Licenses are valid for one year and expire December 31 of each year regardless of the month issued.

Subd. 2. [RENEWAL.] A license that has not been suspended or revoked must be renewed for an additional year from its expiration on application for renewal on a form prescribed by the commissioner and payment of the fee prescribed.

Subd. 3. [DUPLICATE.] A duplicate license must be issued to replace a lost, destroyed, or mutilated license on application on a

form prescribed by the commissioner and payment of the fee prescribed. A duplicate license must have the word "duplicate" stamped on its face and must bear the same number as that on the license replaced.

Subd. 4. [CONTRACTOR'S LICENSE POSTED; DISPLAYED.] A license issued under sections 1 to 13 must be posted in a conspicuous place in the fire protection system contractor's place of business.

Bids, proposals, and offers and preliminary, conceptual, shop, and field installation drawings must bear the contractor's license number in a prominent display.

Subd. 5. [SPRINKLER FITTER'S LICENSE IN POSSESSION; SIGNATURE WITH NUMBER.] Sprinkler fitters must carry their licenses when they are engaged in activities of their profession. A sprinkler fitter must present the license on request to the authority having jurisdiction. The sprinkler fitter must affix the license number to those certificates that require the sprinkler fitter's signature.

Sec. 6. [326.88] [FEES.]

The fees for licenses under this chapter for the fire protection system contractor, sprinkler fitter, and registration of apprentice may be set by the commissioner under section 3.

Sec. 7. [326.89] [FINANCIAL RESPONSIBILITY.]

Subdivision 1. [BOND.] The commissioner shall require an applicant who is a fire protection system contractor to put up a surety bond in an amount of at least \$20,000 by a surety company authorized to do business in Minnesota as a surety.

Subd. 2. [INSURANCE.] Before a license as a fire protection system contractor is issued, the applicant must get and maintain in force at all times a full-term, comprehensive, general liability insurance policy from an insurance company authorized to do business in Minnesota. The policy must have an aggregate limit of at least \$500,000 for fire protection work. Evidence of insurance must be filed with the department.

Sec. 8. [326.90] [ACTION ON APPLICATION.]

Subdivision 1. [DEPARTMENT DETERMINATION.] Within 120 days after an applicant has filed a complete application for a license and paid the required fees, the commissioner shall:

- (1) conduct the testing required under this chapter;

(2) conduct an investigation of the applicant, limited to the applicant's eligibility; and

(3) either issue a license to the applicant, or notify the applicant in writing by registered mail of the decision not to grant the license and the reasons for the denial.

Subd. 2. [NOTICE OF HEARING.] When an application is denied, the commissioner shall specifically notify the applicant that the applicant has a right to a hearing conducted under section 10.

Sec. 9. [326.91] [REVOCATION; SUSPENSION; RENEWAL.]

Subdivision 1. [CAUSES FOR REVOCATION OR SUSPENSION.] The commissioner shall revoke a license, suspend the right of the licensee to use a license, or refuse to renew a license issued under this chapter, for any of the following causes:

(1) fraud, bad faith, misrepresentation, or bribery, either in securing a license or in conducting business under a license;

(2) making a false statement about a material matter in an application for a license; or

(3) failing to maintain the requirements of the license.

Subd. 2. [TERM OF REVOCATION OR SUSPENSION.] A license must not be suspended for longer than two years. A person whose license is revoked is eligible to apply for a license only after the expiration of two years.

Sec. 10. [326.92] [HEARING.]

If the commissioner decides not to grant or renew a license, it must give adequate notice and, if requested, provide a hearing. Notice of the hearing must be given in writing, by registered or certified mail with a return receipt requested, at least 15 days before the hearing.

Sec. 11. [326.93] [PERMIT; FILING; AND INSPECTION FEES.]

Subdivision 1. [REQUIRED PERMIT.] No person may construct or install fire protection systems without first filing an application for a permit with the department or a municipality that has complied with subdivision 2. Projects under construction prior to the effective date of sections 1 to 13 are not required to obtain a permit.

Subd. 2. [PERMISSIVE MUNICIPAL REGULATION.] A municipality may, by ordinance, require the inspection of fire protection system materials and construction and that they may not be

constructed or installed except in accordance with state standards. The authority designated by the ordinance for issuing fire protection permits and assuring compliance with state standards must report to the department all violations of state fire protection standards. A municipality may not adopt an ordinance with fire protection standards that does not comply with the minimum standards prescribed by the commissioner. The commissioner shall specify by rule the minimum qualifications for municipal inspectors.

Subd. 3. [SURCHARGE.] To defray the cost of administering sections 1 to 13, there is imposed on all municipalities except municipalities that have a letter of agreement with the commissioner to perform inspections, a surcharge on the filing fees, inspection fees, and permits issued after the effective date of sections 1 to 13 in connection with the construction or installation of fire protection systems. The surcharge must be two percent of the fees collected, but may not be less than \$10 or greater than \$2,000. The surcharge may be amended under chapter 14 and section 16A.128.

Subd. 4. [COLLECTION AND REPORTS.] Fee surcharges must be collected by each municipality. A municipality having a population greater than 20,000 people must prepare and submit quarterly to the department a report of fees and surcharges collected during the previous quarter. All other municipalities must submit reports and surcharges on a semiannual basis. The reports must be in a form prescribed by the commissioner and submitted together with a remittance covering surcharges collected. The report and surcharge are due no later than the 15th day following the close of the period for which surcharges are being reported.

Subd. 5. [REPORTING OF PERMITS ISSUED.] Each municipality must submit to the department a copy of each permit issued within ten days after issuance. All permits must be issued on forms prescribed by or approved by the commissioner.

Subd. 6. [FILING AND INSPECTION FEES.] The commissioner must charge a filing fee set under section 3 for all applications for permits to construct or install fire protection systems. The fee for inspection of fire protection system construction or installation must also be set by the commissioner under section 3. This subdivision does not apply if a permit is issued by a municipality complying with subdivision 2.

Subd. 7. [CONTRACT INSPECTION.] The commissioner may contract with any other government agency for inspection of fire protection systems.

Sec. 12. [326.94] [DEPOSIT OF FEES.]

Fees received by the commissioner under sections 1 to 13 must be deposited by the department to the credit of the special revenue fund

in the state treasury. The salaries and per diem of the inspectors and examiners, their expenses, and all incidental expenses of the department in carrying out the provisions of sections 1 to 13 must be paid from the appropriations made to the department.

Sec. 13. [326.95] [CRIMES.]

It is a misdemeanor to knowingly and willfully commit or order, instruct, or direct another to commit any of the following acts:

(1) to make a false statement in a license application, request for inspection, certificate, or other lawfully authorized or required form or statement provided by sections 1 to 13;

(2) to perform fire protection system work without a proper permit and license for that work unless the work is exempt from permitting and licensing;

(3) to fail to file a request for inspection when required;

(4) to interfere with, or refuse entry to, an inspector engaged in the performance of lawful duties; or

(5) to violate a statute, rule, or municipal ordinance that pertains to powers given to political subdivisions under section 11, subdivision 2.

Sec. 14. Minnesota Statutes 1986, section 175.008, is amended to read:

175.008 [CODE ENFORCEMENT ADVISORY COUNCIL; CREATION.]

The commissioner shall appoint ~~an~~ a 15 member advisory council on code enforcement. The terms, compensation, and removal of council members is governed by section 15.059. The council shall not expire as provided by section 15.059. The council shall advise the commissioner on matters within the council's expertise or under the regulation of the commissioner.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective January 1, 1989."

Amend the title as follows:

Page 1, line 2, delete "creating the state advisory"

Page 1, delete line 3

Page 1, line 5, after "penalty;" insert "amending Minnesota Statutes 1986, section 175.008;"

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. 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; 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.

Reported the same back with the following amendments:

Page 6, line 6, after "vehicle" insert ", following inspection and"

Page 6, line 14, delete "covered by" and insert "for repairs made under"

Pages 8 and 9, delete sections 7 and 8

Page 10, line 8, delete "and 8"

Page 10, line 9, delete "Section 7 is effective January 1, 1991." and delete "9" and insert "7"

Page 10, line 10, delete "10" and insert "8"

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 7, delete "requiring"

Page 1, delete lines 8 to 11

Page 1, line 12, delete "fuel to the legislature;" and delete "amending"

Page 1, delete line 13

Page 1, line 14, delete "subdivision;"

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. 1810, A bill for an act relating to human services; establishing grants for community initiatives for children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Reported the same back with the following amendments:

Page 2, after line 12, insert:

"(4) demonstrate that the organization is using and coordinating existing resources of the community;

(5) demonstrate that the organization has applied to private foundations for funding;"

Renumber the remaining clauses in sequence

Page 2, delete lines 23 to 30 and insert:

"Subd. 5. [GRANT AWARD.] The commissioner shall award one demonstration grant under this section, to a project in the seven-county metropolitan area. The amount of the grant may not exceed the lesser of \$ or 50 percent of capital costs incurred within a two-year period."

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. 1812, A bill for an act relating to communication-impaired persons; requiring the commissioner of human services to provide assistance in implementing the program that provides telephones to communication-impaired persons; making other technical changes in the program; amending Minnesota Statutes 1987 Supplement, sections 237.50, subdivision 4; 237.51, subdivision 5; 237.52, subdivision 5; and 237.53, subdivisions 3, 4, 6, and 7; repealing Minnesota Statutes 1987 Supplement, section 237.53, subdivision 8.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1848, A bill for an act relating to crimes; requiring a neighborhood impact statement to be submitted as part of the presentence investigation report for controlled substance offenses; amending Minnesota Statutes 1986, section 609.115, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 609.115, subdivision 1, is amended to read:

Subdivision 1. [PRESENTENCE INVESTIGATION.] When a defendant has been convicted of a misdemeanor or gross misdemeanor, the court may, and when the defendant has been convicted of a felony, the court shall, before sentence is imposed, cause a presentence investigation and written report to be made to the court concerning the defendant's individual characteristics, circumstances, needs, potentialities, criminal record and social history, the circumstances of the offense and the harm caused by it to others and to the community, including a description of any adverse social or economic effects the offense has had on persons who reside in the neighborhood where the offense was committed. The person preparing the report shall make reasonable efforts to include this description of the neighborhood impact of the defendant's offense in every presentence investigation report concerning a felony violation of chapter 152 involving the sale or distribution of a controlled substance and may include it in any other presentence investigation report.

The report shall also include the information relating to crime victims required under section 611A.037, subdivision 1. If the court directs, the report shall include an estimate of the prospects of the defendant's rehabilitation and recommendations as to the sentence which should be imposed. In misdemeanor cases the report may be oral.

When a defendant has been convicted of a felony, and before sentencing, the court shall cause a sentencing worksheet to be completed to facilitate the application of the Minnesota sentencing guidelines. The worksheet shall be submitted as part of the presentence investigation report.

The investigation shall be made by a probation officer of the court, if there is one, otherwise by the commissioner of corrections. The officer conducting the presentence or predispositional investigation shall make reasonable and good faith efforts to contact the victim of that crime and to provide that victim with the information required under section 611A.037, subdivision 2.

Pending the presentence investigation and report, the court with the consent of the commissioner may commit the defendant to the custody of the commissioner of corrections who shall return the defendant to the court when the court so orders.

Presentence investigations shall be conducted and summary hearings held upon reports and upon the sentence to be imposed upon the defendant in accordance with this section, section 244.10, and the rules of criminal procedure.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to crimes committed on or after that date.

Amend the title as follows:

Page 1, line 5, delete "1986" and insert "1987 Supplement"

Page 1, line 6, delete everything after the comma, and insert "subdivision 1."

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. 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 subdivisions.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1873, A bill for an act relating to crimes; police pursuit; increasing the penalty for fleeing a peace officer; providing for civil forfeiture of vehicle used to flee a peace officer; requiring local governments to establish pursuit procedures and training requirements by October 1, 1989; authorizing peace officer standards and training board to assist local governments in establishing procedures and training requirements; requiring reporting of all police pursuits to department of public safety; amending Minnesota Statutes 1986, sections 609.487, subdivision 3; 609.531, subdivisions 2, 4, and 6; 626.843, subdivision 1; and 626.845, subdivision 1; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 171.13, is amended by adding a subdivision to read:

Subd. 1c. [DRIVER'S MANUAL; FLEEING A PEACE OFFICER.] The commissioner shall include in each edition of the driver's manual published by the department a section relating to the criminal sanctions and forfeiture provisions applicable to persons who flee a peace officer in a motor vehicle.

Sec. 2. Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1, is amended to read:

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

(a) "Conveyance device" means a device used for transportation in connection with a designated offense and includes, but is not limited to, a motor vehicles vehicle, trailers trailer, snowmobiles snowmo-

bile, airplanes airplane, and vessels vessel. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Primary container" means a fundamental receptacle other than a conveyance device used to store or transport property.

(c) "Weapon used" means ~~weapons~~ a weapon used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(d) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(e) "Contraband property" means property which is illegal to possess under Minnesota law.

(f) "Appropriate agency" means either the bureau of criminal apprehension, the Minnesota state patrol, a state conservation officer, a county sheriffs sheriff and their the sheriff's deputies, or a city police departments department, or a township law enforcement agency.

(g) "Designated offense" includes:

(1) For weapons used: any violation of this chapter; and

(2) For all other purposes: a felony or gross misdemeanor violation of, or an attempt or conspiracy to violate section 609.487; or a felony violation of, or an a felony level attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322, subdivision 1 or 2; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; ~~609.487~~; 609.52; 609.521; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; section 609.671, subdivisions 3, 4, and 5; 609.687; 609.825; 609.86; 609.88; 609.89; or 617.246, when the violation constitutes a felony.

(h) "Communications device or component" means a device or system used to facilitate in any manner the creation, storage, dissemination, or transmission of data in connection with a designated offense and includes computers and computer-related components as defined in section 609.87 and any other device or system that by means of electric, electronic or magnetic impulses may be used to facilitate in any manner the creation, storage, dissemination, or transmission of data.

Sec. 3. [626.5531] [PURSUIT OF FLEEING SUSPECTS BY PEACE OFFICERS.]

Subdivision 1. [REPORTS.] If a peace officer pursues a fleeing suspect, the officer's department head must file a notice of the incident with the commissioner of public safety within 30 days following the pursuit. A pursuit must be reported under this section if it is a pursuit by a peace officer of a motor vehicle being operated in violation of section 609.487. The notice must contain information concerning the reason for and circumstances surrounding the pursuit, including the alleged offense, the length of the pursuit in distance and time, the outcome of the pursuit, any charges filed against the suspect as a result of the pursuit, injuries and property damage resulting from the pursuit, and other information deemed relevant by the commissioner.

Subd. 2. [LOCAL GOVERNMENTS TO ADOPT PROCEDURES AND TRAINING REQUIREMENTS.] Each political subdivision and state law enforcement agency that employs persons licensed by the peace officer standards and training board under section 626.845 must establish written procedures to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The procedures must state how peace officers will provide assistance to a person injured during the course of a pursuit. A political subdivision or agency that does not establish procedures and requirements by October 1, 1989, is subject to licensing sanctions of the peace officer standards and training board.

Sec. 4. Minnesota Statutes 1986, section 626.843, subdivision 1, is amended to read:

Subdivision 1. [RULES REQUIRED.] The board shall adopt rules with respect to:

(a) The certification of peace officer training schools, programs, or courses including training schools for the Minnesota state patrol. Such schools, programs and courses shall include those administered by the state, county, school district, municipality, or joint or contractual combinations thereof, and shall include preparatory instruction in law enforcement and minimum basic training courses;

(b) Minimum courses of study, attendance requirements, and equipment and facilities to be required at each certified peace officers training school located within the state;

(c) Minimum qualifications for instructors at certified peace officer training schools located within this state;

(d) Minimum standards of physical, mental and educational fitness which shall govern the recruitment and licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota state patrol;

(e) Minimum standards of conduct which would affect the individual's performance of duties as a peace officer;

These standards shall be established and published on or before July 1, 1979.

(f) Minimum basic training which peace officers appointed to temporary or probationary terms shall complete before being eligible for permanent appointment, and the time within which such basic training must be completed following any such appointment to a temporary or probationary term;

(g) Minimum specialized training which part-time peace officers shall complete in order to be eligible for continued employment as a part-time peace officer or permanent employment as a peace officer, and the time within which the specialized training must be completed;

(h) Content of minimum basic training courses required of graduates of certified law enforcement training schools or programs. Such courses shall not duplicate the content of certified academic or general background courses completed by a student but shall concentrate on practical skills deemed essential for a peace officer. Successful completion of such a course shall be deemed satisfaction of the minimum basic training requirement;

(i) Grading, reporting, attendance and other records, and certificates of attendance or accomplishment;

(j) The procedures to be followed by a part-time peace officer for notifying the board of intent to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to sections 626.843, subdivision 1, clause (g) and 626.845, subdivision 1, clause (g);

(k) The establishment, and use by any political subdivision or state law enforcement agency which employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984; and

(l) The establishment and use by any political subdivision and state law enforcement agency that employs persons licensed by the

board of procedures under section 3 to govern the conduct of licensees who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of licensees in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency; and

(m) Such other matters as may be necessary consistent with sections 626.84 to 626.855. Rules promulgated by the attorney general with respect to these matters may be continued in force by resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.855.

Sec. 5. Minnesota Statutes 1986, section 626.845, subdivision 1, is amended to read:

Subdivision 1. [POWERS AND DUTIES.] The board shall have the following powers and duties:

(a) To certify peace officers' training schools or programs administered by state, county and municipalities located within this state in whole or in part no later than 90 days after receipt of an application for certification. The reasons for noncertification of any school or program or part thereof shall be transmitted to the school within 90 days and shall contain a detailed explanation of the reasons for which the school or program was disapproved and an explanation of what supporting material or other requirements are necessary for the board to reconsider. Disapproval of a school or program shall not preclude the reapplication for certification of the school or program;

(b) To issue certificates to schools, and to revoke such certification when necessary to maintain the objectives and purposes of sections 626.841 to 626.855;

(c) To certify, as qualified, instructors at peace officer training schools, and to issue appropriate certificates to such instructors;

(d) To license peace officers who have satisfactorily completed certified basic training programs, and passed examinations as required by the board;

(e) To cause studies and surveys to be made relating to the establishment, operation, and approval of state, county, and municipal peace officer training schools;

(f) To consult and cooperate with state, county, and municipal peace officer training schools for the development of in-service training programs for peace officers;

(g) To consult and cooperate with universities, colleges, and area vocational technical institutes for the development of specialized courses of instruction and study in the state for peace officers and part-time peace officers in police science and police administration;

(h) To consult and cooperate with other departments and agencies of the state and federal government concerned with peace officer standards and training;

(i) To perform such other acts as may be necessary and appropriate to carry out the powers and duties as set forth in the provisions of sections 626.841 to 626.855;

(j) To coordinate the provision, on a regional basis, of skills oriented basic training courses to graduates of certified law enforcement training schools or programs;

(k) To obtain criminal conviction data for persons seeking a license to be issued or possessing a license issued by the board. The board shall have authority to obtain criminal conviction data to the full extent that any other law enforcement agency, as that term is defined by state or federal law, has to obtain the data;

(l) To prepare and transmit annually to the governor and the legislature a report of its activities with respect to allocation of moneys appropriated to it for peace officers training, including the name and address of each recipient of money for that purpose, the amount awarded, and the purpose of the award; ~~and~~

(m) To assist and cooperate with any political subdivision or state law enforcement agency which employs persons licensed by the board to establish written procedures for the investigation and resolution of allegations of misconduct of persons licensed by the board, and to enforce licensing sanctions for failure to implement such procedures; and

(n) To assist and cooperate with political subdivisions and state law enforcement agencies that employ persons licensed by the board in establishing written procedures to govern the conduct of peace officers who are in pursuit of a vehicle in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The board must impose licensing sanctions for failure to establish pursuit procedures and training requirements by October 1, 1989.

Sec. 6. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1988, and applies to violations occurring on or after that date. Sections 1, 3, 4, and 5 are effective August 1, 1988."

Delete the title and insert:

"A bill for an act relating to crimes; police pursuit; providing for forfeiture of vehicle used to flee a peace officer; requiring local governments to establish pursuit procedures and training requirements by October 1, 1989; authorizing peace officer standards and training board to assist local governments in establishing procedures and training requirements; requiring reporting of all police pursuits to department of public safety; amending Minnesota Statutes 1986, sections 171.13, by adding a subdivision; 626.843, subdivision 1; and 626.845, subdivision 1; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626."

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. 1880, A bill for an act relating to animals; prohibiting transportation of certain animals in open vehicles; prohibiting leaving animals unattended in motor vehicles in an unsafe or dangerous manner and authorizing their removal by peace officers and fire and rescue officials; proposing coding for new law in Minnesota Statutes, chapter 346.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [346.56] [DOGS AND CATS IN MOTOR VEHICLES.]

Subdivision 1. [UNATTENDED DOGS OR CATS.] A person may not leave a dog or a cat unattended in a standing or parked motor vehicle in a manner that endangers the dog's or cat's health or safety.

Subd. 2. [REMOVAL OF DOGS OR CATS.] A peace officer, as defined in section 626.84, a humane agent, a dog warden, or a volunteer or professional member of a fire or rescue department of a political subdivision may use reasonable force to enter a motor vehicle and remove a dog or cat which has been left in the vehicle in violation of subdivision 1. A person removing a dog or a cat under this subdivision shall use reasonable means to contact the owner of the dog or cat to arrange for its return home. If the person is unable to contact the owner, the person may take the dog or cat to an animal shelter.

Subd. 3. [PETTY MISDEMEANOR.] A person who violates subdivision 1 is guilty of a petty misdemeanor."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "prohibiting"

Page 1, line 6, after the semicolon insert "providing a penalty;"

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. 1893, A bill for an act relating to youth education and employment; providing planning grants for the design of youth employment programs; appropriating money.

Reported the same back with the following amendments:

Page 3, line 13, after "established" insert "under section 15.059"

Page 3, line 16, after the period insert "Members of the committee shall be reimbursed for expenses but shall not receive any other compensation for service on the committee."

Page 4, line 8, delete "literary" and insert "literacy"

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. 1897, A bill for an act relating to insurance; regulating the Minnesota Insurance Guaranty Association; excluding investment risks insurance from coverage; modifying the definitions of "resident" and "covered claim"; regulating claims; preventing insolvencies; making certain technical changes; amending Minnesota

Statutes 1986, sections 60C.02, subdivision 1; 60C.03, subdivisions 2, 7, and by adding a subdivision; 60C.05, subdivision 1; 60C.13, subdivision 2; and 60C.15; Minnesota Statutes 1987 Supplement, section 60C.09; repealing Minnesota Statutes 1986, section 60C.18.

Reported the same back with the following amendments:

Page 1, lines 21 to 23, delete the new language

Page 2, line 4, strike "or"

Page 2, line 7, before the period insert "; or

(c) A person whose principal place of business is in Wisconsin, Iowa, North Dakota, and South Dakota, but who maintains substantial business in Minnesota"

Page 3, after line 16 insert:

"Sec. 6. Minnesota Statutes 1986, section 60C.05, subdivision 2, is amended to read:

Subd. 2. The association may:

(a) Employ or retain the persons necessary to handle claims and perform other duties of the association.

(b) Borrow funds necessary to effect the purposes of Laws 1971, chapter 145 in accord with the plan of operation.

(c) Sue or be sued.

(d) Negotiate and become a party to the contracts necessary to carry out the purpose of Laws 1971, chapter 145.

(e) Perform other acts necessary or proper to effectuate the purpose of Laws 1971, chapter 145.

(f) Subject to section 7, refund to the member insurers in proportion to the contribution of each member insurer to that account the amount by which the assets of the account exceed the liabilities, if at the end of the calendar year the board of directors finds that the assets of the association in any account exceed the liabilities of that account as estimated by the board of directors for the coming year.

(g) Request the court to disapprove or modify any claim for which approval is sought under the provisions of section 60B.45, subdivision 2 or 60B.58, subdivision 2.

Sec. 7. Minnesota Statutes 1986, section 60C.06, is amended by adding a subdivision to read:

Subd. 6. [REFUNDS RETAINED.] All money which the association receives from the estate of an insolvent insurer or an insurer that is the subject of delinquency proceedings shall not be refunded to members but must be credited to the account from which the claims were paid that resulted in the payment from the estate. If that cannot be determined, the money shall be credited to the account which the board determines is most likely to have been the source of the paid claims. The money shall be used to pay future claims.]

Page 5, delete lines 4 and 5

Page 5, line 6, delete "liquidation of the insurer is filed;"

Page 5, line 7, delete "3" and insert "2"

Page 7, after line 24, insert:

"Sec. 11. Minnesota Statutes 1986, section 60C.18, is amended to read:

60C.18 [RECOGNITION OF ASSESSMENTS IN RATES.]

Subdivision 1. The rates and premiums charged for insurance policies and fidelity and surety bonds to which this chapter applies ~~may~~ must include amounts sufficient to recoup a sum equal to the amounts paid to the association by the member insurer less any amounts returned to the member insurer by the association. The rates shall not be deemed excessive because they contain an amount reasonably calculated to recoup assessments paid by the member insurer.

Subd. 2. Beginning with assessments payable by member insurers in 1988, each member insurer must separately state on either a billing notice or policy declaration sent to an insured, the percentage, dollar amount, or both, of the amount contained in the premium to recoup assessments paid by the member insurer in Minnesota.]

Page 7, delete section 10

Page 7, before line 32, insert:

"Sec. 13. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 60C.06, subdivision 5, is repealed."

Page 7, line 33, delete "2" and insert "1"

Page 7, line 36, after "insolvency" insert a period and delete the remainder of the line

Page 8, delete lines 1 to 4

Page 8, line 5, delete "c" and insert "b"

Page 8, line 5, delete "and 10" and insert ", 10, 11, 12, and 13"

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 10, delete the first "subdivision" and insert "subdivisions" and after "1" insert "and 2"

Page 1, line 10, before "60C.13" insert "60C.06, by adding a subdivision;" and delete "and"

Page 1, line 11, after "60C.15;" insert "and 60C.18;"

Page 1, line 12, delete "1986" and insert "1987 Supplement"

Page 1, line 13, delete everything before the period and insert "60C.06, subdivision 5"

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. 1925, A bill for an act relating to education; eliminating the cap on the state university system student health service fee; amending Minnesota Statutes 1986, section 136.11, subdivision 7.

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 1933, A bill for an act relating to motor vehicles; motorcycles; increasing the fee for duplicate driver's license obtained to add a two-wheeled vehicle endorsement; increasing portion of two-wheeled endorsement license fee that is dedicated to the motorcycle safety fund; amending Minnesota Statutes 1986, 171.06, subdivision 2a.

Reported the same back with the following amendments:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 126.115, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] All funds in the motorcycle safety fund created by section 171.06, subdivision 2a are hereby annually appropriated to the commissioner of public safety to carry out the purposes of subdivisions 1 and 2. The commissioner of public safety may make grants from the fund to the commissioner of education at such times and in such amounts as the commissioner deems necessary to carry out the purposes of subdivisions 1 and 2. Not more than five percent of the funds so appropriated shall be expended to defray the administrative costs of carrying out the purposes of subdivisions 1 and 2, and not more than ~~50~~ 60 percent of the money so appropriated shall be expended for the combined purpose of training and coordinating the activities of motorcycle safety instructors and making reimbursements to schools and other approved organizations."

Page 1, line 10, delete "Section 1" and insert "Sec. 2"

Page 1, line 14, delete "\$9" and insert "\$7.50"

Page 1, line 25, strike "\$4" and insert "\$6"

Amend the title as follows:

Page 1, line 2, after the second semicolon insert "increasing percentage of money appropriated from motorcycle safety fund to commissioner of public safety that may be spent for training and coordinating activities of instructors and making reimbursements to schools and others."

Page 1, line 7, after the first comma insert "sections 126.115, 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.

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

H. F. No. 1935, A bill for an act relating to insurance; accident and health; requiring coverage for routine diagnostic procedures for cancer; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reported the same back with the following amendments:

Page 1, line 23, delete "diagnostic" and insert "screening"

Page 1, line 24, delete "recommended" and insert "ordered or provided" and before the period insert "in accordance with the standard practice of medicine"

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. 1944, A bill for an act relating to veterans; authorizing a tax to defray the cost of a veterans service officer in any county where the officer may be employed; amending Minnesota Statutes 1986, section 197.60, subdivision 4.

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. 1947, A bill for an act relating to general assistance medical care; making prisoners eligible for benefits; amending Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 145.853, subdivision 2, is amended to read:

Subd. 2. In seeking to determine whether a disabled person suffers from an illness, a law enforcement officer shall make a reasonable search for an identifying device and an identification card of the type described in section 145.852, subdivision 2 and examine them for emergency information. The law enforcement officer may not search for an identifying device or an identification card in a manner or to an extent that would appear to a reasonable person in the circumstances to cause an unreasonable risk of worsening the disabled person's condition. The law enforcement officer may not remove an identifying device or an identification card from the possession of a disabled person unless the removal is necessary for law enforcement purposes or to protect the safety of the disabled person.

Sec. 2. Minnesota Statutes 1986, section 609.72, subdivision 1, is amended to read:

Subdivision 1. Whoever does any of the following in a public or private place, knowing, or having reasonable grounds to know that it will, or will tend to, alarm, anger or disturb others or provoke an assault or breach of the peace, is guilty of disorderly conduct, which is a misdemeanor:

(1) Engages in brawling or fighting; or

(2) Disturbs an assembly or meeting, not unlawful in its character;
or

(3) Engages in offensive, obscene, or abusive language or in boisterous and noisy conduct tending reasonably to arouse alarm, anger, or resentment in others.

A person does not violate this section if the person's disorderly conduct was caused by an epileptic seizure."

Page 1, line 8, delete "Section 1" and insert "Sec. 3"

Page 1, line 24, after "law" insert "for less than one year" and after "a" insert "county"

Amend the title as follows:

Page 1, line 3, after "amending" insert "Minnesota Statutes 1986, sections 145.853, subdivision 2; and 609.72, subdivision 1;"

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. 1951, A bill for an act relating to motor vehicles; providing for registration of motor vehicles by long-term lessees; imposing a fee; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; 168.013, subdivision 7; 168.041, subdivision 7; 168.10, subdivision 1; 168.11, subdivision 1; 168.13; 168.33, subdivision 3; and 168A.10, by adding a subdivision; repealing Minnesota Statutes 1986, section 168.30.

Reported the same back with the following amendments:

Page 1, line 16, delete everything after the period and insert "If a passenger automobile, as defined in subdivision 7, is"

Page 1, line 17, delete "120" and insert "180" and delete everything after the comma

Page 1, line 18, delete "to be" and before the period insert "is deemed, for purposes of registration only, as the registered owner"

Page 6, line 5, delete "\$1" and insert "\$2"

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1957, A bill for an act relating to marriage dissolution; providing for parties to a dissolution to disclose assets and liabilities; requiring the supreme court to prepare forms for disclosure; providing sanctions for misrepresentations or omissions or failure to file any disclosure; proposing coding for new law in Minnesota Statutes, chapter 518.

Reported the same back with the following amendments:

Page 2, line 15, delete the second comma and insert "or"

Page 2, line 16, delete ", or the division of marital property"

Page 2, line 21, delete the colon

Page 2, delete line 22

Page 2, line 23, delete "(2)"

Page 2, line 33, after the period insert "The form may require a party to assign a valuation to assets."

Page 2, line 36, after the period insert "The form shall also provide for a party to list all basic living expenses."

Page 3, after line 6, insert:

"Sec. 2. [518.146] [SEALING RECORDS.]

For good cause shown, on application of either party, the records of a marriage dissolution, annulment, or legal separation, except for the portion of the decree granting the dissolution, annulment, or legal separation, may be sealed."

Page 3, line 7, delete "2" and insert "3"

Page 3, line 8, delete "....." and insert "March 1"

Page 3, line 9, delete "... 198." and insert "1989."

Page 3, line 13, delete "....." and insert "December 31"

Page 3, line 14, delete "198." and insert "1988"

Amend the title as follows:

Page 1, line 7, after ";" insert "permitting the sealing of marriage dissolution records;"

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. 1996, A bill for an act relating to consumer protection; regulating cemeteries, mausoleums, and prearranged funeral services; requiring the establishment of a construction fund account; requiring a permanent care account for any mausoleum; providing reporting requirements; broadening the powers of the county audi-

tors and state auditor; amending Minnesota Statutes 1986, sections 149.11; 149.13; 306.03; 306.04; 306.37; 306.761; 306.77; and 306.773, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 306.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2006, A bill for an act relating to crimes; providing for the admissibility of certain evidence in domestic violence cases; requiring prosecutors to notify domestic violence victims of a decision to decline prosecution or to dismiss criminal charges; requiring peace officers to inform domestic violence victims of the prosecutor's notification duty; amending Minnesota Statutes 1986, section 629.341, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 609 and 611A.

Reported the same back with the following amendments:

Page 2, line 5, after the period insert "If a suspect is still in custody, the notification attempt shall be made before the suspect is released from custody."

Page 2, line 7, before the period insert "and 'reasonable effort' includes but is not limited to the following, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by mail"

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. 2012, A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions

1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 62A.17, subdivision 6, is amended to read:

Subd. 6. [CONVERSION TO INDIVIDUAL POLICY.] A group insurance policy that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2 to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. A health maintenance contract issued by a health maintenance organization that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided in subdivision 2 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3 if an arrangement with an insurer can reasonably be made by the health maintenance organization. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

A policy providing reduced benefits at a reduced premium rate

may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.

The individual policy or contract shall be renewable at the option of the individual as long as the individual is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar policies issued by the insurer.

Sec. 2. Minnesota Statutes 1986, section 62D.07, is amended to read:

62D.07 [EVIDENCE OF COVERAGE.]

Subdivision 1. Every health maintenance organization enrollee residing in this state is entitled to evidence of coverage ~~under a health maintenance or contract~~. The health maintenance organization or its designated representative shall issue the evidence of coverage or contract.

Subd. 2. No evidence of coverage or contract, or amendment thereto shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage or contract or amendment thereto has been filed with the commissioner of health pursuant to section 62D.03 or 62D.08.

Subd. 3. ~~An evidence~~ Contracts and evidences of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom grievances may be registered.

(c) On the cover page of the evidence of coverage and contract, a clear and complete statement of enrollees' rights as consumers, including but not limited to a description of each of the following: The statement must be in bold print and captioned "Important Consumer Information and Enrollee Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:

CONSUMER INFORMATION

(1) COVERED SERVICES: Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.

(2) PROVIDERS: Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of health maintenance organization) providers.

(3) REFERRALS: Certain covered benefits are covered only upon referral. See section (section number) of your contract for referral requirements. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name of health maintenance organization).

(4) EMERGENCY SERVICES: Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

(5) EXCLUSIONS: Certain services or medical supplies are not

covered. You should read the contract for a detailed explanation of all exclusions.

(6) CONTINUATION: You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) CANCELLATION: Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

ENROLLEE RIGHTS

(1) based upon the delivery system of each health maintenance organization, a statement which describes any type of health care professional as defined in section 145.61, whose services may be available only by referral of the health maintenance organization's participating staff;

(2) Enrollees have the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in a manner which assures continuity and, when medically necessary, the right to including emergency services available, as defined in your contract, 24 hours a day and seven days a week;

(3) (2) Enrollees have the consumer's right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(4) (3) Enrollees have the right to refuse treatment; and

(5) the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(6) (4) Enrollees have the right to file a grievance with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers; and

(7) the right to initiate a legal proceeding when dissatisfied with the health maintenance organization's final determination regarding a grievance;

(8) the right of the enrollee and dependents to continue group coverage in the event the enrollee is terminated or laid off from

employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;

(9) the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals; and the right to choose from among remaining participating primary care professionals;

(10) the right to cancel an individual health maintenance contract within ten days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days; and

(11) (5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force.

Subd. 4. Any subsequent approved change in an evidence of coverage shall be issued to each enrollee.

Subd. 5. A grace period of 31 days shall be granted for payment of each premium for an individual health maintenance contract falling due after the first premium, during which period the contract shall continue in force. Individual health maintenance organization contracts shall clearly state the existence of the grace period.

Subd. 6 5. Individual health maintenance contracts shall state that any person entering into an individual health maintenance contract may cancel the contract within ten days of its receipt and to have the premium paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days.

Subd. 6. The contract and evidence of coverage shall clearly explain the conditions upon which a health maintenance organization may terminate coverage.

Subd. 7. The contract and evidence of coverage shall clearly explain continuation and conversion rights afforded to enrollees.

Subd. 8. Individual and group contract holders shall be given 30 days' advance, written notice of any change in subscriber fees or benefits.

Subd. 9. Individual health maintenance organization contracts shall be delivered to enrollees no later than the date coverage is effective. For enrollees with group contracts, an evidence of coverage shall be delivered or issued for delivery not more than 15 days from the date the health maintenance organization is notified of the enrollment or the effective date of coverage, whichever is later.

Subd. 10. An individual health maintenance organization contract and an evidence of coverage must contain a department of health telephone number that the enrollee can call to register a complaint about a health maintenance organization.

Sec. 3. Minnesota Statutes 1987 Supplement, section 62D.08, subdivision 3, is amended to read:

Subd. 3. Such report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment, and (4) a supplementary statement of assets, liabilities, premium revenue, and expenditures for risk sharing business under section 62D.04, subdivision 1, on forms prescribed by the commissioner;

(b) The number of new enrollees enrolled during the year, the number of group enrollees and the number of individual enrollees as of the end of the year and the number of enrollees terminated during the year;

(c) A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c) in such form as may be required by the commissioner of health;

(d) A report of the names and addresses of all persons set forth in section 62D.03, subdivision 4, clause (c) who were associated with the health maintenance organization or the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during

the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (d); ~~and~~

(e) A separate report addressing health maintenance contracts sold to individuals covered by Medicare, Title XVIII of the Social Security Act, as amended, including the information required under section 62D.30, subdivision 6; and

(f) Such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner of health to carry out the duties under sections 62D.01 to 62D.29.

Sec. 4. Minnesota Statutes 1986, section 62D.08, subdivision 5, is amended to read:

Subd. 5. Every health maintenance organization shall inform the commissioner of any change in the information described in section 62D.03, subdivision 4, clause (e), including any change in address, any modification of the duration of any contract or agreement, and any addition to the list of participating entities, within ten working days of the notification of the change. Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner ~~within seven~~ 120 days before the effective date. When the health maintenance organization terminates a provider for cause, death, disability, or loss of license, the health maintenance organization must notify the commissioner within three working days of the date the health maintenance organization sends out or receives the notice of cancellation or, discontinuance, or termination. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to \$100 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17.

Sec. 5. Minnesota Statutes 1986, section 62D.09, is amended to read:

62D.09 [INFORMATION TO ENROLLEES.]

Subdivision 1. Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of consumer information and rights as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 2. The application for coverage by the health maintenance organization shall be accompanied by the statement of consumer information and rights as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 3. Every health maintenance organization or its representative shall annually, before June 1, provide to its enrollees the following: (1) a summary of its most recent annual financial statement including a balance sheet and statement of receipts and disbursements; (2) a description of the health maintenance organization, its health care plan or plans, its facilities and personnel, any material changes therein since the last report; (3) the current evidence of coverage or contract; and (4) a statement of consumer information and rights as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 4. Health maintenance organizations which issue contracts to persons who are covered by Title XVIII of the Social Security Act (Medicare) must give the applicant, at the time of application, an outline containing at least the following information:

(1) a description of the principal benefits and coverage provided in the contract;

(2) a statement of the exceptions, reductions, and limitations contained in the contract;

(3) the following language: "This contract does not cover all skilled nursing home care or home care services and does not cover custodial or residential nursing care. Read your contract carefully to determine which nursing home facilities and home care services are covered by your contract, and what procedures you must follow to receive these benefits.";

(4) a statement of the renewal provisions including any reservation by the health maintenance organization of the right to change fees;

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

(6) a statement explaining that the enrollee's Medicare coverage is altered by enrollment with the health maintenance organization, if applicable.

Subd. 5. Each health maintenance organization shall issue a membership card to its enrollees. The membership card must contain identification of the health maintenance organization including the name, address, and telephone number; the telephone

number to call to receive authorization for emergency care; and the telephone number to call if an enrollee has a complaint.

Subd. 6. Health maintenance organizations shall provide enrollees with a list of the names and locations of participating providers to whom enrollees have direct access without referral no later than the effective date of enrollment or date the evidence of coverage is issued and upon request. Health maintenance organizations need not provide the names of their employed providers.

Subd. 7. Any list of providers issued by the health maintenance organization shall include the date the list was published and contain a bold type notice in a prominent location on the list of providers with the following language, or substantially similar language approved in advance by the commissioner:

"Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on this list. If you wish to be certain of receiving care from a specific provider listed, you should contact that provider to ask whether or not he or she is still a (name of health maintenance organization) provider and whether or not he or she is accepting additional patients."

Subd. 8. Any written marketing materials, excluding billboards, must state in bold print: "THIS IS ONLY A SUMMARY OF THE (name of health maintenance organization) PROGRAM. YOU MUST READ YOUR CONTRACT FOR A DETAILED EXPLANATION OF BENEFITS, COSTS, EXCLUSIONS, ELIGIBILITY, AND COVERAGE."

Sec. 6. Minnesota Statutes 1986, section 62D.101, is amended to read:

62D.101 [CONTINUATION AND CONVERSION PRIVILEGES FOR FORMER SPOUSES AND CHILDREN.]

Subdivision 1. [TERMINATION OF COVERAGE.] No health maintenance contract which, in addition to covering an enrollee, also covers the enrollee's spouse shall contain a provision for termination of coverage for a spouse covered under the health maintenance contract solely as a result of a break in the marital relationship except by reason of an entry of a valid decree of dissolution of marriage between the parties.

Subd. 2. [CONVERSION PRIVILEGE.] Every health maintenance contract, as described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an enrollee, without providing evidence of insurability, to obtain from the health maintenance organization at the expiration of any continuation of coverage required under subdivision 2a or ~~section~~ sections 62A.146

and 8, or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the health maintenance organization to provide continued coverage for the former spouse, an individual health maintenance contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the health maintenance organization within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate fee. A contract providing reduced benefits at a reduced fee may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The individual health maintenance contract shall be renewable at the option of the former spouse as long as the former spouse is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual contract shall apply to the former spouse's original age at entry, and shall apply equally to all similar contracts issued by the health maintenance organization.

Subd. 2a. [CONTINUATION PRIVILEGE.] Every health maintenance contract as described in subdivision 1 shall contain a provision which permits continuation of coverage under the contract for the enrollee's former spouse and children upon entry of a valid decree of dissolution of marriage, if the decree requires the enrollee to provide continued coverage for those persons. The coverage may shall be continued until the earlier of the following dates:

(a) The date of remarriage of either the enrollee or the enrollee's former spouse the enrollee's former spouse becomes covered under another group plan or Medicare; or

(b) The date coverage would otherwise terminate under the health maintenance contract.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder to be paid to the health maintenance organization. In no event shall the fee charged exceed 102 percent of the cost to the plan for the period of coverage for other similarly situated spouses and dependent children when the marital relationship has not dissolved, regardless of whether the cost is paid by the employer or employee.

Subd. 3. [APPLICATION.] Subdivision 1 applies to every health maintenance contract which is delivered, issued for delivery, renewed or amended on or after July 19, 1977.

Subdivisions 2 and 2a apply to every health maintenance contract which is delivered, issued for delivery, renewed, or amended on or after March 1, 1983.

Sec. 7. [62D.104] [REQUIRED OUT-OF-AREA CONVERSION.]

Enrollees who have individual health maintenance organization contracts and who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization if an agreement with an insurer can reasonably be made, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, or, if such enrollees are covered by Title XVIII of the Social Security Act (Medicare), they shall be given the option of a Medicare supplement plan as provided by sections 62A.31 to 62A.35.

This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

If a health maintenance organization cannot make arrangements for conversion coverage, the health maintenance organization shall notify enrollees of health plans available in other service areas.

Sec. 8. [62D.105] [COVERAGE OF CURRENT SPOUSE AND CHILDREN.]

Subdivision 1. [REQUIREMENT.] Every health maintenance contract, which in addition to covering the enrollee also provides coverage to the spouse and dependent children of the enrollee shall: (1) permit the spouse and dependent children to elect to continue coverage when the enrollee becomes enrolled for benefits under Title XVIII of the Social Security Act (Medicare); and (2) permit the dependent children to continue coverage when they cease to be dependent children under the generally applicable requirement of the plan.

Subd. 2. [CONTINUATION PRIVILEGE.] The coverage described in subdivision 1 may be continued until the earlier of the following dates:

(1) the date coverage would otherwise terminate under the contract;

(2) 36 months after continuation by the spouse or dependent was elected; or

(3) the date the spouse or dependent children become covered under another group health plan or Medicare.

If coverage is provided under a group policy, any required fees for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder for remittance to the health maintenance organization. In no event shall the fee charged exceed 102 percent of the cost to the plan for such coverage for other similarly situated spouse and dependent children to whom subdivision 1 is not applicable, without regard to whether such cost is paid by the employer or employee.

Sec. 9. Minnesota Statutes 1986, section 62D.11, is amended to read:

62D.11 [COMPLAINT SYSTEM.]

Subdivision 1. Every health maintenance organization shall establish and maintain a complaint system including an impartial arbitration provision, to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning the provision of health care services. "Provision of health services" includes, but is not limited to, questions of the scope of coverage, quality of care, and administrative operations. Arbitration shall be subject to chapter 572, except (a) in the event that an enrollee elects to litigate a complaint prior to submission to arbitration, and (b) no medical malpractice damage claim shall be subject to arbitration unless agreed to by both parties subsequent to the event giving rise to the claim.

Subd. 1a. Where a complaint involves a dispute about a health maintenance organization's coverage of an immediately and urgently needed service, the commissioner may either (a) review the complaint and any information and testimony necessary in order to make a determination and order the appropriate remedy pursuant to sections 62D.15 to 62D.17, or (b) order the health maintenance organization to use an expedited system to process the complaint.

Subd. 2. The health maintenance organization shall maintain a record of each written complaint filed with it for three five years and the commissioner of health shall have access to the records.

Sec. 10. Minnesota Statutes 1986, section 62D.12, subdivision 2, is amended to read:

Subd. 2. No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 7; (e) enrollee moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 7; (f) failure to make copayments required by the health care plan; or (g) other

reasons established in rules promulgated by the commissioner of health.

An enrollee Subd. 2a. Enrollees shall be given 30 days notice of any cancellation or nonrenewal, except that enrollees who are eligible to receive replacement coverage under section 11, subdivision 1, shall receive 90 days notice as provided under section 11, subdivision 5.

Sec. 11. [62D.121] [REQUIRED REPLACEMENT COVERAGE.]

Subdivision 1. When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to make copayments required by the health care plan; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership, the health maintenance organization must offer or arrange to offer replacement coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Subd. 2. If the health maintenance organization has terminated individuals from coverage in a service area, the replacement coverage shall be health maintenance organization coverage issued by the health maintenance organization terminating coverage unless the health maintenance organization can demonstrate to the commissioner that offering health maintenance organization replacement coverage would not be feasible. In making the determination, the commissioner shall consider (1) loss ratios and forecasts, (2) lack of agreements between health care providers and the health maintenance organization to offer that product, (3) evidence of anticipated premium needs compared with established rates, (4) the financial impact of the replacement coverage on the overall financial solvency of the plan, and (5) the cost to the enrollee of health maintenance organization replacement coverage as compared to cost to the enrollee of the replacement coverage required under subdivision 3 of this section.

Subd. 3. If replacement coverage is not provided by the health maintenance organization, as explained under subdivision 2, the replacement coverage shall provide, for enrollees covered by Title XVIII of the Social Security Act, coverage at least equivalent to a Medicare supplement two plan as defined in section 62A.34, except that the replacement coverage shall also cover the liability for any Medicare Part A and Part B deductible as defined under Title XVIII of the Social Security Act. After satisfaction of the Medicare Part B deductible, the replacement coverage shall be based on 120 percent of the Medicare Part B eligible expenses less the Medicare Part B payment amount. The fee or premium of the replacement coverage shall not exceed the premium charged by the state comprehensive

health plan as established under section 62E.08, for a qualified Medicare supplement plan. All enrollees not covered by Medicare shall be given the option of a number three qualified plan or a number two qualified plan as defined in section 62E.06, subdivisions 1 and 2, for replacement coverage. The fee or premium for a number three qualified plan shall not exceed 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number three qualified plan of insurance in force in Minnesota. The fee or premium for a number two qualified plan shall not exceed 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number two qualified plan of insurance in force in Minnesota.

If the replacement coverage is health maintenance organization coverage, the fee shall not exceed 125 percent of the cost of the average fee charged by health maintenance organizations for a similar health plan. The commissioner of health will determine the average cost of the plan on the basis of information provided annually by the health maintenance organizations concerning the rates charged by the health maintenance organizations for the plans offered.

Subd. 4. The commissioner will approve or disapprove the replacement coverage within 30 days. A health maintenance organization shall not give enrollees a notice of cancellation of coverage until a replacement policy has been filed with the commissioner and approved or disapproved.

Subd. 5. The health maintenance organization must provide the terminated enrollees with a notice of cancellation 90 days before the date the cancellation takes effect. If the replacement coverage is approved by the commissioner under subdivision 4, the notice shall clearly and completely describe the replacement coverage that the enrollees are eligible to receive and explain the procedure for enrolling. If the replacement coverage is not approved by the commissioner, the health maintenance organization shall provide a cancellation notice with information that the enrollee is entitled to enroll in the state comprehensive health insurance plan with a waiver of the waiting period for preexisting conditions under section 62E.14, subdivisions 1, paragraph (e), and 5.

Subd. 6. [GEOGRAPHIC ACCESSIBILITY.] If the commissioner determines that there are not enough providers to assure that enrollees have accessible health services available in a geographic service area, the commissioner shall institute a plan of corrective action that shall be followed by the health maintenance organization. Such a plan may include but not be limited to requiring the health maintenance organization to make payments to nonparticipating providers for health services for enrollees, requiring the health maintenance organization to discontinue accepting new enrollees in that service area, and requiring the health maintenance

organization to reduce its geographic service area. If a nonparticipating provider has been a participating provider with the health maintenance organization within the last year, any payments made under this section must not exceed the payment level of the previous contract.

Sec. 12. [62D.122] [MEDIATION.]

Where the existing parties to a health maintenance organization agreement are unable to come to terms on the renewal or maintenance of an agreement and the failure to reach agreement will significantly impair access to health care for existing enrollees, the commissioner of health, the health maintenance organization, or the provider may request mediation services through the state bureau of mediation services to resolve the issues of dispute. Participation in mediation shall be required of all parties for a period of 30 days. Mediation is intended to resolve the issues of dispute to prevent a loss of coverage to enrollees. Other than requiring participation of all parties, mediation is intended to be nonbinding.

Sec. 13. Minnesota Statutes 1986, section 62D.17, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may, for any violation of statute or rule applicable to a health maintenance organization, or in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount up to \$10,000 for each violation. In the case of contracts or agreements made pursuant to section 62D.05, subdivisions 2 to 4, each contract or agreement entered into or implemented in a manner which violates sections 62D.01 to 62D.29 shall be considered a separate violation. Reasonable notice in writing to the health maintenance organization shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization may have a reasonable time 15 days within which to remedy the defect in its operations which gave rise to the penalty citation, or have file a written request for an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 14.

Sec. 14. 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 payment consistent with contractual requirements to any participating pharmacy for services rendered as part of a contract with the organization. Clean claims, as defined in Code of Federal Regulations, title 42, section 447.45(d) must be paid within 30 days of

acceptance of the claim or be subject to interest charged at the rate established by the commissioner of revenue under section 270.75.

Sec. 15. Minnesota Statutes 1986, section 62D.20, is amended to read:

62D.20 [RULES.]

Subdivision 1. The commissioner of health may, pursuant to chapter 14, promulgate such reasonable rules as are necessary or proper to carry out the provisions of sections 62D.01 to 62D.29. Included among such rules shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and reasonable exclusions therefrom. Nothing in such rules shall force or require a health maintenance organization to provide elective, induced abortions, except as medically necessary to prevent the death of the mother, whether performed in a hospital, other abortion facility, or the office of a physician; the rules shall provide every health maintenance organization the option of excluding or including elective, induced abortions, except as medically necessary to prevent the death of the mother, as part of its comprehensive health maintenance services.

Subd. 2. The commissioner shall adopt rules that address the issue of appropriate prior authorization requirements, considering consumer needs, administrative concerns, and the nature of the benefit.

Sec. 16. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 9. Each contributing member that terminates individual health coverage regulated under chapter 62A, 62C, 62D, or 64B for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 11, subdivision 3; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivision 1, paragraph (e), and section 20. Such a contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees, multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has termi-

nated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 17. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 10. Any contributing members who have terminated individual health plans and do not provide or arrange for replacement coverage that meets the requirements of section 11, subdivision 3, and whose former insureds or enrollees enroll in the state comprehensive health insurance plan with a waiver of the preexisting conditions pursuant to section 62E.14, subdivision 1, paragraph (e), and section 20, will be liable for the costs of any preexisting conditions of their former enrollees or insureds treated during the first six months of coverage under the state plan. The liability for preexisting conditions will be assessed before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 18. Minnesota Statutes 1986, section 62E.14, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE, CONTENTS.] The comprehensive health insurance plan shall be open for enrollment by eligible persons. An eligible person shall enroll by submission of a certificate of eligibility to the writing carrier. The certificate shall provide the following:

(a) Name, address, age, and length of time at residence of the applicant;

(b) Name, address, and age of spouse and children if any, if they are to be insured;

(c) Evidence of rejection, a requirement of restrictive riders, a rate up, or a preexisting conditions limitation on a qualified plan, the effect of which is to substantially reduce coverage from that received by a person considered a standard risk, by at least one association members within six months of the date of the certificate, or other eligibility requirements adopted by rule by the commissioner which are not inconsistent with this chapter and which evidence that a person is unable to obtain coverage substantially similar to that which may be obtained by a person who is considered a standard risk;

(d) Evidence that the applicant meets the eligibility requirements of section 62E.081, subdivision 1; ~~and~~

(e) If the applicant has been terminated from individual health

coverage which does not provide replacement coverage, evidence that no replacement coverage that meets the requirements of section 11, subdivision 3, was offered, and evidence of termination of individual health coverage by an insurer, nonprofit health service plan corporation, or health maintenance organization provided that the contract or policy has been terminated for reasons other than (1) failure to pay the charge for health care coverage; (2) failure to make copayments required by the health care plan; (3) enrollee moving out of the area served; or (4) a materially false statement or misrepresentation by the enrollee in the application for membership; and

(f) A designation of the coverage desired.

An eligible person may not purchase more than one policy from the state plan. Upon ceasing to be a resident of Minnesota a person is no longer eligible to purchase or renew coverage under the state plan.

Sec. 19. Minnesota Statutes 1986, section 62E.14, subdivision 3, is amended to read:

Subd. 3. [PREEXISTING CONDITIONS.] No person who obtains coverage pursuant to this section shall be covered for any preexisting condition during the first six months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the filing of an application except as provided under subdivisions 4 and 5, and section 20.

Sec. 20. Minnesota Statutes 1986, section 62E.14, is amended by adding a subdivision to read:

Subd. 6. A Minnesota resident who holds an individual health maintenance contract, individual nonprofit health service corporation contract, or an individual insurance policy previously approved by the commissioners of health or commerce, may enroll in the comprehensive health insurance plan with a waiver of the preexisting condition as described in subdivision 3, without interruption in coverage, provided (1) no replacement coverage that meets the requirements of section 11, subdivision 3, was offered by the contributing member, and (2) the policy or contract has been terminated for reasons other than (a) nonpayment of premium; (b) failure to make copayments required by the health care plan; (c) moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and, provided further, that the option to enroll in the plan is exercised within 30 days of termination of the existing policy or contract.

Coverage allowed under this section is effective on the date of termination, when the contract or policy is terminated and the

enrollee has completed the proper application and paid the required premium or fee.

Expenses incurred from the preexisting conditions of individuals enrolled in the state plan under this subdivision must be paid by the contributing member canceling coverage as set forth in section 17.

The application must include evidence of termination of the existing policy or certificate as required in subdivision 1.

Sec. 21. Minnesota Statutes 1986, section 62E.16, is amended to read:

62E.16 [CONVERSION PRIVILEGES.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be offered to enrollees without the addition of underwriting restrictions. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to

coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 22. [COMMISSION ON HEALTH PLAN REGULATORY REFORM.]

The commission on health plan regulatory reform created in Laws 1987, chapter 370, article 1, section 11, shall make recommendations for expedited review mechanisms for complaints concerning health maintenance organization coverage of an immediately and urgently needed service.

Sec. 23. [REPEALER.]

Laws 1984, chapter 464, sections 29 and 40, are repealed. Section 12 is repealed January 1, 1989."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "allowing for mediation of disputes about health maintenance organization agreements; allowing interest on unpaid charges;"

Page 1, lines 10 and 11, delete ", and by adding a subdivision"

Page 1, line 11, after "1" insert ", and by adding a subdivision" and after the second semicolon insert "62D.20;"

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2021, A bill for an act relating to child abuse reporting; clarifying the assessment duties of the local welfare agency; providing for the retention of records in certain circumstances; amending Minnesota Statutes 1986, section 626.556, subdivision 5, and by adding subdivisions; and Minnesota Statutes 1987 Supplement, section 626.556, subdivision 11.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1986, section 13.82, is amended by adding a subdivision to read:

Subd. 5a. [CHILD ABUSE INVESTIGATIVE DATA.] (a) "Child abuse investigative data" means data collected and maintained by county sheriffs and police departments in their investigation of reports of child abuse received pursuant to section 626.556.

(b) Child abuse investigative data is classified as confidential until an arrest is made or a criminal charge is filed against an alleged perpetrator of child abuse. At the time an arrest is made, the data listed in subdivisions 2, 3, and 4 of this section, which is part of a child abuse investigative file, is public data, except that any data which identifies the victim of abuse is private data on individuals and data which identifies the child abuse reporter is confidential. Child abuse investigative data may be made available to the local child protective agency pursuant to Minnesota Statutes, section 626.556, subdivision 10a. Child abuse investigative data shall retain its data classification while in the possession of a local child protection agency.

(c) A child abuse investigation becomes inactive upon the occurrence of any of the events specified in subdivision 5. With the exception of data which identifies the victim of abuse, which shall be private, data which identifies the child abuse reporter, which shall be confidential, and data which the county sheriff or police department received from a child protection agency under section 626.556, subdivision 10, which shall be private, all other inactive child abuse investigative data is public."

Page 1, after line 17, insert:

"Sec. 3. Minnesota Statutes 1986, section 626.556, subdivision 10d, is amended to read:

Subd. 10d. [NOTIFICATION OF NEGLECT OR ABUSE MAL-
TREATMENT IN A FACILITY.] (a) When a report is received that alleges neglect, physical abuse, or sexual abuse maltreatment of a child while in the care of a facility required to be licensed pursuant to sections 245.781 to 245.812, the commissioner or local welfare agency investigating the report shall provide the following information to the parent, guardian, or legal custodian of a child alleged to have been neglected, physically abused, or sexually abused maltreated: the name of the facility; the fact that a report alleging neglect, physical abuse, or sexual abuse maltreatment of a child in the facility has been received; the nature of the alleged neglect, physical abuse, or sexual abuse maltreatment; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed.

(b) The commissioner or local welfare agency may also provide the information in paragraph (a) to the parent, guardian, or legal custodian of any other child in the facility if the investigative agency knows or has reason to believe the alleged ~~neglect, physical abuse, or sexual abuse~~ maltreatment has occurred. In determining whether to exercise this authority, the commissioner or local welfare agency shall consider the seriousness of the alleged ~~neglect, physical abuse, or sexual abuse~~ maltreatment; the number of children allegedly neglected, ~~physically abused, or sexually abused~~ maltreated; the number of alleged perpetrators; and the length of the investigation. The facility shall be notified whenever this discretion is exercised.

(c) When the commissioner or local welfare agency has completed its investigation, every parent, guardian, or legal custodian notified of the investigation by the commissioner or local welfare agency shall be provided with the following information in a written memorandum: the name of the facility investigated; the nature of the alleged ~~neglect, physical abuse, or sexual abuse~~ maltreatment; the investigator's name; a summary of the investigation findings; a statement whether the report maltreatment was found to be ~~substantiated, inconclusive, or false~~; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the child and shall not contain the name, or to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation. The commissioner or local welfare agency shall also provide the written memorandum to the parent, guardian, or legal custodian of each child in the facility if the report maltreatment is substantiated. ~~The commissioner or local welfare agency may also provide the written memorandum to the parent, guardian, or legal custodian of any other child in the facility if the investigation is inconclusive. The facility shall be notified whenever this discretionary authority is exercised.~~

Page 2, line 14, delete "persistent" and insert "sustained"

Page 3, line 1, delete "11a" and insert "11b"

Page 3, line 3, delete "subject's" and insert "alleged perpetrator's"

Page 3, lines 12 to 15, reinstate the stricken language

Page 5, line 5, after "maintained" insert "or records derived from reports of abuse" and after "agencies" insert ", county sheriffs or police departments,"

Page 5, line 9, delete "either" and insert "credible information indicating"

Page 5, line 11, delete "subject" and insert "individual alleged to have maltreated a child"

Page 5, line 13, delete "and upon the subject's request," and insert "that individual may request that" and delete "shall"

Page 5, line 14, after "destroyed" insert "after two years"

Page 5, after line 26, insert:

"Sec. 8. [REPEALER.]

Minnesota Statutes 1986, section 626.556, subdivision 13, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections 13.82, by adding a subdivision; and" and delete "subdivision 5," and insert "subdivisions 5, 10d,"

Page 1, line 8, before the period insert "; repealing Minnesota Statutes 1986, section 626.556, subdivision 13"

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. 2024, A bill for an act relating to transportation; excluding certain publically owned transit buses from certain definitions of school bus; amending Minnesota Statutes 1986, sections 169.01, subdivision 6; and 171.01, subdivision 21.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [DULUTH TRANSIT BUSES ARE NOT SCHOOL BUSES.]

Notwithstanding Minnesota Statutes, sections 169.01, subdivision 6, and 171.01, subdivision 21, or other law to the contrary, the Duluth Transit Authority may transport children to or from a

school, or to or from school-related activities within the city of Duluth, on fixed routes and schedules or under an agreement with independent school district No. 709, in a publicly owned transit bus and when the authority does so, the bus is not a school bus.

Sec. 2. [DUTY OF CARE.]

The duty of care owed to pupils who are passengers by the Duluth Transit Authority while it is operating under section 1 is the same duty of care that is owed by an operator of a school bus as defined in Minnesota Statutes, sections 169.01, subdivision 6, and 171.01, subdivision 21.

Sec. 3. [REPEALER.]

Sections 1 and 2 are repealed August 1, 1990."

Amend the title as follows:

Page 1, line 3, delete "publically" and insert "publicly" and after "buses" insert "in Duluth"

Page 1, line 4, delete everything after "bus" and insert "; imposing a duty of care."

Page 1, delete lines 5 and 6

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2054, A bill for an act relating to human rights; clarifying marital status discrimination and housing discrimination; enforcing comparable worth and affirmative action requirements; making procedural and administrative changes; amending Minnesota Statutes 1986, sections 363.01, by adding a subdivision; 363.02, subdivisions 2, 2a, and by adding a subdivision; 363.03, subdivision 2; 363.06, subdivision 3; 363.073, subdivisions 1 and 3; 363.074; 363.091; and 363.14, subdivisions 1 and 3; Minnesota Statutes 1987 Supplement, sections 363.03, subdivision 1; 363.06, subdivision 1; and 363.071, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 363.01, is amended by adding a subdivision to read:

Subd. 40. [MARITAL STATUS.] "Marital status" means whether a person is single, married, divorced, widowed, separated, or other like status, and in employment cases includes protection against discrimination on the basis of identity, situation, actions, or beliefs of one's spouse or former spouse.

Sec. 2. Minnesota Statutes 1986, section 363.02, subdivision 2a, is amended to read:

Subd. 2a. [MANUFACTURED HOME PARKS.] The provisions of subdivision 2, prohibiting discrimination because of familial status:

(1) do not apply to a manufactured home park the majority of whose lots are reserved by park rule to households containing at least one elderly person; and

(2) do not apply to a section or sections of a manufactured home park which are identified by park rule and do not comprise more than one-third of the lots in the park. In order to qualify for exemption under this subdivision does not allow, a park owner to avoid complying must comply with section 327C.02, subdivision 2, 327C.05 or 327C.07, subdivision 4 when adopting or amending a rule concerning the permitted familial status of residents or of buyers of homes offered for in park sale.

Sec. 3. Minnesota Statutes 1986, section 363.02, is amended by adding a subdivision to read:

Subd. 2b. [EVICITION DUE TO FAMILIAL STATUS.] The provisions of section 363.03, subdivision 2, prohibiting discrimination because of familial status, do not apply to eviction from, or denial of continuing tenancy in, dwelling units exempt through certification under this section, provided that (1) one year has elapsed from the commencement of the familial status; and (2) six months prior written notice has been given to the tenant, unless the eviction or denial of continuing tenancy is for just cause unrelated to familial status.

Sec. 4. Minnesota Statutes 1986, section 363.03, subdivision 2, is amended to read:

Subd. 2. [REAL PROPERTY.] It is an unfair discriminatory practice:

(1) For an owner, lessee, sublessee, assignee, or managing agent of, or other person having the right to sell, rent or lease any real property, or any agent of any of these:

(a) to refuse to sell, rent, or lease or otherwise deny to or withhold from any person or group of persons any real property because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status; or

(b) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status in the terms, conditions or privileges of the sale, rental or lease of any real property or in the furnishing of facilities or services in connection therewith, except that nothing in this clause shall be construed to prohibit the adoption of reasonable rules intended to protect the safety of minors in their use of the real property or any facilities or services furnished in connection therewith; or

(c) in any transaction involving real property, to print, circulate or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental or lease of real property, or make any record or inquiry in connection with the prospective purchase, rental, or lease of real property which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status, or any intent to make any such limitation, specification, or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this subdivision prohibiting discrimination because of familial status do not apply to the dwelling unit.

(2) For a real estate broker, real estate salesperson, or employee, or agent thereof:

(a) to refuse to sell, rent, or lease or to offer for sale, rental, or lease any real property to any person or group of persons or to negotiate for the sale, rental, or lease of any real property to any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or represent that real property is not available for inspection, sale, rental, or lease when in fact it is so available, or otherwise deny or withhold any real property or any facilities of real property to or from any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status; or

(b) to discriminate against any person because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status in the terms, condi-

tions or privileges of the sale, rental or lease of real property or in the furnishing of facilities or services in connection therewith; or

(c) to print, circulate, or post or cause to be printed, circulated, or posted any advertisement or sign, or use any form of application for the purchase, rental, or lease of any real property or make any record or inquiry in connection with the prospective purchase, rental or lease of any real property, which expresses directly or indirectly, any limitation, specification or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or any intent to make any such limitation, specification or discrimination except that nothing in this clause shall be construed to prohibit the advertisement of a dwelling unit as available to adults-only if the person placing the advertisement reasonably believes that the provisions of this subdivision prohibiting discrimination because of familial status do not apply to the dwelling unit.

(3) For a person, bank, banking organization, mortgage company, insurance company, or other financial institution or lender to whom application is made for financial assistance for the purchase, lease, acquisition, construction, rehabilitation, repair or maintenance of any real property or any agent or employee thereof:

(a) to discriminate against any person or group of persons because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status of the person or group of persons or of the prospective occupants or tenants of the real property in the granting, withholding, extending, modifying or renewing, or in the rates, terms, conditions, or privileges of the financial assistance or in the extension of services in connection therewith; or

(b) to use any form of application for the financial assistance or make any record or inquiry in connection with applications for the financial assistance which expresses, directly or indirectly, any limitation, specification, or discrimination as to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or familial status or any intent to make any such limitation, specification, or discrimination; or

(c) to discriminate against any person or group of persons who desire to purchase, lease, acquire, construct, rehabilitate, repair or maintain real property in a specific urban or rural area or any part thereof solely because of the social, economic or environmental conditions of the area in the granting, withholding, extending, modifying, or renewing, or in the rates, terms, conditions, or privileges of the financial assistance or in the extension of services in connection therewith.

(4) For any real estate broker or real estate salesperson, for the

purpose of inducing a real property transaction from which the person, the person's firm, or any of its members may benefit financially, to represent that a change has occurred or will or may occur in the composition with respect to race, creed, color, national origin, sex, marital status, status with regard to public assistance, or disability of the owners or occupants in the block, neighborhood, or area in which the real property is located, and to represent, directly or indirectly, that this change will or may result in undesirable consequences in the block, neighborhood, or area in which the real property is located, including but not limited to the lowering of property values, an increase in criminal or antisocial behavior, or a decline in the quality of schools or other public facilities.

(5) Notwithstanding the provisions of any law, ordinance, or home rule charter to the contrary, no person shall be deemed to have committed an unfair discriminatory practice based upon age if the unfair discriminatory practice alleged is attempted or accomplished for the purpose of obtaining or maintaining one of the exemptions provided for a dwelling unit provided for in section 363.02, subdivision 2.

(6) Notwithstanding any law, ordinance, or home rule charter to the contrary, a totally or partially blind or deaf person with a guide dog is entitled to full and equal access to real property provided for in this section. The person may not be required to pay extra compensation for the guide dog but is liable for damage done to the premises by the guide dog.

Sec. 5. Minnesota Statutes 1987 Supplement, section 363.06, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS.] Any person aggrieved by a violation of this chapter may bring a civil action as provided in section 363.14, subdivision 1, clause (a), or may file a verified charge with the commissioner or the commissioner's designated agent. A charge filed with the commissioner must be in writing on a form provided by the commissioner and signed by the charging party. The charge must state the name of the person alleged to have committed an unfair discriminatory practice, and set out a summary of the details of the practice complained of. The commissioner may require a charging party to provide the address of the person alleged to have committed the unfair discriminatory practice, names of witnesses, documents, and any other information necessary to process the charge. The commissioner may dismiss a charge when the charging party fails to provide required information. The commissioner within ten days of the filing shall serve a copy of the charge and a form for use in responding to the charge upon the respondent personally or by mail. The respondent shall file with the department a written response to the charge within 20 days of receipt of the charge. If the respondent fails to respond within 30 days after service of the charge, and service was consistent with rule 4 of the

rules of civil procedure, the commissioner, on behalf of the complaining party, may bring an action for default in district court pursuant to rule 55.01 of the rules of civil procedure.

Sec. 6. Minnesota Statutes 1986, section 363.06, subdivision 3, is amended to read:

Subd. 3. [TIME FOR FILING CLAIM.] A claim of an unfair discriminatory practice must be brought as a civil action pursuant to section 363.14, subdivision 1, clause (a), filed in a charge with a local commission pursuant to section 363.116, or filed in a charge with the commissioner within 300 days one year after the occurrence of the practice. The running of the 300 day one-year limitation period is suspended during the time a potential charging party and respondent are voluntarily engaged in a dispute resolution process involving a claim of unlawful discrimination under chapter 363, including arbitration, conciliation, mediation or grievance procedures pursuant to a collective bargaining agreement or statutory, charter, or ordinance provisions for a civil service or other employment system. A potential respondent who participates in such a process with a potential charging party before a charge is filed or a civil action is brought shall notify the department and the charging party in writing of the participation in the process and the date the process commenced, and shall also notify the department and the charging party of the ending date of the process. A respondent who fails to provide this notification is barred from raising the defense that the statute of limitations has run unless the 300 days one year plus a period of time equal to the suspension period has passed.

Sec. 7. Minnesota Statutes 1986, section 363.073, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF APPLICATION.] No department or agency of the state shall receive, enter into, or accept any bid or proposal for a contract ~~or~~ nor execute any contract for goods ~~or~~ services, or the performance of any function, or any agreement to transfer funds for any reason in excess of \$50,000 with any business person having more than 20 full-time employees in Minnesota at any time during the previous 12 months, unless the firm or business person has an affirmative action plan for the employment of minority persons, women, and the disabled that has been approved by the commissioner of human rights. Receipt of a certificate of compliance issued by the commissioner shall signify that a firm or business person has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of two years.

Sec. 8. Minnesota Statutes 1986, section 363.073, subdivision 3, is amended to read:

Subd. 3. [REVOCAION OF CONTRACT.] A contract awarded by a department or agency of the state may be terminated or abridged

by the department or agency because of suspension or revocation of a certificate based upon a contractor's failure to implement or make a good faith effort to implement an affirmative action plan approved by the commissioner under this section. If a contract is awarded to a person who does not have a contract compliance certificate required under subdivision 1, the commissioner may void the contract on behalf of the state.

Sec. 9. Minnesota Statutes 1986, section 363.074, is amended to read:

363.074 [RULES FOR CERTIFICATES OF COMPLIANCE.]

The commissioner shall adopt rules to implement section 363.073 specifying the criteria used to review affirmative action plans and the standards used to review implementation of affirmative action plans. A firm or business certified to be in compliance with affirmative action requirements of a local human rights agency or the federal government shall may be deemed to be in compliance with section 363.073 upon submission to the commissioner of an affirmative action plan approved by a local human rights agency or the federal government and amendments to the plan which are necessary to address the employment of disabled persons protected by section 363.03, subdivision 1.

Sec. 10. Minnesota Statutes 1986, section 363.091, is amended to read:

363.091 [ENFORCEMENT.]

When a respondent fails or refuses to comply with a final decision of the department, the commissioner may file with the court administrator of district court in the judicial district in which the hearing was held a petition requesting the court to order the respondent to comply with the order of the department. Thereupon the court shall issue an order to show cause directed to the respondent why an order directing compliance should not be issued. ~~Notwithstanding the provisions of any law or rule of civil procedure to the contrary, the court shall examine at the hearing on the order to show cause all the evidence in the record and may amend the order of the department in any way the court deems just and equitable.~~ If the panel or examiner has ordered an award of damages pursuant to section 363.071 and if the court sustains or modifies the award, it the court shall enter judgment on the order or modified order in the same manner as in the case of an order of the district court, as provided in section 546.27.

Sec. 11. Minnesota Statutes 1986, section 363.121, is amended to read:

363.121 [DEPARTMENT ATTORNEY.]

The attorney general shall be the attorney for the department. When a matter has been referred to the attorney general by the commissioner subsequent to a finding of probable cause or for the purpose of interim relief, communications between members of the attorney general's office and charging parties or members of a class formed pursuant to section 363.06, subdivision 4, clause (6), are privileged as would be a communication between an attorney and a client.

Sec. 12. Minnesota Statutes 1986, section 363.14, subdivision 1, is amended to read:

Subdivision 1. [COURT ACTIONS, SUITS BY PRIVATE PARTIES, INTERVENTION.] (a) The commissioner or a person may bring a civil action seeking redress for an unfair discriminatory practice directly to district court. In addition, a person may bring a civil action:

(a) Directly to district court; or

(b) Notwithstanding the provisions of any law to the contrary,

(1) within 45 days after the commissioner has dismissed a charge because it is frivolous or without merit, because the charging party has failed to provide required information, because the commissioner has determined that further use of department resources is not warranted, or because the commissioner has determined that there is no probable cause to credit the allegations contained in a charge filed with the commissioner;

(2) within 45 days after the commissioner has reaffirmed a determination of no probable cause if the charging party requested a reconsideration of the probable cause determination; or

(3) after 45 days from the filing of a charge pursuant to section 363.06, subdivision 1 if a hearing has not been held pursuant to section 363.071 or if the commissioner has not entered into a conciliation agreement to which the charging party is a signator. The charging party shall notify the commissioner of an intention to bring a civil action, which shall be commenced within 90 days of giving the notice;

(b) If the commissioner has issued both probable cause and no probable cause determinations on separate issues in the same charge, the charging party may, if a hearing is held, require that all matters be heard at the hearing or may bring a civil action for the no probable cause charges at the same time as the probable cause

charges under the rules and time frames that govern the probable cause charges.

(c) The commissioner may dismiss, without prejudice to the charging party, any case filed with the department on or before June 30, 1978. The commissioner shall notify a charging party by regular mail sent before August 1, 1981, of the right to bring a civil action pursuant to this section. Upon giving this notice the commissioner shall end all proceedings in the department relating to the charge. Notwithstanding any statutory period of limitation to the contrary, an individual notified pursuant to this clause may bring a civil action relating to the charge; provided that the action is filed on or before February 1, 1982.

A charging party bringing a civil action shall mail by registered or certified mail a copy of the summons and complaint to the commissioner, and upon their receipt the commissioner shall terminate all proceedings in the department relating to the charge. No charge shall be filed or reinstituted with the commissioner after a civil action relating to the same unfair discriminatory practice has been brought unless the civil action has been dismissed without prejudice.

(d) Upon application by the complaining party to the district court at a special term and under circumstances the court deems just, the court may appoint an attorney for the person and may authorize the commencement of the action without payment of fees, costs, or security.

(e) Upon timely application, the court may permit the department to intervene in a civil action brought pursuant to this section upon certification that the case is of general public importance.

Sec. 13. Minnesota Statutes 1986, section 363.14, subdivision 3, is amended to read:

Subd. 3. [ATTORNEY'S FEES AND COSTS.] In any action or proceeding brought pursuant to this section the court, in its discretion, may allow the prevailing party, ~~other than the department,~~ a reasonable attorney's fee as part of the costs.

Sec. 14. [363.15] [NOTICE OF APPEAL TO THE COMMISSIONER.]

In any case that is appealed to the supreme court or the court of appeals in which an issue is raised under this chapter, the party raising the issue shall serve a copy of the notice of appeal on the commissioner. The clerk of the appellate courts may not accept a notice of appeal or other papers, documents, or briefs from any party

in an action involving this chapter without proof of service of the papers, documents, or briefs upon the commissioner.

Amend the title as follows:

Page 1, line 7, delete "subdivisions 2," and insert "subdivision"

Page 1, line 10, after the first semicolon, insert "363.121;"

Page 1, line 11, delete "sections 363.03, subdivision" and insert "section"

Page 1, line 12, delete the first "1," and delete "and 363.071, subdivision 2" and before the period insert "proposing coding for new law in Minnesota Statutes, chapter 363"

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. 2069, A bill for an act relating to environment; establishing a comprehensive solid waste reduction and recycling program through county programs, a waste reduction initiative fee on containers, a recycling deposit on beverage packages, and public education; appropriating money; proposing coding for new law in chapter 115A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [115A.93] [CITATION.]

Sections 1 to 13 may be cited as the comprehensive waste reduction and recycling act.

Sec. 2. [115A.931] [PURPOSES.]

The purposes of sections 1 to 13 are to:

(1) provide an opportunity for each individual to recycle waste materials;

(2) reduce the amount of waste generated and disposed in the state;

(3) increase the rate of recycling of waste materials;

(4) develop markets for recycled materials; and

(5) inform the public of recycling opportunities.

Sec. 3. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 13.

Subd. 2. [BEVERAGE.] "Beverage" means a soft drink, soda water, carbonated natural or mineral water, or other nonalcoholic carbonated drink; beer, ale, or other malt drink or a mixed wine or mixed spirit drink.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 4. [CONSUMER.] "Consumer" means a person who buys a filled nonrefillable beverage container from a retailer.

Subd. 5. [COUNCIL.] "Council" means the metropolitan council established in section 473.123.

Subd. 6. [DISTRIBUTOR.] "Distributor" means any person engaged in business who ships or transports products to retailers in this state to be sold by those retailers;

A distributor who also sells at retail must maintain a separate inventory substantiated with invoices for products that were acquired for retail sale and that are subject to the fee in section 7, subdivision 1.

Subd. 7. [LOCAL RECYCLING CENTER.] "Local recycling center" means a licensed establishment which accepts for recycling at least beverage containers, food packaging glass, and two other nonbeverage recyclable materials.

Subd. 8. [PLASTIC CAN.] "Plastic can" means a beverage container that is composed of one or more plastics and metal, exclusive of the closure.

Subd. 9. [RECYCLED MATERIALS.] "Recycled materials" means any material otherwise destined for the mixed municipal solid waste stream that is collected, separated, or processed and returned to markets in the form of raw material, feedstock, or end product.

Subd. 10. [RETAILER.] "Retailer" means any person, partnership, firm, corporation, or association, foreign or domestic, selling any

commodity, article, goods, wares, or merchandise to the consumer and not for the purpose of resale in any form.

Subd. 11. [YARD WASTE.] "Yard waste" means the garden wastes, leaves, lawn cuttings, weeds, and prunings generated at residential and commercial properties.

Sec. 4. [115A.933] [OPPORTUNITY TO RECYCLE.]

By January 1, 1990, each county shall provide its citizens an opportunity to recycle. "Opportunity to recycle" means at least:

(1) A local recycling center in every county and additional places for collecting recyclable material, at sites necessary for the convenience of the populations being served.

(2) A public education and promotion program that at least quarterly notifies each person of the opportunity to recycle and encourages source separation of residential, commercial, industrial, and institutional recyclable material.

In addition, each county shall ensure, in cities with a population of 5,000 or more persons, the opportunity to recycle a minimum of three kinds of recyclable materials through use of curbside pickup or centralized dropoff or use of a local recycling center.

By January 1, 1990, in cities of the first class and cities with 5,000 or over population in the metropolitan area and by January 1, 1992, in cities of the second class, each county shall ensure that the opportunity to recycle also includes at least monthly curbside pickup of at least three recyclable materials.

Sec. 5. [115A.934] [LOCAL RECYCLING CENTER.]

Subdivision 1. [APPLICATION.] Any person may file with the local county board an application for a license to operate a local recycling center. The application must state the name and address of the owner and operator of the center, the types of recyclable materials the center intends to accept, the hours open for operation, and the area the center wishes to serve. The license must be renewed annually. A county may designate cities as the licensing authority.

Subd. 2. [APPROVAL.] (a) The county or its designee may approve an application for a license to operate a local recycling center if it finds that the proposed center will provide a convenient service for collection of at least beverage containers, food packaging glass, and two other nonbeverage recyclable materials.

(b) The license to operate a local recycling center must state the

types of recyclable materials the center must accept, the hours open for operation, and the area the center and any associated curbside program is licensed to serve. The operator of a center shall prominently display on the center's premises the types of recyclable materials accepted and the hours open for operation.

(c) The county or its designee may review at any time any license to operate a local recycling center. After written notice to the owner and operator of the center, the county or its designee may, after a public hearing, revoke the license of the center if it finds lack of compliance with the license or if it finds the local recycling center no longer provides a convenient service to the public.

(d) When a county does not undertake licensing of local recycling centers, the agency shall accept applications and issue permits subject to the requirements of this section.

Sec. 6. [115A.935] [RECYCLING INITIATIVES FUND.]

Subdivision 1. [CREATION.] The recycling initiatives fund is established as a separate account in the state treasury. The fund consists of the waste reduction initiative fees established in section 7, penalties assessed under section 11, and interest earned on fund assets.

Subd. 2. [SPENDING; PURPOSES.] Money in the fund may be spent for:

(1) technical and financial assistance to counties, cities, and private businesses for creation of recycling systems, creation and licensing of local recycling centers; for modification of recycling systems to local recycling centers;

(2) county compliance with section 4;

(3) recycling and waste reduction projects including public education, planning, and technical assistance;

(4) market development for recyclable materials separated by generators, including public education, planning, and technical assistance;

(5) capital assistance for establishing private and public intermediate processing facilities for recyclable materials and facilities using recyclable materials in new products;

(6) public education directly related to the purposes of sections 1 to 13;

(7) reimbursement to the general fund for any appropriation made for the purpose of section 10; and

(8) costs of the department of revenue, the agency, the board, and the council in implementing and administering sections 1 to 13.

Subd. 3. [APPROPRIATION.] After fiscal year 1989, 20 percent of the money in the fund on July 1 of each year is appropriated annually to the board. The board shall distribute the money to nonmetropolitan counties and to the metropolitan council for assistance to counties to develop recycling systems. Up to 25 percent of the 20 percent of the money appropriated may be used for project grants for special recycling projects including multicounty, innovative, or especially large projects. The rest of the 20 percent of the money must be distributed based on a formula established by the board that guarantees an equal share for each county plus an allocation based on county population.

Sec. 7. [115A.936] [FEE; CONTAINER DESIGN.]

Subdivision 1. [WASTE REDUCTION INITIATIVE FEE.] (a) Each distributor, who is not the ultimate consumer of a product and who either sells packages used by a retailer to package products or sells packaged products intended for retail sale shall pay the department of revenue a one cent waste reduction initiative fee for each package or packaged product based on the product's smallest unit division intended for sale at the retail level. The fee must be paid according to the requirements of section 8.

(b) For the purpose of this section, "package" includes but is not limited to a bag, barrel, basket, bottle, box, can, carton, carrying case, crate, cup, cylinder, drum, flexible film, glass, jar, jug, pail, pot, rigid foil container, sack, tray, tub, tube, tumbler, vessel, wrapper, or wrap.

(c) Packages exempt from the fee are limited to those:

(1) that are recyclable and that are made of at least 50 percent by weight recycled materials;

(2) intended for use in a manufacturing process;

(3) used to package drugs and medicines as defined in section 151.01;

(4) used to package food or food products exempt from sales tax under section 297A.25, subdivision 2; or

(5) that require a refundable container deposit of at least four cents.

(d) A manufacturer or distributor must apply to the agency for exemption from the fee for specific packages based on the criteria listed in paragraph (c), clause (1). The agency may require applicants to provide information it considers necessary for the determination of specific exemptions. A person who receives an exemption shall notify the agency if the package material is altered. Exemption from the fee is retroactive to the date of filing of the application with the agency.

Subd. 2. [CONTAINER; PACKAGE DESIGN.] Packages exempt from the waste reduction initiative fee under subdivision 1, paragraph (c), clause (1), may carry the recycling emblem approved by the agency.

Sec. 8. [115A.937] [REPORTS; PAYMENT OF FEES.]

Subdivision 1. [REPORTS.] Each distributor required to pay the waste reduction initiative fee in section 7, subdivision 1, shall file with the commissioner a quarterly and annual report on a form prescribed by the commissioner specifying the number of packaging products for use by a retailer to package products, the number of packaged products, and specific numbers of packaging products and packaged products by category that are not subject to the fee in section 7, subdivision 1, that were sold by the distributor during the reporting period.

The quarterly reports are due on or before the 15th day following the end of the calendar quarter, and the annual reports must accompany the reports for the fourth calendar quarter and are due on or before January 15 following the end of the calendar year.

Subd. 2. [RECORDS.] The commissioner may by rule require any person subject to subdivision 1 to keep books, papers, documents, and records as the commissioner determines necessary for the enforcement of sections 1 to 13. The commissioner may examine, or have examined, any books, papers, records, or other documents relevant to making a determination, whether they are in the possession of a reporter or another person or corporation. The commissioner may require the attendance of any persons having knowledge or information in the premises, to compel the production of books, papers, records, or memoranda by persons so required to attend, to take testimony on matters material to a determination, and to administer oaths or affirmations.

Subd. 3. [INFORMATION CONFIDENTIAL.] Neither the commissioner nor any other public official or employee may divulge or otherwise make known in any manner any particulars disclosed in any report required by this section, or any information concerning the affairs of the person making the report acquired from its records, officers, or employees while examining or auditing under the authority of sections 1 to 13 except in connection with a proceeding

involving waste reduction initiative fees due under sections 1 to 13. Nothing in this section prohibits the commissioner from publishing statistics classified in a manner that does not disclose the identity of particular records or reports and their contents. Notwithstanding the provisions of this subdivision, the commissioner may provide the agency with information necessary for implementation and administration of sections 1 to 13.

Subd. 4. [TIME FOR PAYMENT; REFUND.] Waste reduction initiative fees incurred during a calendar quarter must be paid to the commissioner on or before the 15th day following the end of the quarter. The payment due for the fourth calendar quarter must be adjusted to reflect any underpayment or overpayment that is shown on the annual report. Any overpayment of waste initiative fees due to retroactive exemption granted by the agency must be credited against future fees due unless the person who overpaid has no future liability to pay fees in which case the overpayment must be refunded from the fund.

Subd. 5. [ENFORCEMENT.] The penalty, interest, and enforcement provisions under chapters 297A and 270 apply to the reports and amounts due the commissioner under this section.

Sec. 9. [115A.938] [PROHIBITIONS.]

Subdivision 1. [PLASTIC; PVC.] No person may sell, offer for sale, or give to consumers in this state any beverage packaged in a plastic can or any product packaged in material of which any part is polyvinyl chloride.

Subd. 2. [NONDEGRADABLE PLASTIC.] No person may sell, offer for sale, or give to consumers in this state beverage containers held together by nondegradable plastic material.

Subd. 3. [LANDFILL PROHIBITION.] Recyclable materials collected according to the requirements of section 4 may not be placed in any land disposal facility except as authorized by the agency.

Subd. 4. [YARD WASTE; LAND DISPOSAL PROHIBITED.] A person may not dispose of yard waste in mixed municipal solid waste or in a land disposal or resource recovery facility after January 1, 1992, or after January 1, 1990, in the metropolitan area, except as authorized by the agency.

Sec. 10. [115A.939] [AGENCY AND BOARD AUTHORITY; DUTIES; REPORTS.]

Subdivision 1. [PUBLIC EDUCATION.] The board may prepare, publish, and issue printed or educational materials necessary for the dissemination of information to the public for effective implemen-

tation of sections 1 to 13. The agency may prepare, publish, and issue materials necessary for the dissemination of information to the regulated community for effective implementation of sections 1 to 13.

Subd. 2. [INFORMATION GATHERING.] The agency may require any business or local government unit subject to the provisions of sections 1 to 13 to provide information necessary for the preparation of any reports required by this section.

Subd. 3. [SOLID WASTE COMPOSITION STUDY.] By December 31, 1989, the agency shall complete a mixed municipal solid waste composition study.

Subd. 4. [MINIMUM RECYCLING LEVELS.] By June 30, 1990, the agency, in consultation with the board and the council, shall by rule establish minimum recycling levels for at least paper, glass, aluminum, steel, and plastics for commercial, residential, institutional, and industrial classifications of solid waste generators. Separate levels may be established for the metropolitan and non-metropolitan areas of the state. If the minimum levels are not met in any classification on or after June 30, 1994, the agency shall require solid waste separation and recycling within that classification.

Subd. 5. [BIENNIAL REPORT.] The agency, board, and council shall collect data necessary to determine the effect of sections 1 to 13 and shall each prepare a report to the legislative commission on waste management to be completed by November 1, 1990, and biennially after that date. Each report must detail each agency's implementation of sections 1 to 13, the impact of those sections on industry and the public, and recommendations for future appropriations from the fund.

Sec. 11. [115A.9391] [PENALTIES.]

Subdivision 1. [CIVIL PENALTY.] In addition to any other penalty imposed by law, a person who violates any provision of section 7, 8, or 9, subdivision 1 or 2, shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of not more than \$1,000 per day of violation. The civil penalty may be recovered by a civil action brought by the attorney general in the name of the state.

Subd. 2. [INJUNCTIONS.] The attorney general may bring an action to enjoin any violation of sections 1 to 13 or an action to compel performance under sections 1 to 13.

Subd. 3. [COSTS; FEES.] In any action under subdivision 1 or 2, the attorney general may also recover costs and attorney fees.

Sec. 12. [RULES.]

The agency, board, council, and commissioner may adopt emergency and permanent rules to implement sections 1 to 13.

The cost of any rules must be reimbursed to the agency, board, council, or commissioner from the fund created by section 6.

Sec. 13. [115A.9392] [PLASTIC CONTAINER LABELING.]

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

(a) "Labeling" means attaching information to or embossing or printing information on a plastic container.

(b) "Material recovery" means the reuse, recycling, reclamation, composting, or other recovery of useful materials from solid waste, with or without treatment.

(c) "Plastic container" means an individual, separate, rigid plastic bottle, can, jar, or carton.

(d) "Reclamation" means the treatment of solid waste and its return to productive use in a form or for a use that is different from its original form or use.

(e) "Reuse" means the return of solid waste to productive use without treatment and without changing its form or use.

Subd. 2. [LABELING RULES REQUIRED.] The board shall adopt rules establishing labeling requirements for plastic containers. The requirements shall be designed to provide information needed by operators of material recovery programs to facilitate the recycling, reclamation, or reuse of plastic containers. The rules adopted under this subdivision must permit a manufacturer of plastic containers, a person who places products in plastic containers, and a person who sells products in plastic containers to choose an appropriate method of labeling plastic containers. The board shall develop rules as consistent as practicable with national industry-wide plastic container coding systems. The rules shall exempt from the labeling requirements plastic containers that are readily identifiable because of their appearance and plastic containers for which there is no technological capability for recycling, reclamation, or reuse or for which recycling, reclamation, or reuse is not economically feasible. The rules may exempt from the labeling requirements plastic containers of a capacity of less than a specified minimum size. In determining the types of plastic containers to exempt from the labeling requirements, the board shall consult with the agency.

Subd. 3. [PROHIBITION.] On and after January 1, 1990, no person may sell or offer for sale in this state a plastic container or a product in a plastic container that does not comply with the labeling requirements under subdivision 2.

Subd. 4. [PENALTY.] Any person who violates subdivision 3 is subject to a civil penalty of up to \$500 for each violation. Each day of violation constitutes a separate offense.

Sec. 14. [APPROPRIATIONS.]

Subdivision 1. [AGENCY.] The following amounts are appropriated from the general fund to the pollution control agency to be available until June 30, 1990:

- | | |
|--|-----------------|
| <u>(1) for public education under section 10, subdivision 1</u> | <u>\$</u> |
| <u>(2) for the cost of the studies and reports required by section 10, subdivisions 2 to 5</u> | <u>\$</u> |
| <u>(3) for administrative costs to implement sections 1 to 13</u> | <u>\$</u> |

The complement of the agency is increased by ... positions.

Subd. 2. [BOARD.] The following amounts are appropriated from the general fund to the waste management board to be available until June 30, 1990:

- | | |
|--|-----------------|
| <u>(1) for technical and financial assistance to counties, cities, and businesses under section 6, subdivision 2, clause (1)</u> | <u>\$</u> |
| <u>(2) for county compliance with section 4</u> | <u>\$</u> |
| <u>(3) for recycling and waste reduction projects under section 6, subdivision 2, clause (3)</u> | <u>\$</u> |
| <u>(4) for market development for recyclable materials under section 6, subdivision 2, clause (4)</u> | <u>\$</u> |
| <u>(5) for capital assistance for public and private recycling processing facilities</u> | <u>\$</u> |

(6) for public education under section 10, subdivision 1 \$

(7) for the cost of preparation of reports required by section 10, subdivision 5 \$

(8) for administrative costs to implement sections 1 to 13 \$

The complement of the board is increased by ... positions.

Subd. 3. [DEPARTMENT OF REVENUE.] The following amounts are appropriated from the general fund to the department of revenue to be available until June 30, 1990:

(1) for administrative costs of the fund incurred under section 6 \$

(2) for the collection of fees under section 8 \$

The complement of the department of revenue is increased by ... positions.

Subd. 4. [METROPOLITAN COUNCIL.] \$ is appropriated from the general fund to the metropolitan council to be available until June 30, 1990, for the cost of public education pursuant to section 6, subdivision 2, clause (6), and the cost of preparation of the report required by section 10, subdivision 5.

The complement of the council is increased by ... positions.

Subd. 5. [METROPOLITAN LANDFILL ABATEMENT FUND.] \$ is appropriated from the general fund to the metropolitan landfill abatement fund to be available until June 30, 1990, for the purposes of section 6, subdivision 2, clauses (1) to (4).

Subd. 6. [REIMBURSEMENT.] The amounts appropriated in this section must be reimbursed to the general fund from the fund created in section 6 by June 30, 1990.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective July 1, 1988, except that sections 7, subdivision 1, and 8, subdivision 1, clause (a), are effective October 1, 1988."

Amend the title as follows:

Page 1, line 5, delete everything after the first comma

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. 2071, A bill for an act relating to human services; increasing the nursing home resident personal allowance; changing nursing home property-related costs and operating costs provisions; amending Minnesota Statutes 1987 Supplement, sections 256B.35, subdivision 1; and 256B.431, subdivisions 2b and 3a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 144A.04, is amended by adding a subdivision to read:

Subd. 7. [MINIMUM NURSING STAFF REQUIREMENT.] Notwithstanding the provisions of Minnesota Rules, part 4655.5600, the minimum staffing standard for nursing personnel in nursing homes is as follows:

(a) The minimum number of hours of nursing personnel to be provided in a nursing home is the greater of two hours per resident per 24 hours or 0.95 hours per standardized resident day.

(b) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty, productive nursing hours of all nurses and nursing assistants, calculated on the basis of any given 24-hour period. "Productive nursing hours" means all on-duty hours during which nurses and nursing assistants are engaged in nursing duties. Examples of nursing duties may be found in Minnesota Rules, parts 4655.5900, 4655.6100, and 4655.6400. Not included are vacations, holidays, sick leave, in-service classroom training, or lunches. Also not included are the nonproductive nursing hours of the in-service training director. In homes with more than 60 licensed beds, the hours of the director of nursing are excluded. "Standardized resident day" means the sum of the number of residents in each case mix class multiplied by the case mix weight for that resident class, as found in Minnesota Rules, part 9549.0059, subpart 2, calculated on the basis of a facility's census for any given day.

(c) Calculation of nursing hours per standardized resident day is

performed by dividing total hours of nursing personnel for a given period by the total of standardized resident days for that same period.

Sec. 2. Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed decertified after May 23, 1983 or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules;

(f) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States Veterans Administration;

(g) to license or certify beds in a new facility constructed to replace a facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:

(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(2) at the time the facility was destroyed the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;

(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5; and

(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;

(h) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase

in its property-related payment rate by reason of the remodeling or renovation;

(i) to license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project recommended for approval by the interagency board for quality assurance under section 144A.073;

(k) to license nursing home beds in a hospital facility that are relocated from a different hospital facility under common ownership or affiliation, provided: (1) the hospital in which the nursing home beds were originally located ceases to function as an acute care facility, or necessary support services for nursing homes as required for licensure under sections 144A.02 to 144A.10, such as dietary service, physical plant, housekeeping, physical therapy, occupational therapy, and administration, are no longer available from the original hospital site; and (2) the nursing home beds are not certified for participation in the medical assistance program;

(1) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital buildings, from a hospital-attached nursing home to the hospital building, or from a separate nursing home under common ownership with or control of a hospital to the hospital when a hospital-attached nursing home is moved simultaneously to the hospital. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation. At the time of the licensure and certification of the nursing home beds, the commissioner of health shall delicense the same number of acute care beds within the existing complex of hospital buildings or building. When a separate nursing home and a hospital-attached nursing home under common ownership or control are simultaneously relocated to a hospital building, a combined cost report must be submitted for the cost reporting year ending September 30, 1987, and the freestanding nursing home limits apply. Relocation of nursing home beds under this clause is subject to the limitations in section 144A.073, subdivision 5;

(m) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(n) to license new nursing home beds in a continuing care retirement community affiliated with a national referral center

engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its residents from outside the state for the purpose of meeting contractual obligations to residents of the retirement community, provided the facility makes a written commitment to the commissioner of human services that it will not seek medical assistance certification for the new beds; or

(o) to certify or license new beds in a new facility on the Red Lake Indian reservation for which payments will be made under the Indian Health Care Improvement Act, Public Law Number 94-437, at the rates specified in United States Code, title 42, section 1396d(b); or

(p) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure and if the cost of any remodeling of the facility does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase in the future. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements.

Sec. 3. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 1, is amended to read:

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

(a) "Conversion" means the relocation of a nursing home bed from a nursing home to an attached hospital.

(b) "Renovation" means extensive remodeling of, or construction of an addition to, a facility on an existing site with a total cost exceeding ten percent of the appraised value of the facility or \$200,000, whichever is less.

(c) "Replacement" means the demolition and reconstruction of all or part of an existing facility.

(d) "Upgrading" means a change in the level of licensure of a bed from a boarding care bed to a nursing home bed in a certified boarding care facility that is attached to a nursing home or a boarding care bed in a freestanding boarding care facility that currently meets all health department standards for a nursing home.

Sec. 4. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 2, is amended to read:

Subd. 2. [REQUEST FOR PROPOSALS.] At the intervals specified in rules, the interagency board shall publish in the State Register a request for proposals for nursing home projects to be licensed or certified under section 144A.071, subdivision 3, clause (j). The notice must describe the information that must accompany a request and state that proposals must be submitted to the interagency board within 90 days of the date of publication. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the notice for that year must state that proposals will not be requested because no appropriations were made. To be considered for approval, a proposal must include the following information:

(1) whether the request is for renovation, replacement, upgrading, or conversion;

(2) a description of the problem the project is designed to address;

(3) a description of the proposed project;

(4) an analysis of projected costs, including initial construction and remodeling costs, site preparation costs, financing costs, and estimated operating costs during the first two years after completion of the project;

(5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;

(6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement;

(7) for proposals involving replacement or renovation of all or part of a facility which is not air conditioned, a proposal to add air conditioning to the portions undergoing replacement or renovation. If the applicant feels it has good cause for not recommending this portion of the proposal, it shall state its reasons;

(8) the proposed timetable for commencing construction and completing the project; and

(8) (9) other information required by rule of the commissioner of health.

Sec. 5. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 7, is amended to read:

Subd. 7. [UPGRADING RESTRICTIONS.] Proposals submitted or

approved under this section involving upgrading must satisfy the following conditions:

(a) ~~No proposal for upgrading may be approved after June 30, 1989.~~

(b) ~~No more than one proposal for upgrading may be approved for a facility.~~

(c) ~~Upgrading is limited to a total of ten beds.~~

(d) ~~The facility must meet minimum nursing home care standards.~~

(e) ~~Upgrading must not result in an increase in per diem operating costs, except for the upgrading of those freestanding boarding care facilities which currently meet existing nursing home building and space standards.~~

(f) (b) ~~If beds are upgraded to nursing home beds, the number of boarding care beds in a facility must not increase in the future.~~

(g) (c) ~~The average occupancy rate in the existing nursing home beds in an attached facility must be greater than 96 percent according to the most recent annual statistical report of the department of health.~~

(h) ~~The cost of remodeling the facility to meet current nursing home construction standards must not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less.~~

Sec. 6. Minnesota Statutes 1987 Supplement, section 256B.35, subdivision 1, is amended to read:

Subdivision 1. [PERSONAL NEEDS ALLOWANCE.] (a) Notwithstanding any law to the contrary, welfare allowances for clothing and personal needs for individuals receiving medical assistance while residing in any skilled nursing home, intermediate care facility, or medical institution including recipients of supplemental security income, in this state shall not be less than \$40 \$45 per month from all sources. When benefit amounts for social security or supplemental security income recipients are increased pursuant to United States Code, title 42, sections 415(i) and 1382f, the commissioner shall, effective in the month in which the increase takes effect, increase by the same percentage the clothing and personal needs allowance for individuals receiving medical assistance while residing in any skilled nursing home or intermediate care facility. The commissioner of human services shall provide timely notice to local agencies, providers, and recipients of increases under this provision.

Provided that this (b) The personal needs allowance may be paid as part of the Minnesota supplemental aid program, notwithstanding the provisions of section 256D.37, subdivision 2, and payments to the recipients from of Minnesota supplemental aid funds may be made once each three months beginning in October 1977, covering liabilities that accrued during the preceding three months.

Sec. 7. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 2i. [OPERATING COSTS AFTER JULY 1, 1988.] (a) [OTHER-OPERATING-COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the other-operating-cost limits established in Minnesota Rules, part 9549.0055, subpart 2, item E, to the percent of the median that approximates the 70th percentile of the array of allowable historical other-operating-cost per diems and index these limits as in Minnesota Rules, part 9549.0056, subparts 3 and 4. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted other-operating-cost limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 3 and 4.

(b) [CARE-RELATED OPERATING COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the care-related operating cost limits established in Minnesota Rules, part 9549.0055, subpart 2, items A and B, to the percent of the median that approximates the 85th percentile of the arrays of the allowable historical case mix operating cost standardized per diems and the allowable historical other-care-related operating cost per diems and index those limits as in Minnesota Rules, part 9549.0056, subparts 1 and 2. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted care-related limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 1 and 2.

(c) [SALARY ADJUSTMENT PER DIEM.] For the rate period October 1, 1988, through June 30, 1990, the commissioner shall add the appropriate salary adjustment per diem calculated in clause (1) or (2) to the total operating cost payment rate of each nursing home. The salary adjustment per diem for each nursing home must be determined as follows:

(1) for each nursing home that reports salaries for registered nurses, licensed practical nurses, and aides, orderlies and attendants separately, the commissioner shall determine the salary adjustment per diem by multiplying the total salaries, payroll taxes, and fringe benefits allowed in each operating cost category, except management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by 2.7 percent and then

dividing the resulting amount by the nursing home's actual resident days; and

(2) for each nursing home that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the salary adjustment per diem is the weighted average salary adjustment per diem increase determined under clause (1).

Each nursing home that receives a salary adjustment per diem pursuant to this subdivision shall adjust nursing home employee salaries by a minimum of the amount determined in clause (1) or (2). The commissioner shall review allowable salary costs, including payroll taxes and fringe benefits, for the reporting year ending September 30, 1989, to determine whether or not each nursing home complied with this requirement. The commissioner shall report the extent to which each nursing home complied with the legislative commission on long-term care by August 1, 1990.

(d) [NEW BASE YEAR.] The commissioner shall establish the reporting year ending September 30, 1989, as a new base year.

Sec. 8. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3d. [BETTERMENTS AND ADDITIONS.] Notwithstanding any contrary provision of chapter 256B, or a rule adopted under chapter 256B, a nursing home that commenced construction on a betterment and addition costing \$700,000 or more prior to the expiration of Minnesota Rules, 12 MCAR 2.05001 to 2.05016 (Temporary)(1983) shall have its property-related payment rate step-up as a result of the betterment and addition calculated as set forth in 12 MCAR 2.05011.B.3 in the case of betterments, and 12 MCAR 2.05011.D in the case of additions. For purposes of this subdivision, the terms "betterment" and "addition" have the meaning set forth in 12 MCAR 2.05002 and the term "commenced construction" has the meaning set forth in section 144A.071, subdivision 3.

Sec. 9. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3e. [PROPERTY COSTS AFTER JULY 1, 1988.] (a) [INVESTMENT PER BED LIMIT.] For the rate year beginning July 1, 1988, the replacement-cost-new per bed limit must be \$32,571 per licensed bed in multiple bedrooms and \$48,857 per licensed bed in a single bedroom. Beginning January 1, 1989, the replacement-cost-new per bed limits must be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1).

(b) [RENTAL FACTOR.] For the rate year beginning July 1, 1988, the commissioner shall increase the rental factor as established in Minnesota Rules, part 9549.0060, subpart 8, item A, by 6.2 percent rounded to the nearest 100th percent for the purpose of reimbursing nursing homes for soft costs and entrepreneurial profits not included in the cost valuation services used by the state's contracted appraisers. For rate years beginning on or after July 1, 1989, the rental factor is the amount determined under this paragraph for the rate year beginning July 1, 1988.

(c) [OCCUPANCY FACTOR.] For rate years beginning on or after July 1, 1988, in order to determine property-related payment rates under Minnesota Rules, part 9549.0060, for all nursing homes except those whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use 95 percent of capacity days. For a nursing home whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use the greater of resident days or 80 percent of capacity days but in no event shall the divisor exceed 95 percent of capacity days.

(d) [REFINANCING.] If a nursing home is approved and refinanced under section 10, the commissioner shall adjust the nursing home's property-related payment rate for the savings that result from refinancing. The adjustment to the property-related payment rate must be as follows:

(1) The commissioner shall recalculate the nursing home's rental per diem by substituting the new allowable annual principal and interest payments for those of the refinanced debt.

(2) The nursing home's property-related payment rate must be decreased by the difference between the nursing home's current rental per diem and the rental per diem determined under clause (1).

If a nursing home payment rate is adjusted according to this paragraph, the adjusted payment rate is effective the first of the month following the date of the refinancing for both medical assistance and private paying residents. The nursing home's adjusted property-related payment rate is effective until June 30, 1990.

Sec. 10. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 3f. [PROPERTY COSTS AFTER JULY 1, 1990, FOR CERTAIN FACILITIES.] (a) For rate years beginning on or after July 1, 1990, nonhospital-attached nursing homes that, on or after January 1, 1976, but prior to December 31, 1985, were newly licensed after new construction, or increased their licensed beds by a minimum of

35 percent through new construction, and whose building capital allowance is less than their allowable annual principal and interest on allowable debt prior to the application of the replacement-cost-new per bed limit and whose debt amortization schedule exceeds 15 years, must receive a property-related payment rate equal to the greater of their rental per diem or their allowable principal and allowable interest before application of the replacement-cost-new per bed limit plus their equipment allowance. A nursing home that is eligible for a property-related payment rate under this subdivision and whose property-related payment rate in a subsequent rate year is its rental per diem must continue to have its property-related payment rates established for all future rate years based on the rental reimbursement method in Minnesota Rules, part 9549.0060.

(b) Each nursing home eligible for a property-related payment rate under paragraph (a) must first apply for refinancing of the nursing home's mortgage debt with the housing finance agency by June 30, 1989. The housing finance agency, in consultation with the commissioner of human services, shall review the refinancing application and shall determine the cost-effectiveness and feasibility of refinancing the nursing home's mortgage debt. A nursing home that does not apply for refinancing by June 30, 1989, is not eligible for property-related payment rates determined under this subdivision for rate years beginning on or after July 1, 1990.

Sec. 11. Minnesota Statutes 1987 Supplement, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) For the rate years beginning July 1, 1983, and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983, and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2a, to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2f, the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by emergency and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for determining payment rates for nursing homes

which provide care under a lesser care level than the level for which the nursing home is certified.

(b) For the rate years beginning on or after July 1, 1985, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property related costs, operating costs, and real estate taxes and special assessments calculated under rules promulgated by the commissioner.

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any facility that is licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, is licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, remains in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited operating cost payment rate determined in clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) For fiscal years beginning on or after January 1, 1988, the facility's payment rate shall be established using the following method: The commissioner shall divide the real estate taxes and special assessments payable as stated in the facility's current property tax statement by actual resident days to compute a real estate tax and special assessment per diem. Next, the prior year's payment rate less the real estate tax and special assessment per diem must be adjusted by the higher of (1) the percentage change in the consumer price index (CPI-U U.S. city average) as published by the Bureau of Labor Statistics between the previous two Septembers, new series index (1967-100), or (2) 2.5 percent, to determine an adjusted payment rate. The facility's payment rate is the adjusted

payment rate plus the real estate tax and special assessment per diem.

(5) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

A facility that meets the criteria of this paragraph shall submit annual cost reports on forms prescribed by the commissioner.

For the rate year beginning July 1, 1985, each nursing home total payment rate must be effective two calendar months from the first day of the month after the commissioner issues the rate notice to the nursing home. From July 1, 1985, until the total payment rate becomes effective, the commissioner shall make payments to each nursing home at a temporary rate that is the prior rate year's operating cost payment rate increased by 2.6 percent plus the prior rate year's property-related payment rate and the prior rate year's real estate taxes and special assessments payment rate. The commissioner shall retroactively adjust the property-related payment rate and the real estate taxes and special assessments payment rate to July 1, 1985, but must not retroactively adjust the operating cost payment rate.

(d) For the purposes of Minnesota Rules, part 9549.0060, subpart 13, item F, the following types of transactions shall not be considered a sale or reorganization of a provider entity:

- (1) the sale or transfer of a nursing home upon death of an owner;
- (2) the sale or transfer of a nursing home due to serious illness or disability of an owner as defined under the social security act;
- (3) the sale or transfer of the nursing home upon retirement of an owner at 62 years of age or older;
- (4) any transaction in which a partner, owner, or shareholder acquires an interest or share of another partner, owner, or shareholder in a nursing home business provided the acquiring partner, owner, or shareholder has less than 50 percent ownership after the acquisition;
- (5) a sale and leaseback to the same licensee which does not constitute a change in facility license;
- (6) a transfer of an interest to a trust;
- (7) gifts or other transfers for no consideration;
- (8) a merger of two or more related organizations;

- (9) a transfer of interest in a facility held in receivership;
- (10) a change in the legal form of doing business other than a publicly held organization which becomes privately held or vice versa;
- (11) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing home or the issuance of stock; or
- (12) an involuntary transfer including foreclosure, bankruptcy, or assignment for the benefit of creditors.

Any increase in allowable debt or allowable interest expense or other cost incurred as a result of the foregoing transactions shall be a nonallowable cost for purposes of reimbursement under Minnesota Rules, parts 9549.0010 to 9549.0080.

(e) For rate years beginning on or after July 1, 1986, the commissioner may exclude from a provision of Minnesota Rules, parts 9549.0010 to 9549.0080, any facility that is certified by the commissioner of health as an intermediate care facility, licensed by the commissioner of human services as a chemical dependency treatment program, and enrolled in the medical assistance program as an institution for mental disease. The commissioner of human services shall establish a medical assistance payment rate for these facilities. Chapter 14 does not apply to the procedures and criteria used to establish the ratesetting structure. The ratesetting method is not appealable.

Sec. 12. Minnesota Statutes 1987 Supplement, section 256B.433, subdivision 1, is amended to read:

Subdivision 1. [SETTING PAYMENT; MONITORING USE OF THERAPY SERVICES.] The commissioner shall promulgate rules pursuant to the administrative procedure act to set the amount and method of payment for ancillary materials and services provided to recipients residing in nursing homes. Payment for materials and services may be made to either the nursing home in the operating cost per diem, to the vendor of ancillary services pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080 or to a nursing home pursuant to Minnesota Rules, parts 9500.0750 to 9500.1080. Payment for the same or similar service to a recipient shall not be made to both the nursing home and the vendor. The commissioner shall ensure the avoidance of double payments through audits and adjustments to the nursing home's annual cost report as required by section 256B.47, and that charges and arrangements for ancillary materials and services are cost effective and as would be incurred by a prudent and cost-conscious buyer. Therapy services provided to a recipient must be medically necessary and appropriate to the medical condition of the recipient. If the vendor, nursing home, or ordering physician cannot provide adequate medical necessity jus-

tification, as determined by the commissioner, in consultation with an advisory committee that meets the requirements of section 256B.064, subdivision 1a, the commissioner may recover or disallow the payment for the services and may require prior authorization for therapy services as a condition of payment or may impose administrative sanctions to limit the vendor, nursing home, or ordering physician's participation in the medical assistance program. If the provider number of a nursing home is used to bill services provided by a vendor of therapy services that is not related to the nursing home by ownership, control, affiliation or employment status, no withholding of payment shall be imposed against the nursing home for services not medically necessary except for funds due the unrelated vendor of therapy services as provided in subdivision 3, paragraph (c). For the purpose of this subdivision, no monetary recovery may be imposed against the nursing home for funds paid to the unrelated vendor of therapy services as provided in subdivision 3, paragraph (c), for services not medically necessary.

Sec. 13. Laws 1987, chapter 403, article 4, section 13, is amended to read:

Sec. 13. [STUDY AND REPORT.]

(a) The interagency board for quality assurance shall study the following issues and report to the legislature by December 15, 1988, on its findings and recommendations:

(1) the advisability of changing the definition of "hardship" for purposes of the nursing home moratorium;

(2) the advisability of defining the need for nursing home beds in terms of the population aged 75 and older; and

(3) the existence of a geographic maldistribution of long-term care beds and alternative care services in the state.

(b) In addition to the issues in paragraph (a), the interagency board shall study and make recommendations concerning the policy and fiscal impact of the changes made in Public Law Number 100-203 relating to the elimination of the intermediate care facility certification level in 1990. The interagency board shall consider at least the following: the need for continuation of the services currently offered by certified boarding care home beds, the need for additional beds in state licensed nursing homes, the fiscal impact associated with the reconstruction or replacement of facilities that do not meet nursing home standards, the costs of establishing an alternative funding source for the payment of services currently provided in these facilities, and the need to promulgate licensure standards. If the interagency board recommends that facilities be licensed as nursing homes, the interagency board shall recommend specific procedures for the granting of the licenses and identify

methods for the licensing or funding of facilities that may be considered out of compliance with federal law on October 1, 1990. The board shall provide recommendations to the legislature for legislative changes that are necessary to implement the board's recommendations. The costs associated with the board's recommendations must be provided to the commissioner of human services and included in the medical assistance forecast and the agency budget requests for the biennium ending June 30, 1991.

Sec. 14. [EFFECTIVE DATES.]

The increase in the personal needs allowance in section 6, paragraph (a), is effective January 1, 1989. The remaining provisions of section 6 are effective July 1, 1989.

Section 8 is effective the day following final enactment and applies to nursing home rate years that begin on or after July 1, 1988."

Delete the title and insert:

"A bill for an act relating to health and human services; setting minimum nursing staff requirement; providing exception to nursing home moratorium; amending definitions; increasing the nursing home resident personal allowance; changing nursing home property-related costs and operating costs provisions; requiring a report on the impact of federal law changes; amending Minnesota Statutes 1986, sections 144A.04, by adding a subdivision; and 256B.431, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 144A.071, subdivision 3; 144A.073, subdivisions 1, 2, and 7; 256B.35, subdivision 1; 256B.431, subdivision 4; and 256B.433, subdivision 1; Laws 1987, chapter 403, article 4, section 13."

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. 2086, A bill for an act relating to motor vehicles; removing restrictions regarding restricted gasoline fill pipes; amending Minnesota Statutes 1986, section 325E.0951.

Reported the same back with the following amendments:

Page 1, line 9, after "VEHICLE" insert "AIR"

Page 1, line 13, after "means" strike "a" and insert "any"

Page 1, line 22, before "POLLUTION" insert "AIR" and before "Pollution" insert "Air"

Page 1, line 23, after "means" delete "a" and insert "any"

Page 2, line 3, strike "a" and insert "any air"

Page 2, line 5, after "vehicle" insert "or on a motor vehicle engine"

Page 2, line 6, after "not" insert "manufacture," and after "advertise" insert ", offer"

Page 2, line 7, after "causes" strike "the" and insert "any air"

Page 2, line 8, strike "to be nonfunctional" and insert "not to be functional as designed"

Page 2, line 10, strike "the" and insert "any air"

Page 2, line 11, strike "is nonfunctional" and insert "is either not in place or is not functional"

Page 2, line 13, strike "the" and insert "any air"

Page 2, strike lines 14 and 15

Page 2, line 16, strike everything before the period

Page 2, after line 21, insert:

"Subd. 6. [DISCLOSURE.] No person may transfer a motor vehicle without certifying in writing to the transferee that to the best of the person's knowledge, the air pollution control systems, including the restricted gasoline fill pipe, have not been removed, altered, or rendered inoperative. The registrar of motor vehicles shall prescribe the manner and form in which this written disclosure must be made. No transferor may knowingly give a false statement to a transferee in making a disclosure required by this subdivision."

Amend the title as follows:

Page 1, line 2, delete "restrictions" and insert "language"

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. 2087, A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing Minnesota Statutes 1986, section 116D.045, subdivision 5.

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. 2098, A bill for an act relating to public utilities; pipeline safety; authorizing the office of pipeline safety to inspect and regulate intrastate pipeline facilities carrying liquefied natural gas, liquefied petroleum gas, and hazardous liquids; adopting federal safety regulations; removing the depth limitation for the one call excavation notice system; providing for the calculation of pipeline inspection fees; appropriating money; amending Minnesota Statutes 1986, sections 299F.56, subdivisions 1, 2, 4, 6, and by adding subdivisions; and 299F.59; Minnesota Statutes 1987 Supplement, sections 116I.015, subdivision 3; 216D.01, subdivision 5; 299F.57, subdivision 1, and by adding a subdivision; 299F.58; 299F.62; 299F.63, subdivision 1; 299F.64; and 299J.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 1987 Supplement, section 299F.63, subdivision 4.

Reported the same back with the following amendments:

Page 13, after line 22, insert:

"Sec. 21. [HAZARDOUS MATERIALS RESPONSE TEAMS; STUDY.]

The commissioner of the department of public safety shall conduct a study to determine the need for hazardous materials response teams, training standards for and equipment needs of such teams, and potential implementation of teams including locating, directing

and coordinating them. The study must take into account the hazardous materials response and reporting requirements of the Superfund Amendments and Reauthorization Act, Public Law Number 99-499, 100 Stat. 1613 (1986). The commissioner shall report the results of the study to the committee on regulated industries and the committee on environment and natural resources in the house of representatives and the committee on public utilities and energy and the committee on environment and natural resources in the senate by December 31, 1988."

Page 13, line 35, delete "22" and insert "23"

Renumber the sections in sequence.

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

The report was adopted.

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

H. F. No. 2101, A bill for an act relating to environment; prescribing criminal penalties for violation of certain statutes, rules, or permits relating to pollution control; amending Minnesota Statutes 1987 Supplement, section 115.071, subdivision 2; and 609.671.

Reported the same back with the following amendments:

Page 6, line 7, after "who" insert "willfully" and delete "as a"

Page 6, line 8, delete everything before the colon

Page 6, line 14, delete everything after "sampling"

Page 6, line 15, delete "sampling"

Page 6, line 17, after the first "or" insert ", with respect to pollution of the waters of the state, chapter"

Page 6, line 22, delete "\$300" and insert "\$2,500"

Page 6, line 33, after the first "or" insert ", with respect to pollution of the waters of the state, chapter"

Page 6, line 36, after "or" insert ", with respect to pollution of the waters of the state, chapter"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2104, A bill for an act relating to crimes; prescribing the penalty of murder in the first degree for the new crime of causing the death of a child while committing child abuse; amending Minnesota Statutes 1986, section 609.185.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) Causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) Causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) Causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit burglary, aggravated robbery, kidnapping, arson in the first or second degree, tampering with a witness in the first degree, or escape from custody; or

(4) Causes the death of a peace officer or a guard employed at a Minnesota state correctional facility, with intent to effect the death of that person or another, while the peace officer or guard is engaged in the performance of official duties; or

(5) Causes the death of a minor under circumstances other than those described in clause (1) or (2) while committing or attempting to commit child abuse, when the perpetrator has engaged in a past pattern of child abuse upon the child and the death occurs under circumstances manifesting an extreme indifference to human life.

For purposes of clause (5), "child abuse" means an act committed against a minor victim which constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344, or 609.345.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to crimes committed on or after that date."

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. 2108, A bill for an act relating to state government; ratifying labor agreements, compensation plans, and salaries for state employees, and salaries for certain employees of metropolitan agencies.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 299D.03, subdivision 2, is amended to read:

Subd. 2. [SALARIES.] (1) Each employee other than the chief supervisor, lieutenant colonel, majors, captains, corporals and sergeants hereinafter designated shall be known as patrol troopers.

(2) There may be appointed one lieutenant colonel; and such majors, captains, corporals, sergeants and troopers as the commissioner deems necessary to carry out the duties and functions of the state patrol. Persons in above named positions shall be appointed by law and have such duties as the commissioner may direct and, except for troopers, shall be selected from the patrol troopers, corporals, sergeants, captains, and majors who shall have had at least five years' experience as either patrol troopers, corporals, sergeants, or supervisors. The total number of supervisors shall not exceed one for each ten patrol officers, but no supervisor shall be demoted in order to obtain this ratio. Vacancies in supervisory positions, however, shall not be filled until the ratio provided for herein is reached.

(3) The salary rates for all state patrol troopers, corporals and sergeants shall be deemed to include \$6 per day reimbursement for shift differential, meal and business expenses incurred by state

patrol troopers, corporals and sergeants in the performance of their assigned duties in their patrol areas; business expenses include, but are not limited to: uniform costs, home garaging of squad cars and maintenance of home office.

Sec. 2. [RATIFICATION.]

Subdivision 1. The labor agreement between the state of Minnesota and the American federation of state, county and municipal employees, council 6, approved by the legislative commission on employee relations on July 21, 1987, is ratified.

Subd. 2. The labor agreement between the state of Minnesota and the Minnesota association of professional employees, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 3. The labor agreement between the state of Minnesota and the middle management association, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 4. The labor agreement between the state of Minnesota and the Minnesota community college faculty association, Minnesota education association, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 5. The labor agreement between the state of Minnesota and the Minnesota government engineers council, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 6. The salary plan for positions listed in Minnesota Statutes, section 15A.081, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 7. The commissioner of employee relations' plan for managerial employees, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 8. The commissioner of employee relations' plan for unrepresented employees, approved by the legislative commission on employee relations on August 25, 1987, is ratified.

Subd. 9. The labor agreement between the state of Minnesota and the interfaculty organization, Minnesota education association, approved by the legislative commission on employee relations on October 6, 1987, is ratified.

Subd. 10. The labor agreement between the state of Minnesota and the Minnesota state university association of administrative

and service faculty, Minnesota teamsters, local 320, approved by the legislative commission on employee relations on October 6, 1987, is ratified.

Subd. 11. The salary for the executive director of the higher education coordinating board, approved by the legislative commission on employee relations on November 9, 1987, is ratified.

Subd. 12. The salary for the chancellor of the community college system, approved by the legislative commission on employee relations on November 9, 1987, is ratified.

Subd. 13. The labor agreement between the state of Minnesota and the Minnesota nurses association, approved by the legislative commission on employee relations on January 25, 1988, is ratified.

Subd. 14. The salary for the chancellor of the state university system, approved by the legislative commission on employee relations on January 25, 1988, is ratified.

Subd. 15. The salary for the state director of vocational technical education, approved by the legislative commission on employee relations on January 25, 1988, is ratified.

Subd. 16. The salary for the executive director of the board of medical examiners, approved by the legislative commission on employee relations on March 8, 1988, is ratified.

Subd. 17. The negotiated and arbitrated labor agreement between the state of Minnesota and the bureau of criminal apprehension agents' association, Minnesota conservation officers' association, and the Minnesota state patrol officers' association, approved by the legislative commission on employee relations on March 8, 1988, is ratified.

Sec. 3. [INTERIM APPROVAL.]

After adjournment of the 1988 session but before the 1989 session of the legislature, the legislative commission on employee relations may give interim approval to any negotiated agreement, arbitration award, or compensation or salary plan submitted to it under other law. The commission shall submit the agreement, award, or plan to the entire legislature for ratification in the same manner and with the same effect as provided for agreements, awards and plans submitted after adjournment of the legislature in an odd-numbered year.

Sec. 4. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to state government; ratifying labor agreements, compensation plans, and salaries for state employees, and salaries for certain employees of metropolitan agencies; limiting the number of highway patrol supervisors; amending Minnesota Statutes 1986, section 299D.03, subdivision 2."

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. 2110, A bill for an act relating to retirement; local police and firefighter relief associations; providing for postretirement payments for retirees, surviving spouses and dependents; proposing coding for new law in Minnesota Statutes, chapter 423A.

Reported the same back with the following amendments:

Page 1, line 15, delete "salary"

Page 1, line 16, delete "increases" and insert "increase of the salary upon which pension benefits are determined"

Page 1, line 18, delete "percentage and carried to four decimal places" and insert "dollar amount"

Page 1, line 19, delete ".5" and insert "1.5"

Page 1, line 20, before the period insert "and does not exist unless the time weighted total rate of return of the fund exceeds five percent"

Page 2, line 2, delete "is receiving" and insert "received"

Page 2, line 3, delete "were receiving" and insert "received"

Page 2, delete lines 10 to 23 and insert:

"Subd. 2. [DETERMINATION OF EXCESS INVESTMENT INCOME.] The board of trustees of a relief association shall determine by May 1 of each year whether the relief association has excess investment income. The amount of excess investment income, if any, must be stated as a dollar amount and reported by the relief association to the governing body of the municipality, the state

auditor, the commissioner of finance, and the legislative commission on pensions and retirement. The dollar amount of excess investment income up to 1.5 percent of the assets of the fund must be reserved by the relief association for application under subdivisions 3 and 4. Excess investment income must not be considered for actuarial valuations of the fund for that year under sections 69.77, 356.215, and 356.216. Additional investment must be included in the actuarial valuations performed under sections 69.77, 356.215, and 356.216.

Subd. 3. [APPLICATION OF EXCESS INVESTMENT INCOME.] The amount of excess investment income determined by subdivision 2 must be applied as follows:

(1) one-third must be reserved to pay a benefit to eligible members under subdivision 4 in an amount not to exceed .5 percent of the assets of the fund or an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan, whichever is less;

(2) one-third must be reserved to reduce that portion of the state's amortization state aid or supplementary amortization state aid payment to the relief association under section 423A.02; and

(3) one-third must be reserved to reduce the minimum obligation of the municipality for the following calendar year.

Subd. 4. [COMPUTATION; PAYMENT.] Payment of the annual postretirement payment shall be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment shall be made only if the time weighted total rate of return exceeds five percent in any year. The total amount of all payments to members shall not exceed the amount determined under subdivision 1. A relief association that increases a service pension to a retired member in an amount equal to the same percentage that the salary base has increased shall pay an annual postretirement payment to all eligible members in a percent amount not to exceed the amount of excess investment income. Payment to each eligible member shall be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income, and then multiplying that result by the number of units to which each eligible member is entitled. Payment to each eligible member shall not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan.

Each other relief association shall pay an annual postretirement payment to its eligible members who do not receive a service pension increase equal to the same percentage that the salary base has increased. Payment to each of these members shall be calculated

by dividing the total number of pension units to which these members are entitled into the excess investment income, and then multiplying that result by the number of units to which each member is entitled. The payment to each eligible member shall not exceed the difference between the retired member's monthly benefit and the amount the benefit would have been had it increased at the same percentage rate as the salary base. Any excess investment income exceeding the limits just described shall be divided among all eligible members of the relief association by dividing the total number of pension units to which the members are entitled into the excess investment income, and then multiplying that result by the number of units to which each member is entitled. The total payment to each eligible member is subject to the overall limit that it shall not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the pension plan."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2118, A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1 and 1a; 256.978; 257.022, subdivision 2; 270A.03, subdivision 4; 518.145; 518.156, subdivision 1; 518.17, subdivision 3; 518.171, subdivision 10; 518.175, subdivision 7; 518.551, subdivision 11; 518.552, subdivision 4; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, section 518.611, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 256.87, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS AGAINST PARENTS FOR ASSISTANCE FURNISHED.] A parent of a child is liable for the amount of assistance furnished under sections 256.72 to 256.87 to and for the benefit of the child, including any assistance furnished for the benefit of the caretaker of the child, which the parent has had the

ability to pay. Ability to pay must be determined according to chapter 518. The parent's liability is limited to the amount of assistance furnished during the two years immediately preceding the commencement of the action, except that where child support has been previously ordered, the state or county agency providing the assistance, as assignee of the obligee, shall be entitled to judgments for child support payments accruing within ten years preceding the date of the commencement of the action up to the full amount of assistance furnished. The action may be ordered by the state agency or county agency and shall be brought in the name of the county by the county attorney of the county in which the assistance was granted, or by the state agency against the parent for the recovery of the amount of assistance granted, together with the costs and disbursements of the action.

Sec. 2. Minnesota Statutes 1986, section 256.87, subdivision 1a, is amended to read:

Subd. 1a. [CONTINUING CHILD SUPPORT CONTRIBUTIONS.] In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing child support contributions by a parent found able to reimburse the county or state agency. Except as provided in subdivision 4, the order shall be effective for the period of time during which the recipient receives public assistance from any county or state agency and for five months thereafter. The order shall require support according to chapter 518. An order for continuing contributions is reinstated without further hearing upon notice to the parent by any county or state agency that assistance is again being provided for the child of the parent under sections 256.72 to 256.87. The notice shall be in writing and shall indicate that the parent may request a hearing for modification of the amount of support or maintenance.

Sec. 3. Minnesota Statutes 1986, section 256.978, is amended to read:

256.978 [LOCATION OF PARENTS DESERTING THEIR CHILDREN, ACCESS TO RECORDS.]

The commissioner of human services, in order to carry out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children, may request information from the records of all departments, boards, bureaus or other agencies of this state, which shall, notwithstanding the provisions of section 290.61, section 268.12, subdivision 12 or any other law to the contrary, provide the information necessary for this purpose. Employers and utility companies doing business in this state shall provide the following data upon written request by an agency responsible for child support enforcement, to identify and locate individuals owing or allegedly owing a duty to support,

whether the individual is employed or is receiving utility service and the individual's address. A request for this information may be made to an employer when there is reasonable cause to believe that the subject of the inquiry is or was employed by the employer of whom the request was made. The request must include a statement that such reasonable cause exists. Information relative to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of support may be requested and used or transmitted by the commissioner pursuant to the authority conferred by this section. The commissioner of human services may make such information available only to public officials and agencies of this state and its political subdivisions and other states of the union and their political subdivisions who are seeking to enforce the support liability of parents or to locate parents who have, or appear to have, deserted their children. Any person who, pursuant to this section, obtains information from the department of revenue the confidentiality of which is protected by law shall not divulge the information except to the extent necessary for the administration of the child support enforcement program or when otherwise authorized by law.

Sec. 4. Minnesota Statutes 1986, section 270A.03, subdivision 4, is amended to read:

Subd. 4. "Debtor" means a natural person obligated on a debt to a claimant agency or having a delinquent account with a public agency responsible for child support enforcement.

Sec. 5. Minnesota Statutes 1987 Supplement, section 356.80, is amended to read:

356.80 [PROVISION OF INFORMATION IN THE EVENT OF MARRIAGE DISSOLUTION.]

Subdivision 1. [INFORMATION FOR A PENDING MARRIAGE DISSOLUTION.] (a) Upon written request by a person with access to the data under subdivision 3 who cites this statute, a public or private pension plan administrator must provide the court and the parties to a marriage dissolution action involving a plan member or former plan member with information regarding pension benefits or rights of the plan member or former plan member. The pension plan shall provide this information upon request of the court or a party to the action without requiring a signed authorization from the plan member or former plan member.

(b) The information must include the pension benefits or rights of the plan member or former plan member as of the first day of the month following the date of the request, ~~as of the first day of the seventh month following the date of the request if the action involves an active plan member~~, and as of the date of valuation of marital assets under section 518.58, if the person requesting the

information specifies that date. The information must also include the accrued service credit of the person, the credited salary of the person for the most current five-year period, a summary of the benefit plan, and any other information relevant to the calculation of the present value of the benefits or rights.

Subd. 2. [INFORMATION FOR AN EXISTING DISSOLUTION DECREE.] If a marriage dissolution decree rendered by a court of competent jurisdiction prior to August 1, 1987, provided a procedure for dividing pension benefits or rights in the form the distribution of future pension plan payments, upon request the applicable pension plan administrator shall provide on a timely basis to the court and the parties to the action the required information to implement that procedure without requiring a signed authorization from the plan member or former plan member.

Subd. 3. [ACCESS TO DATA.] Notwithstanding any provision of chapter 13 to the contrary, ~~a responsible authority~~ an administrator may release private or confidential data on individuals to the court, the parties to a marriage dissolution, their attorneys, and an actuary appointed under section 518.582, to the extent necessary to comply with this section.

Sec. 6. Minnesota Statutes 1986, section 518.145, is amended to read:

518.145 [DECREE, FINALITY, AND REOPENING.]

Subdivision 1. [APPEAL.] A decree of dissolution of marriage or of legal separation is final when entered, subject to the right of appeal. When entered, the findings of fact and conclusions of law may constitute the judgment and decree. An appeal from the decree of dissolution that does not challenge the finding that the marriage is irretrievably broken does not delay the finality of that provision of the decree which dissolves the marriage beyond the time for appealing from that provision. A party may remarry before the time for appeal has run if it is not contested that the marriage is irretrievably broken or if a stipulation that the marriage is irretrievably broken is incorporated in the decree of dissolution.

Subd. 2. [REOPENING.] On motion and upon terms as are just, the court may relieve a party from a judgment and decree, order, or proceeding under chapter 518, except for provisions dissolving the bonds of marriage, annulling the marriage, or directing that the parties are legally separated, and may order a new trial or grant other relief as may be just for the following reasons:

(1) mistake, inadvertence, surprise, or excusable neglect;

(2) newly discovered evidence which by due diligence could not

have been discovered in time to move for a new trial under the rules of civil procedure, rule 59.03;

(3) fraud, whether denominated intrinsic or extrinsic, misrepresentation, or other misconduct of an adverse party;

(4) the judgment and decree or order is void; or

(5) the judgment has been satisfied, released, or discharged, or a prior judgment and decree or order upon which it is based has been reversed or otherwise vacated, or it is no longer equitable that the judgment and decree or order should have prospective application.

The motion must be made within a reasonable time, and for a reason under clause (1), (2), or (3), not more than one year after the judgment and decree, order, or proceeding was entered or taken. A motion under this subdivision does not affect the finality of a judgment and decree or order or suspend its operation. This subdivision does not limit the power of a court to entertain an independent action to relieve a party from a judgment and decree, order, or proceeding or to grant relief to a party not actually personally notified as provided in the rules of civil procedure, or to set aside a judgment for fraud upon the court.

Sec. 7. Minnesota Statutes 1986, section 518.17, subdivision 3, is amended to read:

Subd. 3. [CUSTODY ORDER.] (a) Upon adjudging the nullity of a marriage, or in a dissolution or separation proceeding, or in a child custody proceeding, the court shall make such further order as it deems just and proper concerning:

(a) (1) the legal custody of the minor children of the parties which shall be sole or joint;

(b) (2) their physical custody and residence; and

(c) (3) their support. In determining custody, the court shall consider the best interests of the each child and shall not prefer one parent over the other solely on the basis of the sex of the parent.

(b) The court shall grant the following rights to each of the parties, unless specific findings are made under paragraph (c), and every custody order must include the following notice to the parties:

NOTICE IS HEREBY GIVEN TO THE PARTIES:

Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Presentation of

a copy of this order to the custodian of a record or other information about the minor children constitutes sufficient authorization for the release of the record or information to the requesting party.

Each party shall keep the other party informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress, and status, and to attend school and parent-teacher conferences. The school is not required to hold a separate conference for each party.

In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

Each party has the right to reasonable access and telephone contact with the minor children.

(c) The court may waive all or part of the notice required under paragraph (b) if it finds that it is necessary to protect the welfare of a party or child.

Sec. 8. Minnesota Statutes 1986, section 518.171, is amended by adding a subdivision to read:

Subd. 10. [ENFORCEMENT.] Remedies available for the collection and enforcement of child support apply to medical support. For the purpose of enforcement, the cost of individual or group health or hospitalization coverage is additional child support.

Sec. 9. Minnesota Statutes 1986, section 518.175, is amended by adding a subdivision to read:

Subd. 7. [GRANDPARENT VISITATION.] In all proceedings for dissolution or legal separation, the court may make an order granting visitation rights to grandparents under section 257.022, subdivision 2.

Sec. 10. Minnesota Statutes 1987 Supplement, section 518.54, subdivision 10, is amended to read:

Subd. 10. [PUBLIC PENSION PLAN BENEFITS OR RIGHTS.] "Public Pension plan benefits or rights" means a benefit or right from a public or private pension plan accrued to the end of the month in which marital assets are valued, as determined under the terms of the laws or other plan document provisions governing the plan, including section 356.30.

Sec. 11. Minnesota Statutes 1986, section 518.54, is amended by amending a subdivision to read:

Subd. 12. [PRIVATE PENSION PLAN.] "Private pension plan" means a plan, fund, or program maintained by an employer or employee organization that provides retirement income to employees or results in a deferral of income by employees for a period extending to the termination of covered employment or beyond.

Sec. 12. Minnesota Statutes 1986, section 518.551, is amended by adding a subdivision to read:

Subd. 11. [REOPENING SUPPORT AWARDS.] Section 518.145, subdivision 2, applies to awards of child support.

Sec. 13. Minnesota Statutes 1986, section 518.552, is amended by adding a subdivision to read:

Subd. 4. [REOPENING MAINTENANCE AWARDS.] Section 518.145, subdivision 2, applies to awards of spousal maintenance.

Sec. 14. Minnesota Statutes 1987 Supplement, section 518.58, subdivision 2, is amended to read:

Subd. 2. [PENSION PLANS.] The division of marital property that represents vested ~~public~~ public pension plan benefits or rights in the form of future ~~public~~ public pension plan payments:

(1) may not commence until the ~~public~~ public plan member submits a valid application for a ~~public~~ public pension plan benefit and the benefit becomes payable;

(2) is payable only to the extent of the amount of the ~~public~~ public pension plan benefit payable under the terms of the plan;

(3) is not payable for a period that exceeds the time that ~~public~~ public pension plan benefits are payable to the ~~public~~ public pension plan benefit recipient;

(4) is not payable in a lump sum amount from ~~public~~ public pension plan assets attributable in any fashion to a spouse with the status of an active member, deferred retiree, or benefit recipient of a ~~public~~ public pension plan; and

(5) if the former spouse to whom the payments are to be made dies prior to the end of the specified payment period with the right to any remaining payments accruing to an estate or to more than one survivor, is payable only to a trustee on behalf of the estate or the group of survivors for subsequent apportionment by the trustee.

Sec. 15. Minnesota Statutes 1987 Supplement, section 518.581, subdivision 4, is amended to read:

Subd. 4. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given in this subdivision.

(a) "Current or former ~~public~~ employee" or "employee" means an individual who has an interest in a pension plan.

(b) "Surviving spouse benefit" means (1) a benefit a surviving spouse may be eligible for under the laws and bylaws of the pension plan if the employee dies before retirement, or (2) a benefit selected for or available to a surviving spouse under the laws and bylaws of the pension plan upon the death of the employee after retirement.

Sec. 16. Minnesota Statutes 1987 Supplement, section 518.611, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS OF INCOME WITHHOLDING.] (a) Withholding shall result whenever the obligor fails to make the maintenance or support payments, and the following conditions are met:

(1) The obligor is at least 30 days in arrears;

(2) The obligee or the public authority serves written notice of income withholding, showing arrearage, on the obligor at least 15 days before service of the notice of income withholding and a copy of the court's order on the payor of funds;

(3) Within the 15-day period, the obligor fails to move the court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact, and, ex parte, to stay service on the payor of funds until the motion to deny withholding is heard; and

(4) The obligee or the public authority serves a copy of the notice of income withholding, a copy of the court's order, and the provisions of this section on the payor of funds; and

(5) The obligee serves on the public authority a copy of the notice of income withholding, a copy of the court's order, an application, and the fee to use the public authority's collection services.

(b) To pay the arrearage specified in the notice of income withholding, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.

(c) The obligor may, at any time, waive the written notice required by this subdivision.

(d) The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.

(e) Every order for support or maintenance shall provide for a conspicuous notice of the provisions of this subdivision. An order without this notice remains subject to this subdivision.

Sec. 17. Minnesota Statutes 1986, section 518.611, subdivision 10, is amended to read:

Subd. 10. [ORDER TERMINATING INCOME WITHHOLDING.]

(a) Whenever an obligation for support of a child or maintenance of a spouse, or both, terminates under the terms of the order or decree establishing the obligation, and where the obligation is enforced by an order for income withholding from the obligor, the court shall enter an order, directed to the obligor's employer or other payer of funds, which terminates the income withholding. The order terminating income withholding must specify the effective date of the order, referencing the initial order or decree establishing the support obligation.

The order must be entered once the following conditions have been met:

(1) the obligor serves written notice of the application for termination of income withholding by mail upon the obligee at the obligee's last known mailing address; and a duplicate copy of the application is served upon the public authority responsible for the processing of support collection services;

(2) the application for termination of income withholding specifies the event that terminates the support obligation, the effective date of the termination of the support obligation, and the applicable provisions of the order or decree that established the support obligation;

(3) the application includes the complete name of the obligor's employer or other payer of funds, the business mailing address, the court action and court file number, and the support and collections file number, if known; and

(4) after receipt of the application for termination of income withholding, the obligee or the public authority fails within 20 days to request a hearing on the issue of whether income withholding of support should continue clearly specifying the basis for the continued support obligation and, ex parte, to stay the service of the order terminating income withholding upon the obligor's employer or other payer of funds, pending the outcome of the hearing.

(b) If the public authority determines that the support obligation

has terminated under the terms of the order or decree establishing the obligation, the public authority shall notify the obligee and obligor of intent to terminate income withholding. Five days following this notice, the public authority shall issue a notice to the payor of funds terminating income withholding, without a requirement for a court order terminating income withholding, unless a hearing has been requested under paragraph (a).

Sec. 18. Minnesota Statutes 1987 Supplement, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] The terms of a decree respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost-of-living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair. On a motion for modification of maintenance, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court shall take into consideration the needs of the children and shall not consider the financial circumstances of each party's spouse, if any. A modification which decreases support or maintenance may be made retroactive only with respect to any period during which the support obligor has pending a motion for modification but only from the date that notice of the motion has been given to the obligee and to the court or other entity which issued each support order. A modification which increases support or maintenance shall not be made retroactive if the obligor has substantially complied with the previous order. Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Sec. 19. Minnesota Statutes 1986, section 518.641, is amended to read:

518.641 [COST-OF-LIVING ADJUSTMENTS IN MAINTENANCE OR CHILD SUPPORT ORDER.]

Subdivision 1. [REQUIREMENT.] An order for child support shall, and an order for maintenance may, provide for a biennial

adjustment in the amount to be paid based on a change in the cost-of-living. The An order which provides for a cost-of-living adjustment shall specify the cost-of-living index to be applied. The court may use the consumer price index for all urban consumers, Minneapolis-St. Paul (CPI-U), the consumer price index for wage earners and clerical, Minneapolis-St. Paul (CPI-W), or another cost-of-living index published by the department of labor which it specifically finds is more appropriate. The court may specify that the housing component be excluded from the cost-of-living adjustment. Cost-of-living increases under this section shall be compounded. It The court may also increase the amount by more than the cost-of-living adjustment by agreement of the parties or by making further findings. The adjustment becomes effective on the first of May of the year in which it is made. A court may waive the requirement of the cost-of-living clause in an order for child support if it expressly finds that the obligor's occupation or income, or both, does not provide for cost-of-living adjustment or that the order for child support has a provision such as a step increase that has the effect of a cost-of-living clause. The court may waive a cost-of-living adjustment in a maintenance order if the parties so agree in writing. The commissioner of human services may promulgate rules for child support adjustments under this section in accordance with the rulemaking provisions of chapter 14.

Subd. 2. [CONDITIONS.] No adjustment under this section may be made unless the order provides for it and until the following conditions are met:

(a) the obligee or public authority serves notice of its application for adjustment by mail on the obligor at the obligor's last known address at least 20 days before the effective date of the adjustment;

(b) the notice to the obligor shall inform the obligor that an adjustment in payments shall become effective on the first of May; and

(c) after receipt of notice and before the effective day of the adjustment, the obligor fails to request a hearing on the issue of whether the adjustment should take effect, and ex parte, to stay imposition of the adjustment pending outcome of the hearing.

Subd. 3. [RESULT OF HEARING.] If, at a hearing pursuant to this section, the obligor establishes an insufficient cost of living or other increase in income that prevents fulfillment of the an adjusted maintenance or child support obligation, the court may direct that all or part of the adjustment not take effect. If, at the hearing, the obligor does not establish this insufficient increase in income, the adjustment shall take effect as of the date it would have become effective had no hearing been requested.

Subd. 4. [FORM.] The department of human services shall pre-

pare and make available to the court and obligors a form to be submitted to the department by the obligor in support of a request for hearing under this section regarding a child support order. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Subd. 5. [REQUEST FOR COST-OF-LIVING CLAUSE.] A motion for enforcement or modification of an existing child support order shall include a request for a cost-of-living clause. The court may deny the request only upon an express finding that the obligor's occupation, income, or both, does not provide for a cost-of-living adjustment or that the existing child support order either has a cost-of-living clause or sets forth a step increase which has the effect of a cost-of living adjustment."

Delete the title and insert:

"A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1 and 1a; 256.978; 270A.03, subdivision 4; 518.145; 518.17, subdivision 3; 518.171, by adding a subdivision; 518.175, by adding a subdivision; 518.54, by adding a subdivision; 518.551, by adding a subdivision; 518.552, by adding a subdivision; 518.611, subdivision 10; and 518.641; Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; 518.581, subdivision 4; 518.611, subdivision 2; and 518.64, subdivision 2."

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. 2119, A bill for an act relating to education; requiring child care facilities and services in some state funded buildings at the University of Minnesota, Twin Cities campus; proposing coding for new law in Minnesota Statutes, chapter 137.

Reported the same back with the following amendments:

Page 1, line 11, after "building" insert "to be used by more than 100 students or employees on a regular basis"

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

The report was adopted.

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

H. F. No. 2120, A bill for an act relating to public meetings; authorizing the governing board of a joint vocational technical district to establish meeting sites; amending Minnesota Statutes 1986, section 136C.61, by adding a subdivision.

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. 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; 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.

Reported the same back with the following amendments:

Page 16, after line 29, insert:

"Subd. 6. [EXEMPTION.] This section shall not apply to a health maintenance organization which has a political subdivision as a guaranteeing organization."

Page 18, after line 2, insert:

"This subdivision does not limit a provider's ability to seek payment from any person other than the enrollee, the enrollee's guardian or conservator, the enrollee's immediate family members, or the enrollee's legal representative in the event of nonpayment by the health maintenance organization."

Page 19, delete lines 31 to 36

Page 20, delete lines 1 to 3

Page 21, line 8, after "contracts" insert "and of contracts with participating entities for the provision of administrative, financial, or management services,"

Page 21, line 9, after "providers" insert "and other contracting participating entities"

Page 21, after line 10, insert:

"If the court approves a contract amendment that diminishes a provider's compensation, the amendment may not be effective for more than 60 days."

Page 23, line 18, delete "1992" and insert "1993"

Page 23, line 28, delete "maintain" and insert "accrue on its balance sheet"

Page 23, line 29, delete "estimated in the aggregate to be sufficient to pay"

Page 24, line 25, delete "1992" and insert "1993"

ReNUMBER remaining sections in sequence

Correct all internal cross-references

Amend the title as follows:

Page 1, line 9, delete everything after the semicolon

Page 1, line 10, delete everything before "regulating"

Page 1, lines 20 and 21, delete "62D.17, by adding a subdivision;"

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2134, A bill for an act relating to real property; requiring recordation of transfers of contracts for deed; providing penalties; amending Minnesota Statutes 1986, section 507.235.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 507.235, is amended to read:

Subdivision 1. [FILING REQUIRED.] All contracts for deed executed on or after January 1, 1984, shall be recorded by the vendee within ~~six~~ four months in the office of the county recorder or registrar of titles in the county in which the land is ~~situated~~ located. A vendor of a contract for deed may record the contract.

A person receiving an assignment of a vendee's interest in a contract for deed that is transferred on or after January 1, 1989, shall record the assignment within four months of the date of transfer in the office of the county recorder or registrar of titles in the county in which the land is located. For the purpose of this section, "assignment" means an assignment or other transfer of all or part of a vendee's interest in a contract for deed. An assignor of a contract for deed may record an assignment.

Subd. 2. [PENALTY FOR FAILURE TO FILE.] If a contract for deed is not filed (a) A vendee who fails to record a contract for deed as required by subdivision 1, is subject to a civil penalty is imposed, payable pursuant to subdivision 5, equal to 0.15 two percent of the principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county. The penalty shall be may be enforced as a lien against the vendee's interest in the property and shall have has the same priority and may be collected in the same manner provided for real property taxes.

(b) A person receiving an assignment of a vendee's interest in a contract for deed who fails to record the assignment as required by subdivision 1 is subject to a civil penalty, payable pursuant to subdivision 5, equal to two percent of the original principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county.

Subd. 3. [DISCLOSURE.] A vendor, vendee, and current or former holder of a contract for deed, a person who collects payments made pursuant to a contract for deed, and a person in possession of the property subject to a contract for deed shall, on written request made by the city or county attorney of the city or county in which the property is located, disclose all information known to the person relating to the parties involved in the contract for deed or any assignment of the contract for deed.

The information must be disclosed in writing to the city or county attorney within 14 days of receipt of the notice and must include information known to the person relating to the identity and residence or office mailing address of the parties involved and any legible, true, and correct copies of relevant contracts for deed and assignment documents in the possession of or reasonably available to the person required to disclose.

Subd. 4. [CRIMINAL PENALTY.] A person who is required to record a contract for deed or an assignment of a contract for deed pursuant to subdivision 1 and who fails to record the transaction within 14 days of receipt of the notice required under subdivision 5 is guilty of a misdemeanor. A city in which the land is located or a county in which the land is located when the land is not located in a city may prosecute, by its attorney, criminal violations of this section. This criminal liability is in addition to civil liability imposed under this section.

Subd. 5. [CIVIL ENFORCEMENT.] A city or county in which the land is located may enforce the provisions of this section by its attorney. The city or county may bring an action to compel performance, an action to impose the civil penalty, or an action to compel disclosure of information.

Prior to bringing an action under this subdivision or subdivision 4, the city or county must provide written notice to the person subject to subdivision 1 of the person's duty to record the contract for deed or the assignment. Only when the person so notified fails to record the contract for deed or assignment documents within 14 days of receipt of the notice may any action be brought.

It is an affirmative defense in an enforcement action that the contract for deed or assignment document is not recordable and that the defendant has provided to the city or county attorney true and correct copies of the documents within 14 days after receipt of the notice.

In an action brought under this subdivision, the city or county attorney may recover costs and disbursements, including reasonable attorney fees."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2149, A bill for an act relating to the Ramsey-Washington metro watershed district; authorizing a tax for the district's administrative fund.

Reported the same back with the following amendments:

Page 1, line 10, delete "one" and insert "one-fourth"

Page 1, line 18, before "board" insert "boards of county commissioners of Ramsey and Washington counties and by the"

With the recommendation that when so amended the bill pass and 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. 2165, A bill for an act relating to environment; prohibiting the sale of certain polyethylene material; 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 recommendation that 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. 2176, A resolution memorializing the President and Congress of the United States to enact a program of national health insurance.

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2178, A bill for an act relating to energy; providing for minimum standards for fluorescent lamps; amending Minnesota Statutes 1986, section 116J.19, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(f) No provision of the code or any appendix chapter of the code

may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(g) [FLUORESCENT LAMP BALLASTS.] (1) For the purposes of this subdivision, the following terms have the meanings given them:

(i) "Ballast or fluorescent lamp ballast" means a device to operate a fluorescent lamp by starting voltage and current, limiting the current during normal operation, and designed to: (a) operate at a nominal input voltage of 120 or 227 volts, (b) operate with an input frequency of 60 hertz, and (c) be used to operate an F40T12 or F96T12 lamp.

(ii) "Ballast efficiency factor" means the ratio of relative light output, expressed as a percent, to the power input, expressed in watts under test conditions.

(iii) "F40T12 lamp" means a tubular fluorescent lamp which is a nominal 40 watts, with a 48-inch tube, 1½ inches in diameter and conforms to the American National Standards Institute standard C.78.1.

(iv) "F96T12 lamp" means a tubular fluorescent lamp that is a nominal 75 watts, with a 96-inch tube, 1½ inches in diameter, and conforms to the American National Standards Institute standard C.78.3.

(v) "Luminaire" means a complete lighting unit consisting of a fluorescent lamp, or lamps, together with parts designed to distribute the light, to position and protect lamps, and to connect lamps to the power supply.

(vi) "Nominal input voltage" means an input voltage within plus five percent or minus five percent of a specified value.

(vii) "Nominal lamp watts" means wattage at which a fluorescent lamp is designed to operate.

(viii) "Power input" means the rate of energy consumption in watts of a ballast and fluorescent lamp or lamps.

(ix) "Relative light output" means the test ballast light output divided by a reference ballast light output using the same reference lamp and expressing the value as a percent.

(2) The code must recommend but not require that buildings comply with the following minimum standards for fluorescent lamp ballasts:

The minimum allowable recommended ballast factors are:

<u>Ballasts</u> <u>Designed for the</u> <u>Operation of</u>	<u>Nominal</u> <u>Input</u> <u>Voltage</u>	<u>Total</u> <u>Nominal</u> <u>Lamp</u> <u>Watts</u>	<u>Minimum</u> <u>Ballast</u> <u>Efficiency</u> <u>Factor</u>
<u>One F40T12 lamp</u>	<u>120</u>	<u>40</u>	<u>1.805</u>
	<u>277</u>	<u>40</u>	<u>1.805</u>
<u>Two F40T12 lamps</u>	<u>120</u>	<u>80</u>	<u>1.060</u>
	<u>277</u>	<u>80</u>	<u>1.050</u>
<u>Two F96T12 lamps</u>	<u>120</u>	<u>150</u>	<u>0.570</u>
	<u>277</u>	<u>150</u>	<u>0.570</u>

The code may provide exceptions from recommended standards for certain fluorescent lamp ballasts that have a dimming capacity, are intended for use in ambient temperatures of 0 degrees Fahrenheit or less, or having a power factor less than 0.75.

Sec. 2. Minnesota Statutes 1986, section 116J.19, is amended by adding a subdivision to read:

Subd. 15. The commissioner, in consultation with an advisory board that includes electrical contractors, retailers, and conservationists, shall study and report to the legislature by January 1, 1990, the fiscal impact and energy conservation impact to the state if the recommended minimum standards for fluorescent lamp ballasts set forth in section 1 are made mandatory.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1988. Section 2 is repealed effective January 1, 1990."

Delete the title and insert:

"A bill for an act relating to energy; recommending minimum standards for fluorescent lamp ballasts; requiring the commissioner of public service to make a study; amending Minnesota Statutes 1986, section 116J.19, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2181, A bill for an act relating to workers' compensation; recodifying the workers' compensation law in chapter 176; proposing coding for new law as Minnesota Statutes, chapter 176C; repealing Minnesota Statutes 1986 and Minnesota Statutes 1987 Supplement, chapter 176.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [RECODIFICATION OF WORKERS' COMPENSATION LAW.]

The revisor of statutes shall recodify the workers' compensation law, including Minnesota Statutes, chapter 176.

The recodification must not make any substantive changes but shall provide a comprehensive, accurate, and complete restatement.

Each state department agency and legislative staff, including senate counsel and house research, may provide assistance in the recodification as requested by the revisor of statutes.

The revisor shall report to the legislature by January 15, 1989, on the progress of the recodification. The revisor shall prepare a bill to implement its recommendations for recodification by January 15, 1990."

Delete the title and insert:

"A bill for an act relating to workers' compensation; directing the revisor of statutes to recodify Minnesota Statutes, chapter 176, relating to workers' compensation."

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. 2188, A bill for an act relating to health; providing a state administered insurance program for persons without health care coverage; requiring premiums on a sliding fee basis; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 256H.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [FINDINGS.]

The legislature finds that a significant number of state residents do not have access to adequate health care because they cannot afford the cost of health insurance coverage, are not eligible for government health care programs, and are not covered by any government subsidized or employment-based insurance. These residents are often hard working Minnesotans whose wages are not sufficient to pay for health insurance premiums. They are farmers, small business owners, minor children, and elderly persons.

The legislature further finds that the very poor receive subsidized care through medical assistance programs and that most residents who do have health insurance or coverage through a health maintenance organization are covered through employment-based insurance.

The legislature further finds that although charity health care plays an important role in providing access to health care for persons without access to adequate health care, charity health care cannot continue to provide for the health care needs of these persons as their population continues to grow.

The legislature finds that to assure the continued health and welfare of these persons, it is necessary and desirable to establish a state administered health insurance program. The program shall provide coverage comparable to the coverage provided to state of Minnesota employees. To minimize the fiscal impact to the state in administering such a program, the program must require financial participation from those who are covered based on their ability to pay.

Sec. 2. Minnesota Statutes 1987 Supplement, section 256.936, is amended to read:

256.936 [CHILDREN'S HEALTH PLAN.]

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

(a) "Eligible persons" means ~~pregnant women and children under six years old~~ who are one year of age or older but less than 11 years of age who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not

otherwise insured for the covered services. Eligibility for pregnant women shall continue for 60 days postpartum to allow for follow-up visits. 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 11 years old.

(b) "Covered services" means prenatal care services and children's health services.

(c) "Prenatal care services" means the outpatient services provided to pregnant women which are medically necessary for the pregnancy. Physician or certified nurse-midwife services for delivery are included but inpatient hospital services are not included.

(d) "Children's health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, nursing home or intermediate care facilities services, and mental health and chemical dependency services.

(e) (d) "Eligible providers" means those health care providers who provide prenatal care services and children's health services to medical assistance clients under rules established by the commissioner for that program. Reimbursement under this section shall be at the same rates and conditions established for medical assistance. A provider of prenatal care services shall assess whether the pregnant woman is at risk of delivering a low birth weight baby or has a health condition which may increase the probability of a problem birth.

(f) (e) "Commissioner" means the commissioner of human services.

Subd. 2. [PLAN ADMINISTRATION.] The children's health plan is established to promote access to appropriate primary health care for pregnant women and to assure healthy babies and healthy children. The commissioner shall establish an office for the state administration of this plan. The plan shall be used to provide prenatal care and children's health services for eligible persons. Payment for these services shall be made to all eligible providers. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program and about other medical care programs administered or supervised by the department of human services. A toll-free telephone number must be used to provide information about the plan medical programs and to promote access to the covered services. The commissioner must make a quarterly assessment of the expected expenditures for the covered services and the appropriation. Based on this assessment the commissioner may limit enrollments and target former aid to families with dependent children recipients. If sufficient money is not available to cover all costs incurred in one

quarter, the commissioner may seek an additional authorization for funding from the legislative advisory committee.

Subd. 3. [APPLICATION PROCEDURES.] Applications and other information must be available in provider offices, local human services agencies, public and private elementary schools, community health offices, and Women, Infants and Children (WIC) program sites. These sites may accept applications, collect the enrollment fee, and forward the forms and fees to the commissioner. Otherwise, applicants may apply directly to the commissioner. The commissioner may use individuals' social security numbers as identifiers for purposes of administering the plan and conduct data matches to verify income. Applicants shall submit evidence of family income, earned and unearned, that will be used to verify income eligibility. Notwithstanding any other law to the contrary, benefits under this section are secondary to ~~any~~ a plan of insurance or benefit program under which an eligible person may have coverage. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

Subd. 4. [ENROLLMENT FEE.] An enrollment fee of \$35 is required from eligible persons for prenatal care services and an annual enrollment fee of \$25 is required from eligible persons for children's health services. ~~The fees may be paid together at the time of enrollment or as two payment installments.~~ The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance.

Sec. 3. Minnesota Statutes 1987 Supplement, section 256B.06, subdivision 1, is amended to read:

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

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

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

(3) who is eligible for or receiving public assistance under the aid to families with dependent children program, the Minnesota supplemental aid program, except for those persons eligible for Minnesota supplemental aid because the local agency waived excess assets under section 256D.37, subdivision 2; or

(4) who is a pregnant woman, as certified in writing by a physician

or nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman. For purposes of this section, a woman is considered pregnant for 60 days postpartum; or

(5) who is a pregnant woman, as certified in writing by a physician or nurse midwife, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under clause (8) if born and living with the woman. For purposes of this section, a woman is considered pregnant for 60 days postpartum; or

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

(7) who, except for the amount of income or assets, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and who meets the other eligibility requirements of this section. However, in the case of families and children who meet the categorical eligibility requirements for aid to families with dependent children, the methodology for calculating assets shall be as specified in section 256.73, subdivision 2, and the methodology for calculating deductions from earnings for child care and work expenses shall be as specified in section 256.74, subdivision 1; or

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

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

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

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

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

applicant or recipient as a primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age. The homestead is also excluded for the first six calendar months of the person's stay in the long-term care facility. The homestead must be reduced to an amount within limits or excluded on another basis if the person remains in the long-term care facility for a period longer than six months. Real estate not used as a home may not be retained unless the property is not salable, the equity is \$6,000 or less and the income produced by the property is at least six percent of the equity, or the excess real property is exempted for a period of nine months if there is a good faith effort to sell the property and a legally binding agreement is signed to repay the amount of assistance issued during that nine months; and

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

(a) the homestead, (b) household goods and furniture in use in the home, (c) wearing apparel, (d) personal property used as a regular abode by the applicant or recipient, (e) a lot in a burial plot for each member of the household, (f) personal jewelry acquired more than 24 months immediately prior to the period of medical assistance eligibility and personal jewelry acquired within 24 months immediately prior to the period of medical assistance eligibility and not purchased with assets of the applicant or recipient, (g) capital and operating assets of a trade or business that the local agency determines are necessary to the person's ability to earn an income, (h) for a period of six months, insurance settlements to repair or replace damaged, destroyed, or stolen property, (i) one motor vehicle that is licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e, and that is used primarily for the person's benefit, and (j) other items which may be required by federal law or statute. To be excluded, the vehicle must have a market value of less than \$4,500; be necessary to obtain medically necessary health services; be necessary for employment; be modified for

operation by or transportation of a handicapped person; or be necessary to perform essential daily tasks because of climate, terrain, distance, or similar factors. The equity value of other motor vehicles is counted against the cash or liquid asset limit; and

(14) who has or anticipates receiving a semiannual income not in excess of 115 percent of the income standards by family size used in the aid to families with dependent children program, except that families and children may have an income up to 133 $\frac{1}{3}$ percent of the AFDC income standard. Notwithstanding any laws or rules to the contrary, in computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566, section 503; 99-272; and 99-509; and

(15) who has monthly expenses for medical care that are more than the amount of the person's excess income, computed on a monthly basis, in which case eligibility may be established and medical assistance payments may be made to cover the monthly unmet medical need or who is a pregnant woman or infant up to one year of age who meets the requirements of clauses (1) to (8) except that her anticipated income is in excess of the income standards by family size used in the aid to families with dependent children program, but is equal to or less than 133 $\frac{1}{3}$ 185 percent of that income standard the federal poverty guideline for the same family size. Eligibility for a pregnant woman or infant up to one year of age with respect to this clause shall be without regard to the asset standards specified in clauses (12) and (13). For persons who reside in licensed nursing homes, regional treatment centers, or medical institutions, the income over and above that required in section 256B.35 for personal needs allowance is to be applied to the cost of institutional care. In addition, income may be retained by an institutionalized person (a) to support dependents in the amount that, together with the income of the spouse and child under age 18, would provide net income equal to the medical assistance standard for the family size of the dependents excluding the person residing in the facility; or (b) for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if the person was not living together with a spouse or child under age 21 at the time the person entered a long-term care facility, if the person has expenses of maintaining a residence in the community, and if a physician certifies that the person is expected to reside in the long-term care facility on a short-term basis. For purposes of this section, persons are determined to be residing in licensed nursing homes, regional treatment centers, or medical institutions if the persons are expected to remain for a period expected to last longer than three months. The commissioner of human services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care; and

(16) who has applied or agrees to apply all proceeds received or

receivable by the person or the person's spouse from any third person liable for the costs of medical care for the person, the spouse, and children. The state agency shall require from any applicant or recipient of medical assistance the assignment of any rights to medical support and third party payments. Persons must cooperate with the state in establishing paternity and obtaining third party payments. By signing an application for medical assistance, a person assigns to the department of human services all rights the person may have to medical support or payments for medical expenses from any other person or entity on their own or their dependent's behalf and agrees to cooperate with the state in establishing paternity and obtaining third party payments. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment takes effect upon the determination that the applicant is eligible for medical assistance and up to three months prior to the date of application if the applicant is determined eligible for and receives medical assistance benefits. The application must contain a statement explaining this assignment. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to notification of the assignment by the person or organization providing the benefits; and

(17) 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.

Sec. 4. [256H.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 4 to 11, the terms defined in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 3. [ELIGIBLE PERSON.] "Eligible person" means an individual who meets the requirements of section 6 and the rules adopted by the commissioner.

Subd. 4. [PROGRAM.] "Program" means the health insurance program for eligible persons administered by the commissioner under sections 4 to 11. The program's name is Minnesota access health plan.

Sec. 5. [256H.02] [CONTRACTING AUTHORITY.]

Subdivision 1. [GENERAL.] The commissioner may request bids and negotiate and contract with carriers that the commissioner determines are best qualified to underwrite and service the health

insurance plans. The commissioner may negotiate premium rates and coverage provisions with all carriers regulated under chapters 62A, 62C, and 62D. The commissioner may negotiate separate contracts to cover eligible persons who are in need of, and receive, immediate medical treatment but who have not as yet selected a plan of coverage. The commissioner may also negotiate reasonable restrictions to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to manage enrollment and plan selection must be bid or negotiated separately from contracts to service the plans, which shall be awarded only on the basis of competitive bids. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and other factors the commissioner considers appropriate. Each contract must be for a uniform term of at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, offer a choice of plans available from two or more health plan companies. The commissioner may offer only one plan in an area of the state if only one acceptable bid exists or if offering more than one would result in substantial, additional administrative costs. Payments from the state to a health plan company under sections 4 to 11 are exempt from the tax imposed by section 60A.15 and are not included in a health plan company's premiums for the purposes of assessments under 62E.11.

Subd. 2. [CONTRACT TO CONTAIN STATEMENT OF BENEFITS.] A contract under this section must contain a detailed statement of benefits offered and must include any maximums, limitations, exclusions, and other definitions of benefits the commissioner considers necessary or desirable. A contract must provide benefits at least equal to those required by section 62A.32 or 62E.06, subdivision 2.

A contract shall not contain a provision denying coverage for any preexisting conditions.

Sec. 6. [256H.03] [ELIGIBILITY.]

Subdivision 1. [ELIGIBLE PERSONS.] A Minnesota resident may enroll in the program if the resident is not covered either directly or through a family member under:

(1) a policy, plan, or contract of health or accident insurance regulated under chapter 62A, 62C, or 62D; or

(2) Medicaid or an employment-based insurance program.

Subd. 2. [REDETERMINATION OF ELIGIBILITY AND PREMIUM.] The commissioner shall redetermine a person's eligibility

and share of the premium every six months while the person is enrolled in the program.

Sec. 7. [256H.05] [PREMIUMS.]

Subdivision 1. [SLIDING FEE.] An eligible person shall pay that person's share of the premium for coverage at the time of enrollment. The enrollee's share of the premium shall be determined by an income-based sliding fee scale adopted by the commissioner in rule. The commissioner shall pay the remainder of the premium. Terms of payment of premiums by the commissioner and enrollee shall be provided in the contract.

Subd. 2. [PAYMENT OF FULL PREMIUM ALLOWED.] A person whose income is greater than 250 percent of the federal poverty income guidelines for a family of the same size must pay the entire premium to receive coverage under the program.

Sec. 8. [256H.06] [ENROLLMENT.]

The time, manner, conditions, and terms of eligibility for enrollment in the program shall be determined by the commissioner in rule.

The rules must ensure that eligible persons who need immediate medical treatment are covered under the program from the time they first seek treatment.

Sec. 9. [256H.07] [EFFECTIVE DATE OF COVERAGE.]

Except as provided by rule for persons who need immediate medical treatment, an eligible person is covered under the program on the date the writing carrier receives the first month's premium. Coverage is retroactive to the date the eligible person enrolled in the program.

Sec. 10. [256H.08] [SOLICITATION OF ELIGIBLE PERSONS.]

The commissioner shall disseminate appropriate information to the residents of this state about the existence of the program and the means of enrollment. Means of communication may include use of the press, radio, and television, as well as publication in appropriate state offices and publications.

The commissioner shall devise and implement methods to maintain public awareness of the provisions of sections 4 to 11 and shall administer sections 4 to 11 in a manner that facilitates public participation.

Sec. 11. [256H.09] [IMPLEMENTATION PLAN; REPORT.]

The commissioner, in consultation with the commissioners of health and commerce, three individuals appointed by the chair of the senate health and human services committee, and three individuals appointed by the chair of the house health and human services committee, shall develop a plan to implement the program. The plan must include, but not be limited to:

(1) estimates of the number of people eligible for the program and the costs of the program;

(2) a description of benefits to be offered;

(3) recommendations for methods to determine eligibility and collect premiums;

(4) strategies for contracting and marketing;

(5) strategies to maintain current employer participation in the provision of health care coverage;

(6) strategies to coordinate the program with health care programs such as general assistance medical care, the University Hospital Papers program at the University of Minnesota hospitals, Minnesota comprehensive health association, medical assistance, Medicare, Minnesota catastrophic health expense protection program, and other similar programs;

(7) timelines for implementing the program, with specific implementation plans for the 1989 to 1991 biennium; and

(8) recommendations for legislation to implement the program.

The commissioner shall report to the legislature by November 1, 1988, on the plan to implement the program.

Sec. 12. [APPROPRIATION.]

The sum of \$200,000 is appropriated from the general fund to the commissioner of human services to administer sections 4 to 11."

Amend the title as follows:

Page 1, line 2, after "health;" insert "extending children's health plan; raising medical assistance income limits for pregnant women and children up to age one;"

Page 1, line 5, after the semicolon, insert "amending Minnesota Statutes 1987 Supplement, sections 256.936; and 256B.06, subdivision 1;"

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. 2192, A bill for an act relating to transportation; providing for application of rules; providing for agreements with other states to administer special permits for vehicles exceeding weight and length restrictions; exempting limousines from motor carrier regulation; clarifying the filing of petitions for operating certificates and permits, carrying of cab cards, and requirements for private carriers; establishing insurance requirements; providing that investigative data on violations under chapter 221 may be given to transportation regulation board; amending Minnesota Statutes 1986, sections 169.86, by adding a subdivision; 221.025; 221.031, subdivisions 1, 2, 2a, and 3; 221.081; 221.121, subdivisions 1 and 5; 221.141, subdivision 1; 221.151, subdivision 1; 221.172, subdivision 2; 221.185, subdivision 9; 221.291, subdivisions 1 and 2; 221.296, subdivisions 4 and 8; and 221.81, subdivision 3a; Minnesota Statutes 1987 Supplement, sections 221.031, subdivision 7; 221.061; 221.291, subdivision 3; and 221.296, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 169 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 27, after "chapter," insert "other than section 169.67,"

Page 1, line 31, after "that" insert "motor carrier safety"

Page 4, line 10, delete "six" and insert "12"

Page 7, line 12, delete ", notwithstanding chapter 13"

Page 7, lines 13 and 14, delete "is" and insert "are"

Page 18, line 26, before the period insert ", and with the rules of the commissioner concerning inspections, vehicle and driver out-of-service restrictions and requirements, and vehicle, driver, and equipment checklists"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2193, A bill for an act relating to crimes; providing for seizure and forfeiture of property used in commission of crime, proceeds of crime, and contraband; creating a presumption that money, precious metals, and jewels found near controlled substances, and vehicles containing controlled substances, are subject to forfeiture; providing for administrative forfeiture of such property with opportunity for judicial determination; providing for summary forfeiture of contraband, certain controlled substances, weapons following a conviction, and certain plants; providing for forfeiture by judicial action of property and proceeds associated with controlled substance violations and designated offenses; eliminating the requirement that forfeiture actions be dismissed if no associated conviction results; providing that a conviction creates the presumption that after-acquired property constitutes forfeitable proceeds of the offense; eliminating the defense of an owner who negligently allowed the unlawful use of the owner's property; providing that the right to forfeitable property passes to law enforcement agencies upon commission of unlawful act; allowing seizure without process incident to a lawful search without a warrant and in other circumstances; allocating the proceeds of forfeitures to law enforcement agencies and county attorneys; amending Minnesota Statutes 1986, section 152.21, subdivision 6; 609.531, subdivisions 4, 5, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, sections 152.19; and 609.531, subdivisions 2, 3, and 6.

Reported the same back with the following amendments:

Page 4, after line 32, insert:

"If property is seized without process under clause (3), subclause (i), the county attorney must institute a forfeiture action under section 10 as soon as is reasonably possible."

Page 7, lines 23 and 24, delete "by clear and convincing evidence"

Page 11, line 24, delete "Three-fourths" and insert "Seventy percent"

Page 11, line 30, delete "one-fourth" and insert "20 percent"

Page 11, line 33, after the period insert "The remaining ten percent of the money or proceeds must be forwarded within 60 days after resolution of the forfeiture to the state treasury and credited to the crime victim and witness account established under section 609.101. Any local police relief association organized under chapter 423, which received or was entitled to receive the proceeds of any

sale made under this section before the effective date of sections 1 to 14, shall continue to receive and retain the proceeds of these sales."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2204, A bill for an act relating to obscenity; providing civil and equitable remedies against owners of businesses in which obscene materials or performances are sold or exhibited; proposing coding for new law in Minnesota Statutes, chapter 617.

Reported the same back with the following amendments:

Page 1, line 24, before "injunctive" insert "permanent"

Page 1, line 26, before "injunction" insert "permanent"

Page 2, line 3, after the period, insert "Personal service of the show cause order and of the petition, made as in civil actions, on the named respondents or upon any of their employees or agents found within the state, shall constitute sufficient notice. The show cause order for hearing may be returnable on the third day from the date of service as to a respondent who is present in this state, and on the fifth day as to a person not a resident or not found within this state. The hearing shall be held within 14 days of the date of service unless the respondent seeks a continuance of the hearing date."

Page 2, line 4, delete "an" and insert "a permanent"

Page 2, line 7, delete "\$10,000" and insert "\$1,000"

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. 2210, A bill for an act relating to St. Louis county; requiring a polling place at a certain location.

Reported the same back with the following amendments:

Page 1, line 9, delete "69N" and insert "60N"

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. 2222, A bill for an act relating to human services; providing exceptions to the moratorium on beds in intermediate care facilities for persons with mental retardation or related conditions; amending Minnesota Statutes 1986, sections 252.291, subdivisions 1 and 2; and 256B.092, subdivisions 5 and 7; Minnesota Statutes 1987 Supplement, sections 252.291, subdivision 3; and 256B.501, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 15, after "established" insert "publicly or privately operated community"

Page 2, after line 36, insert:

"One-half of the first 70 newly constructed or newly established intermediate care beds for persons with mental retardation or related conditions approved by the commissioner under this subdivision in the biennium ending June 30, 1989, shall be state-operated community intermediate care beds for persons with mental retardation or related conditions. Funds appropriated to operate and expand state-operated community-based programs pilot projects pursuant to Laws 1987, chapter 403, article 1, section 2, subdivision 9, may be used to establish state-operated community intermediate care beds for persons with mental retardation or related conditions."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2228, A bill for an act relating to education; establishing a records destruction schedule for chemical abuse preassessment teams; requiring law enforcement reports of certain violations to preassessment teams; amending Minnesota Statutes 1987 Supplement, sections 126.034; 126.035; 126.037; and 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, section 126.033, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 126.034, is amended to read:

126.034 [SCHOOL PREASSESSMENT TEAMS.]

Every public school, and every nonpublic school that participates in a school district chemical abuse program shall establish a chemical abuse preassessment team. The preassessment team must be composed of classroom teachers, administrators, and to the extent possible they exist in each school, school nurse, school counselor or psychologist, social worker, chemical abuse specialist, and other appropriate professional staff. The superintendents or their designees shall designate the team members in the public schools. The preassessment team is responsible for addressing reports of chemical abuse problems and making recommendations for appropriate responses to the individual reported cases.

Within 45 days after receiving an individual reported case the preassessment team shall make a determination whether to provide the student and, in the case of a minor, the student's parents with information about school and community services in connection with chemical abuse. Data may be disclosed without consent in health and safety emergencies pursuant to section 13.32 and applicable federal law and regulations.

Notwithstanding section 138.163, destruction of records identifying individual students shall be governed by this section. If the preassessment team decides not to provide a student and, in the case of a minor, the student's parents with information about school or community services in connection with chemical abuse, records created or maintained by the preassessment team about the student shall be destroyed not later than six months after the determination is made. If the preassessment team decides to provide a student and, in the case of a minor, the student's parents with information about school or community services in connection with chemical abuse, records created or maintained by the preassessment team about the student shall be destroyed not later than six months after the student is no longer enrolled in the district.

Sec. 2. Minnesota Statutes 1987 Supplement, section 126.035, is amended to read:

126.035 [SCHOOL AND COMMUNITY ADVISORY TEAM.]

The superintendent, with the advice of the school board, shall establish a school and community advisory team to address chemical

abuse problems in the district. The school and community advisory team must be composed of representatives from the school preassessment team established in section 126.034, to the extent possible, law enforcement agencies, county attorney's office, social service agencies, chemical abuse treatment programs, parents, and the business community. The community advisory team shall:

(1) build awareness of the problem within the community, identify available treatment and counseling programs for students and develop good working relationships and enhance communication between the schools and other community agencies; and

(2) develop a written procedure clarifying the notification process to be used by the chemical abuse preassessment team established under section 126.034 when a student is believed to be in possession of or under the influence of alcohol or a controlled substance. The procedure must include contact with the student, and the student's parents or guardian; and

(3) develop a written memorandum of understanding between school personnel and law enforcement agencies identifying when the school shall notify the local law enforcement agency that a violation of its drug and alcohol policy has occurred, and when the law enforcement agency shall notify the school chemical abuse preassessment team of incidents occurring off the school premises involving chemical abuse by students enrolled in that school pursuant to the possession or purchase of alcohol in violation of section 340A.503, subdivision 2 or 3, or in the case of controlled substances, a violation of section 152.09, subdivision 1 in the case of a minor student.

Sec. 3. [126.036] [LAW ENFORCEMENT RECORDS.]

A law enforcement agency shall provide notice of any drug incident occurring within the agency's jurisdiction, in which the agency has probable cause to believe a student violated section 152.09, subdivision 1 or 340A.503, subdivision 1, 2, or 3. The notice shall be in writing and shall be provided, within two weeks after an incident occurs, to the chemical abuse preassessment team in the school where the student is enrolled.

Sec. 4. Minnesota Statutes 1987 Supplement, section 126.037, is amended to read:

126.037 [REPORTING; CHEMICAL ABUSE.]

Subdivision 1. [TEACHER'S DUTY.] A teacher in a nonpublic school participating in a school district chemical use program, or a public school teacher, who knows or has reason to believe that a student is using, possessing, or transferring alcohol or a controlled

substance while on the school premises or involved in school-related activities, shall immediately notify the school's chemical abuse preassessment team of this information. A teacher who complies with this section shall be defended and indemnified under section 466.07, subdivision 1, in any action for damages arising out of the compliance.

Subd. 2. [OTHER REPORTS.] Nothing in this section prevents a teacher or any other school employee from reporting to a law enforcement agency any violation of law occurring on school premises or at school sponsored events.

Sec. 5. Minnesota Statutes 1987 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. Peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except by order of the juvenile court or except as required by a ~~written memorandum of understanding adopted under section 126.035~~ section 3 or as authorized under chapter 13; except that traffic investigation reports may be open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. No photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

Sec. 6. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 126.033, subdivision 4, is repealed."

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. 2233, A bill for an act relating to human services; regarding rates for day training and habilitation services; amending Minnesota Statutes 1986, section 256B.501, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 252.46, subdivision 6, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 252.46, subdivision 5, is amended to read:

Subd. 5. [SUBMITTING RECOMMENDED RATES.] The county board shall submit recommended payment rates to the commissioner on forms supplied by the commissioner by November 1, 1987, and at least 60 days before revised payment rates or payment rates for new vendors are to be effective. The forms must require the county board's written verification of the individual documentation required under section 252.44, clause (a). If the number of days of service provided by a licensed vendor are projected to increase, the county board must recommend payment rates based on the projected increased days of attendance and resulting lower per unit fixed costs. Recommended increases in payment rates for vendors whose approved payment rates are ten or more than ten percent below the statewide median payment rates must be equal to the maximum increases allowed for that vendor under subdivision 3. If a vendor provides services at more than one licensed site, the county board may recommend the same payment rates for each site based on the average rate for all sites. The county board may also recommend differing payment rates for each licensed site if it would result in a total annual payment to the vendor that is equal to or less than the total annual payment that would result if the average rates had been used for all sites. For purposes of this subdivision, the average payment rate for all service sites used by a vendor must be computed by adding the amounts that result when the payment rates for each licensed site are multiplied by the projected annual number of service units to be provided at that site and dividing the sum of those amounts by the total units of service to be provided by the vendor at all sites.

Sec. 2. Minnesota Statutes 1987 Supplement, section 252.46, subdivision 6, is amended to read:

Subd. 6. [VARIANCES.] A variance from the minimum or maximum payment rates in subdivisions 2 and 3 may be granted by the commissioner when the vendor requests and the county board submits to the commissioner a written variance request with the recommended payment rates. A variance can be utilized for costs associated with compliance with state administrative rules, compliance with court orders, increased insurance costs, start-up and conversion costs for supported employment, direct service staff salaries, and transportation. The county board shall review all vendors' payment rates that are ~~20~~ ten or more than ten percent lower than the average rates for the regional development commission district to which the county belongs statewide median payment rates. If the county determines that the payment rates do not provide sufficient revenue to the vendor for authorized service delivery the county must recommend a variance under this section.

This review must occur prior to November 1, 1987. When the county board contracts for increased services from any vendor for some or all individuals receiving services from the vendor, the county board shall review the vendor's payment rates to determine whether the increase requires that a variance to the minimum rates be recommended under this section to reflect the vendor's lower per unit fixed costs. The written variance request must include documentation that all the following criteria have been met:

(1) The commissioner and the county board have both conducted a review and have identified a need for a change in the payment rates to change the number of direct service staff or the level of qualifications of the staff.

(2) The proposed changes are required for the vendor to deliver authorized individual services in an effective and efficient manner.

(3) The proposed changes are necessary to demonstrate compliance with minimum licensing standards governing minimum staffing ratios and staff qualifications.

(4) The vendor documents that the change in staff numbers or qualifications changes cannot be achieved by reallocating current staff or by reallocating financial resources to provide or purchase the necessary services.

(5) The county board submits evidence that the need for additional staff cannot be met by using temporary special needs rate exceptions under Minnesota Rules, parts 9510.1020 to 9510.1140.

(6) The county board submits a description of the nature and cost of the proposed changes, and how the county will monitor the use of funds by the vendor to make necessary changes in services. Allowable costs are limited to salaries, related fringe benefits, and payroll taxes.

(7) The county board's recommended payment rates do not exceed 125 percent of the average current calendar year's statewide median payment rates in the regional development commission district in which the vendor is located.

Sec. 3. Minnesota Statutes 1987 Supplement, section 252.46, is amended by adding a subdivision to read:

Subd. 13. [REVIEW AND REVISION OF PROCEDURES FOR RATE EXCEPTIONS FOR VERY DEPENDENT PERSONS WITH SPECIAL NEEDS.] The commissioner shall review the procedures established in Minnesota Rules, parts 9510.1020 to 9510.1140, that counties must follow to seek authorization for a medical assistance rate exception for services for very dependent persons with special

needs. The commissioner shall appoint an advisory task force to work with the commissioner. Members of the task force must include vendors, providers, advocates, and consumers. After considering the recommendations of the advisory task force and county rate setting procedures developed under this section, the commissioner shall:

(1) revise administrative procedures as necessary;

(2) implement new review procedures for county applications for medical assistance rate exceptions for services for very dependent persons with special needs in a manner that accounts for services available to the person within the approved payment rates of the vendor;

(3) provide training and technical assistance to vendors, providers, and counties in use of procedures governing medical assistance rate exceptions for very dependent persons with special needs and in county rate setting procedures established under this subdivision; and

(4) develop a strategy and implementation plan for uniform data collection for use in establishing equitable payment rates and medical assistance rate exceptions for services provided by vendors.

Sec. 4. [COMPLEMENT.]

The approved complement of the department of human services shall be increased by one full-time equivalent for the purposes of sections 1 to 3.

Sec. 5. [APPROPRIATION.]

\$ is appropriated to the commissioner of human services for the purposes of sections 1 to 3."

Delete the title and insert:

"A bill for an act relating to human services; revising procedures used for establishing rates for day training and habilitation services for persons with mental retardation or a related condition; appropriating money; amending Minnesota Statutes 1987 Supplement, section 252.46, subdivisions 5 and 6, and by adding a subdivision."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2235, A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; amending Minnesota Statutes 1986, sections 13.04, subdivision 4; 138.17, by adding a subdivision; and 473.843, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 13.04, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE WHEN DATA IS NOT ACCURATE OR COMPLETE.] An individual subject of the data may contest the accuracy or completeness of public or private data. To exercise this right, an individual shall notify in writing the responsible authority describing the nature of the disagreement. The responsible authority shall within 30 days either: (a) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or (b) notify the individual that the authority believes the data to be correct. Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

The determination of the responsible authority may be appealed pursuant to the provisions of the administrative procedure act relating to contested cases. Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by chapter 14, try to resolve the dispute through education, conference, conciliation, and persuasion. If the parties agree, the commissioner may also refer the matter to mediation. Upon written agreement of the parties, the commissioner may dismiss an appeal.

Sec. 2. Minnesota Statutes 1986, section 13.67, is amended to read:

13.67 [EMPLOYEE RELATIONS DATA.]

The following data collected, created, or maintained by the department of employee relations are classified as nonpublic data pursuant to section 13.02, subdivision 9:

(a) The commissioner's plan prepared by the department, pursuant to section 3.855, which governs the compensation and terms and

conditions of employment for employees not covered by collective bargaining agreements until the plan is submitted to the legislative commission on employee relations;

(b) Data pertaining to grievance or interest arbitration that has not been presented to the arbitrator or other party during the arbitration process;

(c) Notes and preliminary drafts of reports prepared during personnel investigations and personnel management reviews of state departments and agencies; and

(d) The managerial plan prepared by the department pursuant to section 43A.18 that governs the compensation and terms and conditions of employment for employees in managerial positions, as specified in section 43A.18, subdivision 3, and for employees in the career executive service pursuant to section 43A.18, subdivision 3, clause (c), until the plan is submitted to the legislative commission on employee relations; and

(e) Claims experience and all related information received from carriers and claims administrators participating in either the state group insurance plan or the public employees insurance plan as defined in chapter 43A and survey information collected from employees and employers participating in these plans, except when the department determines that release of the data will not be detrimental to the plan.

Sec. 3. Minnesota Statutes 1986, section 13.791, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Unless the data is summary data or is otherwise classified by statute or federal law, all data collected and maintained by the department of jobs and training that pertain to individuals applying for or receiving rehabilitation services is private data on individuals. The commissioner of jobs and training may release the name, business address, and business telephone number of an individual licensed under section 248.07, subdivision 8.

Sec. 4. [13.792] [MINNESOTA ZOOLOGICAL GARDEN DATA.]

The following data maintained by the Minnesota Zoological Garden are classified as private or nonpublic:

(1) research information gathered on prospects and donors to aid in determining appropriateness of solicitation and level of gift request;

(2) specific data in prospect lists that would identify prospects to be solicited, dollar amounts to be requested, and name of solicitor;

(3) portions of solicitation letters and proposals that identify the prospect being solicited and the dollar amount being requested;

(4) letters, pledge cards, and other responses received from prospective donors in response to solicitations;

(5) portions of thank-you letters and other gift acknowledgement communications which would identify the name of the donor and the specific amount of the gift, pledge, or pledge payment; and

(6) data detailing dates of gifts and specific gift amounts made by donors to the Minnesota zoo, except that the zoo will continue to publish names of donors and gift ranges as is the accepted practice in the fund-raising business.

Sec. 5. Minnesota Statutes 1986, section 13.84, subdivision 5, is amended to read:

Subd. 5. [DISCLOSURE.] Private or confidential court services data shall not be disclosed except:

(a) Pursuant to section 13.05;

(b) Pursuant to a statute specifically authorizing disclosure of court services data;

(c) With the written permission of the source of confidential data;

(d) To the court services department, parole or probation authority or correctional agency having statutorily granted supervision over the individual subject of the data; or

(e) Pursuant to subdivision 5a; or

(f) Pursuant to a valid court order.

Sec. 6. Minnesota Statutes 1986, section 13.84, is amended by adding a subdivision to read:

Subd. 5a. [PUBLIC BENEFIT DATA.] The responsible authority or its designee of a court services department, parole or probation authority, or correctional agency may make private or confidential court services data related to criminal acts accessible to any law enforcement agency, or to the victim of a criminal act where the access will aid the victim in asserting the victim's legal rights.

Sec. 7. Minnesota Statutes 1986, section 13.84, is amended by adding a subdivision to read:

Subd. 5b. [EXCHANGES OF INFORMATION.] Nothing in this chapter prohibits the exchange of information by court services agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing an investigation.

Sec. 8. Minnesota Statutes 1986, section 13.85, is amended by adding a subdivision to read:

Subd. 5. [PUBLIC BENEFIT DATA.] The responsible authority or its designee of any agency which maintains corrections and detention data may make private or confidential corrections and detention data accessible to any law enforcement agency, or to the victim of a criminal act where the access will aid the victim in asserting the victim's legal rights.

Sec. 9. Minnesota Statutes 1986, section 138.17, is amended by adding a subdivision to read:

Subd. 9. [CHALLENGED DATA.] Data on individuals, that has been successfully challenged by an individual under the provisions of section 13.04, subdivision 4, may be altered, modified, or destroyed by a state agency, political subdivision, or statewide system without regard to the requirements of this section.

After altering, modifying, or destroying successfully challenged data, a state agency, political subdivision, or statewide system may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

If the individual subsequently files a civil action against the state agency, political subdivision, or statewide system, in which the altered, modified, or destroyed data may affect the outcome of the legal action, the state agency, political subdivision, or statewide system may offer the order or summary into evidence. This offering will raise a presumption that any dispute over the facts that might be resolved by the data which was altered, modified, or destroyed because of the individual's challenge, must be resolved in favor of the state agency, political subdivision, or statewide system unless the individual offers clear and convincing evidence to the contrary.

Sec. 10. Minnesota Statutes 1986, section 144.335, subdivision 2, is amended to read:

Subd. 2. [PATIENT ACCESS.] (a) Upon request, a provider shall

supply to a patient complete and current information possessed by that provider concerning any diagnosis, treatment and prognosis of the patient in terms and language the patient can reasonably be expected to understand.

(b) Upon a patient's written request, a provider, at a reasonable cost to the patient, shall furnish to the patient (1) copies of the patient's health record, including but not limited to laboratory reports, X-rays, prescriptions, and other technical information used in assessing the patient's health condition, or (2) the pertinent portion of the record relating to a specific condition, or (3) specified by the patient. With the consent of the patient, the provider may instead furnish only a summary of the record.

(c) If a provider, as defined in subdivision 1, clause (b) (1), reasonably determines that the information is detrimental to the physical or mental health of the patient, or is likely to cause the patient to inflict self harm, or to harm another, the provider may withhold the information from the patient and may supply the information to an appropriate third party or to another provider, as defined in subdivision 1, clause (b)(1). The other provider or third party may release the information to the patient.

(d) A provider as defined in subdivision 1, clause (b)(2), shall release information upon written request unless, prior to the request, a provider as defined in subdivision 1, clause (b)(1), has designated and described a specific basis for withholding the information as authorized by paragraph (c).

Sec. 11. Minnesota Statutes 1986, section 171.12, is amended by adding a subdivision to read:

Subd. 3a. [RECORD DESTROYED WHEN REVOCATION OR SUSPENSION RESCINDED.] Notwithstanding subdivision 3 or section 138.163, when an order for revocation of a driver's license is rescinded or an order for suspension of a driver's license is rescinded, the commissioner shall destroy all records of the revocation or suspension.

Sec. 12. Minnesota Statutes 1987 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. (a) Peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except (1) by order of the juvenile court, or except (2) as required by a written memorandum of understanding adopted under section 126.035, or (3) as authorized under chapter 13; except that traffic investigation reports may be open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. No photographs of a child taken into custody may be

taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

Sec. 13. Minnesota Statutes 1986, section 363.061, is amended by adding a subdivision to read:

Subd. 4. [CHARGING PARTY ACCESS.] Data, comprised of materials and documentation provided by a charging party that is part of either an open or closed case file, shall be accessible by the charging party in accordance with section 13.04, subdivision 3. The charging party may also consent to the release of this data to the charging party's attorney or other legal representative."

Delete the title and insert:

"A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; requiring the commissioner of administration to resolve disputes relating to data accuracy or completeness; making certain court services data relating to criminal acts accessible to law enforcement agencies; making certain corrections and detention data accessible to law enforcement agencies; authorizing certain data successfully challenged by an individual to be destroyed; requiring the commissioner of public safety to destroy records of revocation or suspension of a driver's license when revocation or suspension orders are rescinded; amending Minnesota Statutes 1986, sections 13.04, subdivision 4; 13.67; 13.791, subdivision 1; 13.84, subdivision 5, and by adding subdivisions: 13.85, by adding a subdivision; 138.17, by adding a subdivision; 144.335, subdivision 2; 171.12, by adding a subdivision; 363.061, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 260.161, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 13."

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. 2242, A bill for an act relating to health; creating an exception to the nursing home moratorium to allow beds to be moved from a separate nursing home to a building formerly used as a

hospital; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

Reported the same back with the following amendments:

Page 5, after line 29, insert:

"Sec. 2. Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended by Laws 1987, chapter 75, section 1, is amended to read:

Subdivision 1. [RESTRICTED CONSTRUCTION OR MODIFICATION.] Through June 30, 1990, the following construction or modification may not be commenced:

(1) any erection, building, alteration, reconstruction, modernization, improvement, extension, lease, or other acquisition by or on behalf of a hospital that increases the bed capacity of a hospital, relocates hospital beds from one physical facility, complex, or site to another, or otherwise results in an increase or redistribution of hospital beds within the state; and

(2) the establishment of a new hospital.

This section does not apply to:

(1) construction or relocation within a county by a hospital, clinic, or other health care facility that is a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its patients from outside the state of Minnesota;

(2) a project for construction or modification for which a health care facility held an approved certificate of need on May 1, 1984, regardless of the date of expiration of the certificate;

(3) a project for which a certificate of need was denied prior to the date of enactment of this act if a timely appeal results in an order reversing the denial;

(4) a project exempted from certificate of need requirements by Laws 1981, chapter 200, section 2;

(5) a project involving consolidation of pediatric specialty hospital services within the Minneapolis-St. Paul metropolitan area that would not result in a net increase in the number of pediatric specialty hospital beds among the hospitals being consolidated;

(6) a project involving the temporary relocation of pediatric-orthopedic hospital beds to an existing licensed hospital that will allow for the reconstruction of a new philanthropic, pediatric-orthopedic hospital on an existing site and that will not result in a net increase in the number of hospital beds. Upon completion of the reconstruction, the licenses of both hospitals must be reinstated at the capacity that existed on each site prior to the relocation;

(7) the relocation or redistribution of hospital beds within a hospital building or identifiable complex of buildings provided the relocation or redistribution does not result in: (i) an increase in the overall bed capacity at that site; (ii) relocation of hospital beds from one physical site or complex to another, or (iii) redistribution of hospital beds within the state or a region of the state; or

(8) relocation or redistribution of hospital beds within a hospital corporate system that involves the transfer of beds from a closed facility site or complex to an existing site or complex provided that: (i) no more than 50 percent of the capacity of the closed facility is transferred; (ii) the capacity of the site or complex to which the beds are transferred does not increase by more than 50 percent; (iii) the beds are not transferred outside of a federal health systems agency boundary in place on July 1, 1983; and (iv) the relocation or redistribution does not involve the construction of a new hospital building; or

(9) construction by a psychiatric hospital in Rice county which primarily serves adolescents and which receives more than 70 percent of its patients from outside the state of Minnesota."

Renumber the remaining section

Amend the title as follows:

Page 1, line 6, before the period insert "; and Laws 1984, chapter 654, article 5, section 57, subdivision 1, as amended"

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. 2244, A bill for an act relating to metropolitan government; limiting the metropolitan council's taxing authority; amending Minnesota Statutes 1986, section 473.249, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 473.167, subdivision 2, is amended to read:

Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, or (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction. The council shall determine priorities for loans and administer the fund in a manner consistent with the council's transportation policies and highway system plan. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program the council may expend from the fund each year an amount no greater than three percent of the amount ~~that a metropolitan area tax levy of 5/100 of a mill would raise in of the~~ authorized levy for that year.

Sec. 2. Minnesota Statutes 1986, section 473.167, is amended by adding a subdivision to read:

Subd. 4. [LEVY INCREASE.] For taxes payable in 1989, the levy limit established in subdivision 3 for that year is multiplied by two. The payable 1989 levy limit established by this subdivision must be adjusted for subsequent years as otherwise provided in this section.

Sec. 3. Minnesota Statutes 1986, section 473.249, is amended by adding a subdivision to read:

Subd. 3. [LEVY LIMIT.] Notwithstanding any other provision of this section, effective for property taxes payable in 1989 and subsequent years, the total amount of dollars levied by the council for general purposes under this section in any year may not increase over the amount levied in the preceding year by a percentage greater than the percentage increase during the most recent 12-month period in the implicit price deflator for state and local government purchases of goods and services.

Sec. 4. [EFFECTIVE DATE.]

Section 3 is effective in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington for property taxes levied in 1988 and payable in 1989 and subsequent years."

Delete the title and insert:

"A bill for an act relating to metropolitan government; limiting the metropolitan council's taxing authority; amending Minnesota Statutes 1986, sections 473.167, subdivision 2, and by adding a subdivision; and 473.249, by adding a subdivision."

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

The report was adopted.

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

H. F. No. 2255, A bill for an act relating to armories; increasing the limit on bonded indebtedness; amending Minnesota Statutes 1986, section 193.143.

Reported the same back with the following amendments:

Page 5, after line 3, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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. 2269, A bill for an act relating to health; providing equal access to chiropractic services; providing for the licensure of doctors of chiropractic; amending Minnesota Statutes 1986, sections 62A.15, subdivisions 1, 2, and 4; 148.08, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 148.06, subdivision 1.

Reported the same back with the following amendments:

Page 2, delete lines 4 to 7, and insert:

"This subdivision is intended to provide equal access to benefits for insureds and subscribers who choose to obtain treatment for illness or injury from a doctor of chiropractic, as long as the treatment falls within the chiropractor's scope of practice. This subdivision is not intended to change or add to the benefits provided for in these policies or contracts."

Page 2, delete lines 16 to 22

Page 2, line 23, delete "(c)" and insert "(b)" and after "make" insert "claim"

Page 2, line 24, after "quality," insert "or"

Page 2, line 25, delete ", and cost" and after "care," insert "any of"

Page 2, line 26, after "determinations" insert "that are made by health care professionals" and after "by" insert ", or under the direction of, or subject to the review of"

Page 3, line 6, delete "Chiropractors from outside the United"

Page 3, delete line 7

Page 3, line 8, delete "of origin and college of chiropractic have" and insert "The board may issue licenses to practice chiropractic

without compliance with prechiropractic or academic requirements listed above if in the opinion of the board the applicant has the qualifications equivalent to those required of other applicants, the applicant satisfactorily passes written and practical examinations as required by the board of chiropractic examiners, and the applicant is a graduate of a college of chiropractic with"

Page 4, line 5, strike "or country"

Page 4, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 1987 Supplement, section 169.345, subdivision 2a, is amended to read:

Subd. 2a. [PHYSICIAN'S OR CHIROPRACTOR'S STATEMENT.] The commissioner shall develop a form for the physician's or chiropractor's statement. The statement must be signed by a licensed physician or chiropractor who certifies that the applicant is a physically handicapped person as defined in subdivision 2. The commissioner may request additional information from the physician or chiropractor if needed to verify the applicant's eligibility. The physician's statement that the applicant is a physically handicapped person must specify whether the disability is permanent or temporary, and if temporary, the opinion of the physician or chiropractor as to the duration of the disability. A physician or chiropractor who fraudulently certifies to the commissioner that a person is a physically handicapped person as defined in subdivision 2, and that the person is entitled to the license plates authorized by section 168.021 or to the certificate authorized by this section, is guilty of a misdemeanor and is subject to a fine of \$500.

Sec. 6. Minnesota Statutes 1987 Supplement, section 169.345, subdivision 3, is amended to read:

Subd. 3. [IDENTIFYING CERTIFICATE.] (a) The division of driver and vehicle services in the department of public safety shall issue a special identifying certificate for a motor vehicle when a physically handicapped applicant submits a physician's statement of a physician or chiropractor. The commissioner shall design separate certificates for persons with permanent and temporary disabilities that can be readily distinguished from each other from outside a vehicle at a distance of 25 feet. The certificate is valid for the duration of the person's disability, as specified in the physician's or chiropractor's statement, up to a maximum of six years. A person with a disability of longer duration will be required to renew the certificate for additional periods of time, up to six years each, as specified in the physician's or chiropractor's statement.

(b) When the commissioner is satisfied that a motor vehicle is used primarily for the purpose of transporting physically handicapped persons, the division may issue without charge a special identifying

certificate for the vehicle. The operator of a vehicle displaying the certificate has the parking privileges provided in subdivision 1 while the vehicle is in use for transporting physically handicapped persons. The certificate issued to a person transporting physically handicapped persons must be renewed every third year. On application and renewal, the person must present evidence that the vehicle continues to be used for transporting physically handicapped persons.

(c) A certificate must be made of plastic or similar durable material, must be distinct from certificates issued before January 1, 1988, and must bear its expiration date prominently on its face. A certificate issued to a temporarily disabled person must display the date of expiration of the duration of the disability, as determined under paragraph (a). Each certificate must have printed on the back a summary of the parking privileges and restrictions that apply to each vehicle in which it is used. The commissioner may charge a fee of \$5 for issuance or renewal of a certificate, and a fee of \$5 for a duplicate to replace a lost, stolen, or damaged certificate."

Amend the title as follows:

Page 1, line 6, delete "148.08, by adding a subdivision,"

Page 1, line 7, delete "section" and insert "sections" and before the period insert "; and 169.345, subdivisions 2a and 3"

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. 2275, A bill for an act relating to health; extending foster care insurance to providers of adult foster care; appropriating money; amending Minnesota Statutes 1986, section 245.814, subdivisions 1, 2, and 3.

Reported the same back with the following amendments:

Page 1, lines 13 and 14, delete "under chapter 245A"

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. 2278, A bill for an act relating to vocational rehabilitation; changing terminology; regulating funding allocations; providing for facility governance; amending Minnesota Statutes 1986, section 129A.02, subdivision 3; 129A.09; and 129A.10; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivisions 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; and 129A.08, subdivision 3.

Reported the same back with the recommendation that 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. 2281, 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.

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. 2298, A bill for an act relating to agriculture; prohibiting the sale of irradiated foods; proposing coding for new law in Minnesota Statutes, chapter 31.

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

The report was adopted.

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

H. F. No. 2307, A bill for an act relating to health; establishing a

safe drinking water account; prohibiting the use of certain lead pipe and pipe fittings; appropriating money; amending Minnesota Statutes 1986, sections 144.382, subdivision 1, and by adding a subdivision; 326.371; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, section 144.388.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 144.382, subdivision 1, is amended to read:

Subdivision 1. For the purposes of sections 144.381 to 144.387, and section 2, the following terms have the meanings given.

Sec. 2. [144.389] [SAFE DRINKING WATER ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The safe drinking water account is established as a special account in the state treasury. The safe drinking water account shall consist of money appropriated to the commissioner for the account.

Subd. 2. [APPROPRIATION AND USE.] Money in the safe drinking water account is continuously appropriated to the commissioner. The money must be used to support the safe drinking water program, including administration, inspections, training, laboratory analyses, and enforcement. The money does not cancel, but is available until expended.

Sec. 3. Minnesota Statutes 1986, section 326.371, is amended to read:

326.371 [BAN ON LEAD IN PLUMBING.]

Lead pipe, solders, and flux containing more than 0.2 percent lead, and pipes and pipe fittings containing more than eight percent lead shall not be used in any plumbing installation which conveys a potable water supply. A Minnesota seller of lead solder, except for a seller whose primary business is contracting in plumbing, heating, and air conditioning, shall not sell any solder containing 0.2 percent lead unless the seller displays a sign which states,

"Contains Lead

Minnesota law prohibits the use of this solder in any plumbing installation which is connected to a potable water supply."

Sec. 4. [APPROPRIATION.]

\$1,485,000 is appropriated from the general fund to the commissioner of health for the safe drinking water account established in section 2.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, section 144.388, is repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective July 1, 1988."

Amend the title as follows:

Page 1, lines 5 and 6, delete " , and by adding a subdivision"

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. 2308, A bill for an act relating to insurance; establishing the insurance consumers board; giving the board authority to collect and disseminate information; establishing a surcharge on insurance contracts; appropriating money collected by the surcharge to the board; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Page 4, line 20, after "[SURCHARGE.]" insert "(a) Every insurance contract sold or renewed that requires a total annual premium payment of \$200 or more must include a surcharge of 50 cents."

Page 4, line 20, delete "(a)" and insert "(b)"

Page 4, line 24, delete "(b)" and insert "(c)"

Page 4, delete lines 31 to 33, and insert:

"\$ is appropriated to the board to implement the provisions of sections 2 to 5."

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2309, A bill for an act relating to commerce; regulating and governing business relations between manufacturers of agricultural equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 1, line 25, after the period insert "For the purposes of sections 1 to 5, the term "farm equipment manufacturer" shall include any successor in interest of the farm equipment manufacturer, including any purchaser of assets or stock, any surviving corporation resulting from a merger or liquidation, any receiver or assignee, or any trustee of the original farm equipment manufacturer."

Page 2, line 22, after "(1)" insert "without the consent of the farm equipment manufacturer who shall not withhold consent unreasonably (a)"

Page 2, line 23, delete "without the manufacturer's"

Page 2, line 24, delete "consent" and after "or" insert "(b)"

Page 2, line 26, after "or" insert "(c)"

Page 2, line 27, delete "without"

Page 2, line 28, delete "the consent of the manufacturer"

Page 3, line 17, delete "has consistently failed to"

Page 3, line 18, delete "meet the manufacturer's" and insert "after receiving notice from the manufacturer of its"

Page 3, line 20, after "areas" insert "consistently fails to meet the manufacturer's market penetration requirements"

Page 5, after line 3, insert:

"Sec. 7. [325E.067] [APPLICABILITY.]

The provisions of sections 1 to 5 shall apply to all dealership agreements now in effect which have no expiration date and which are continuing contracts, and all other contracts entered into, amended, or renewed after July 31, 1988. Any contract in force and effect on August 1, 1988, which by its terms will terminate on a date subsequent thereto and which is not renewed is governed by the law as it existed before August 1, 1988."

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. 2318, A bill for an act relating to health; authorizing the public facilities authority to make health care planning grants and capital equipment loans available to small hospitals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 446A.

Reported the same back with the following amendments:

Page 1, line 23, after "50" insert "licensed"

Page 1, line 25, before the period insert "as determined by the 1980 federal census"

Page 2, line 22, delete "preferred provider arrangements" and insert "agreements with health plans"

Page 2, line 31, delete "commissioner of health" and insert "economic development fund"

Page 3, line 7, delete "466A.08" and insert "446A.08"

Page 3, after line 16, insert:

"\$ is appropriated from the economic development fund to the commissioner of health for the purposes of section 2."

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

The report was adopted.

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

H. F. No. 2327, A bill for an act relating to higher education; establishing the university center at Rochester; establishing its responsibilities, duties, and powers; providing for its governance; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 136E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [135A.20] [UNIVERSITY CENTER AT ROCHESTER.]

Subdivision 1. [ESTABLISHMENT.] A university center at Rochester is established to meet the needs for higher education in the greater Rochester area. The center shall be under the general supervision and control of a board consisting of the following:

(1) one member appointed by the board of regents of the University of Minnesota;

(2) one member appointed by the state university board;

(3) one member appointed by the state board for community colleges;

(4) one member appointed by the state board of vocational technical education; and

(5) five members, appointed by the governor, who reside in the Rochester area.

No member appointed by a board may be a resident of the Rochester area.

Subd. 2. [POWERS.] The board shall direct the operations of the center and may expend money appropriated to it. The board shall appoint an administrator for the center and may employ other staff as necessary. The board has the general powers of a public corporation including the powers to contract, to sue and be sued, to acquire, hold, and convey real property, and to do anything incident to its other needed powers. Chapter 14 does not apply to any policies and procedures adopted by the university center at Rochester.

Subd. 3. [ADVISORY COMMITTEE.] The board shall appoint an advisory committee to provide assistance in performing its duties.

Subd. 4. [NONINSTRUCTIONAL EMPLOYEES.] The board may employ and assign duties to noninstructional support employees, subject to chapter 43A. The board may also enter into agreements with other public post-secondary institutions for the purpose of providing noninstructional personnel services. Employees hired or assigned under this subdivision shall be in the classified service.

Sec. 2. [APPROPRIATION.]

The sum of \$ is appropriated from the general fund to the board of the university center at Rochester for fiscal year 1989."

Delete the title and insert:

"A bill for an act relating to higher education; establishing the university center at Rochester; establishing its responsibilities, duties, and powers; providing for its governance; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 135A."

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

The report was adopted.

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

H. F. No. 2331, A bill for an act relating to elections; establishing hours when polls will remain open for election to change county seat; amending Minnesota Statutes 1986, section 372.07.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2341, A bill for an act relating to family law; regulating child support; proposing coding for new law in Minnesota Statutes, chapter 518.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 518.613, is amended by adding a subdivision to read:

Subd. 5. [WAIVER.] The court shall waive automatic income withholding only if all parties to the proceeding agree to the waiver and the court finds it is in the best interest of the parties and children, if any. The agreement not to withhold may be revoked by a party at any time that the payment is not received within ten days of the due date. Notice of revocation must be served by mail on the other party and on the public authority. The public authority must also be served with a copy of the order establishing the child support or maintenance obligation and an application for child support and maintenance collection services. Upon receipt of the notice of revocation, the public authority shall serve a notice of the court's order requiring the amount of child support or maintenance to be withheld and the provisions of sections 518.611 and 518.613 on the obligor's employer or other payor of funds.

Sec. 2. [518.614] [ESCROW ACCOUNT; CHILD SUPPORT; MAINTENANCE OBLIGATION.]

Subdivision 1. [STAY OF SERVICE.] The court shall stay service of the order under section 518.613, subdivision 2, in a county in which that section applies if the obligor establishes a savings account for a sum equal to two months of the monthly child support or maintenance obligation and provides proof of the establishment to the public authority on or within one business day of the court hearing determining the obligation. This sum must be held in a financial institution in an interest-bearing account with only the public authority authorized as drawer of funds. Proof of the establishment must include the financial institution name and address, account number, and the amount of deposit.

Subd. 2. [RELEASE OF STAY.] The public authority shall direct the financial institution to release to the public authority the sum held under this subdivision when the following conditions are met:

(1) the obligor fails to pay the support amount to the obligee or the public authority within ten days of the date it is ordered to be paid;

(2) the obligee transmits a notice of default to the public authority and makes application to the public authority for child support and maintenance collection services. The notice must be verified by the obligee and must contain the title of the action, the court file number, the full name and address of the obligee, the name and last known address of the obligor, the obligor's last known employer or other payor of funds, the date of the first unpaid amount, the date of the last unpaid amount, and the total amount unpaid; and

(3) the public authority sends a copy of the notice of default and a notice of intent to implement income withholding by mail to the

obligor at the address given. The notice of intent shall state that the order establishing the support or maintenance obligation will be served on the obligor's employer or payor of funds unless within 15 days after the mailing of the notice the obligor requests a hearing on the issue of whether payment was in default as of the date of the notice of default and serves notice of the request for hearing on the public authority and the obligee.

Subd. 3. [DUTIES OF PUBLIC AUTHORITY.] Upon receipt of sums released under subdivision 2, the public authority shall remit to the obligee all amounts not assigned under section 256.74 as current support or maintenance. The public authority shall also serve a copy of the court's order and the provisions of section 518.611 and this section on the obligor's employer or other payor of funds unless within 15 days after mailing of the notice of intent to implement income withholding the obligor requests a hearing on the issue of whether payment was in default as of the date of the notice of default and serves notice of the request for hearing on the public authority and the obligee. The public authority shall instruct the employer or payor of funds pursuant to section 518.611 as to the effective date on which the next support or maintenance payment is due. The withholding process must begin on said date and shall reflect the total credits of principle and interest amounts received from the escrow account.

Subd. 4. [HEARING.] Within 30 days of the date of the notice of default under subdivision 2, clause (2), the court must hold a hearing requested by the obligor. If the court finds that there was a default, the court shall order the immediate withholding of support or maintenance from the obligor's income. If the court finds that there was no default, the court shall order the reestablishment of the escrow account by either the obligee or obligor and continue the stay of income withholding.

Subd. 5. [TERMINATION OF STAY.] When the obligation for support of a child or for spousal maintenance ends under the terms of the order or decree establishing the obligation and the sum held under this section has not otherwise been released, the public authority shall release the sum and interest to the obligor when the following conditions are met:

(1) the obligor transmits a notice of termination to the public authority. The notice shall be verified by the obligor and contain the title of the action, the court file number, the full name and address of the obligee, specify the event that ends the support or maintenance obligation, the effective date of the termination of support or maintenance obligation, and the applicable provisions of the order or decree that established the support or maintenance obligation;

(2) the public authority sends a copy of the notice of termination to the obligee; and

(3) the obligee fails within 20 days after mailing of the notice under clause (2) to request a hearing on the issue of whether the support or maintenance obligation continues and serve notice of the request for hearing on the obligor and the public authority.

Sec. 3. [REPORT.]

The report of the commissioner pursuant to Laws 1987, chapter 403, section 93, shall include data on the costs associated with administering the automatic income withholding program and shall separately identify case statistics and costs associated with implementation of the waiver and escrow options.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Child support and maintenance obligors subject to automatic income withholding on or before the effective date may elect, at any time prior to January 1, 1989, to place money in escrow under section 2 and have the public authority direct the employer or payor of funds to terminate the automatic income withholding process."

Delete the title and insert:

"A bill for an act relating to child support; authorizing parties to waive automatic income withholding when there is a child support or maintenance order; providing that a court shall stay service of an automatic withholding order if an obligor establishes an escrow account for payment of child support or maintenance; amending Minnesota Statutes 1987 Supplement, section 518.613, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 518."

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. 2349, A bill for an act relating to natural resources; authorizing the commissioner to sell certain surplus lands to local governments for local recreation or natural resource purposes; specifying the amount above appraised value that the commissioner may pay when acquiring land; transferring certain duties of county auditors and treasurers relating to the sale of state land to the commissioner; authorizing long-term leases of state land for certain purposes; modifying certain provisions of land exchange laws relating to appraisals and fees; amending Minnesota Statutes 1986,

sections 84.027, by adding a subdivision; 92.16, subdivision 1; 92.23; 92.24; 92.26; 92.27; 92.50, subdivision 1; 94.343, subdivision 3; and 94.348; Minnesota Statutes 1987 Supplement, section 84.0272; repealing Minnesota Statutes 1986, section 92.25.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 84.027, is amended by adding a subdivision to read:

Subd. 10. [SALE OF SURPLUS LANDS TO LOCAL GOVERNMENTS FOR RECREATIONAL OR NATURAL RESOURCES PURPOSES.] (a) The commissioner, with the approval of the state executive council, may sell the class of land or interest in land under paragraph (b) to a county, home rule charter or statutory city, town, or other governmental subdivision of the state for public use, including recreational or natural resource purposes.

(b) The commissioner may sell the class of land or interest in land that has been acquired by gift, purchase, or eminent domain and the commissioner has declared surplus. The commissioner shall declare land surplus in writing and state the reasons why the land or interest in land is no longer needed.

(c) The commissioner shall appraise the land or interest in land before the land or interest in land is sold, and may sell the land or interest in land for less than the appraised value if the commissioner determines, in writing, that it is in the public interest.

(d) The commissioner shall convey the state's interest in the name of the state by quitclaim deed in a form approved by the attorney general. The deed must reserve to the state minerals and mineral rights in the manner provided in sections 93.01 and 93.02, and provide that the land or interest in land reverts to the state if the governmental subdivision acquiring the land or interest in land:

(1) fails to provide the public use intended on the property;

(2) allows a public use other than the public use agreed to by the commissioner at the time of conveyance without the written approval of the commissioner; or

(3) abandons the public use of the property.

Sec. 2. Minnesota Statutes 1986, section 84.631, is amended to read:

84.631 [ROAD EASEMENTS ACROSS TRAILS ESTABLISHED
ON ACQUIRED RAILROAD RIGHTS-OF-WAY STATE LANDS.]

The commissioner, on behalf of the state, may convey a road easement across any abandoned railroad right-of-way which has been acquired by the state for trail purposes, and which is state land under the commissioner's jurisdiction other than school trust land, to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) alternative methods to obtain access to the property have been sought and exhausted by the person seeking the easement through the establishment of a town or other local government road; and (2) the commissioner determines that the hardship to the person being deprived of access outweighs any adverse effects to the state-owned land caused by encumbering the state-owned land with a road easement. On determining that an easement will be granted under this subdivision, The commissioner shall:

(1) require the applicant to pay the market value of the easement, and shall;

(2) provide in that the easement that it shall revert reverts to the state in the event of nonuse. The commissioner may; and

(3) impose other terms and conditions of use as necessary and appropriate under the circumstances.

Sec. 3. [84.632] [CONVEYANCE OF UNNEEDED STATE FLOW-
AGE EASEMENTS.]

(a) Notwithstanding section 92.45, the commissioner of natural resources may, in the name of the state, release a flowage easement acquired by the state to a landowner whose property is burdened with the flowage easement if the flowage easement is not needed for state purposes.

(b) The entire, or a portion of a, flowage easement may be released by payment of consideration in an amount determined by the commissioner. The conveyance must be by quitclaim deed in a form approved by the attorney general.

(c) Money received for the flowage easement shall be deposited in the account from which money was expended for purchase of the flowage easement.

Sec. 4. Minnesota Statutes 1986, section 85.015, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION.] (a) The commissioner of natural resources shall establish, develop, maintain, and operate the trails

designated in this section. Each trail shall have the purposes assigned to it in this section. The commissioner of natural resources may acquire lands by gift or purchase, in fee or easement, for the trail and facilities related to the trail.

(b) The commissioner of natural resources, in the name of the state, may sell surplus lands not needed for trail purposes to adjoining property owners and leaseholders. The conveyance must be by quitclaim in a form approved by the attorney general for a consideration not less than the appraised value.

Sec. 5. [92.025] [SCHOOL TRUST LAND DEFINITION.]

For purposes of chapters 92 and 94, "school trust land" means land granted by the United States for use of schools within each township, swampland granted to the state, and internal improvement land that are reserved for permanent school fund purposes under the Minnesota Constitution, article XI, section 8, and land exchanged, purchased, or granted to the permanent school fund.

Sec. 6. Minnesota Statutes 1986, section 92.16, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS; DEFAULT, RESALE.] At the time of the sale the commissioner shall execute, acknowledge, and deliver to the purchaser a certificate of sale, numbered and made assignable, certifying the description of the land sold, its quantity, the price per acre, the consideration paid and to be paid, and the time and terms of payment. A certificate must not be delivered until the sum required by law to be paid at the time of the sale is paid to the treasurer of the county where the sale takes place. The sum includes costs determined by the commissioner to be associated with the sale such as survey, appraisal, publication, deed tax, filing fee, and similar costs. If the purchaser fails to pay the sum, the commissioner may immediately reoffer the land for sale, but no a bid may not be received accepted from the person so failing to pay the original offer.

Sec. 7. Minnesota Statutes 1986, section 92.23, is amended to read:

92.23 [PAYMENTS; RECEIPTS; LIABILITY OF OFFICIALS.]

The holder of a certificate of sale may pay the treasurer of the county containing the land commissioner any amount due on the certificate. The treasurer commissioner shall issue quadruplicate duplicate receipts specifying the date, the name and address of the person making the payment, the amount paid, whether for principal or interest, the fund to which it is applicable, and the number of the certificate. The receipt must be countersigned by the auditor of the county, and has the same effect as if given by the state treasurer. The

county treasurer commissioner shall deliver one copy to the holder of the certificate, ~~one to the county auditor, one to the commissioner,~~ and retain one copy.

The liability under the official bonds of county treasurers and of their deputies and employees includes liability for the faithful performance of their duties under this section.

Sec. 8. Minnesota Statutes 1986, section 92.24, is amended to read:

92.24 [MONEY PAID TO STATE TREASURER.]

The county treasurer must hold commissioner shall pay over all money received on account of certificates of sale subject to the order of the state treasurer for deposit as required by section 92.28 and other applicable laws. On June 30 and December 31 each year and at other times when requested by the state treasurer, the county treasurer shall pay into the state treasury the money received since the last payment.

Sec. 9. Minnesota Statutes 1986, section 92.26, is amended to read:

92.26 [STATEMENT OF SALES.]

Before May 2 each year the director commissioner shall transmit to each county treasurer who has executed and returned bond prepare a statement showing the lands sold in that each county, the classes to which they belong, the numbers of the certificates of sale, the name of the persons to whom each was issued, and the amount of principal and interest due on each certificate on June 1. The director commissioner shall provide instructions and forms to enable the treasurer to carry out this chapter forward copies of the statement to the governor and to the commissioner of finance.

Sec. 10. Minnesota Statutes 1986, section 92.27, is amended to read:

92.27 [COUNTY AUDITORS; DUTIES AND POWERS COMMISSIONER'S REPORT ON CLOSE OF SALE.]

At the time required by law to return abstracts of settlement to the commissioner or at any other time requested by the commissioner, the county auditor shall forward to the commissioner all duplicate receipts of principal, interest, or penalties delivered to the auditor, with a certified statement of collections by the county treasurer. The certified statement must specify the amount of each item. The county auditor commissioner or the commissioner's designated agent shall act as clerk of land sales made by the commis-

sioner and may make sales when authorized by the commissioner, in which case the auditor's deputy shall act as clerk. Immediately after the close of all sales, the county auditor commissioner shall prepare a report to the commissioner the description of describing each tract sold, the amount for which it was sold, and the amount paid. For each day while so engaged the county auditor shall be paid \$3. Payment must be made out of any appropriation for the appraisal and sale of these lands.

Sec. 11. Minnesota Statutes 1986, section 92.29, is amended to read:

92.29 [LAND PATENTS.]

The governor commissioner of natural resources shall sign and issue, in the name of the state and under the seal of the state, attested by the commissioner, a patent for the land described in any certificate of sale when it is presented endorsed with the certificate of the commissioner (1) that the principal and interest specified in it the certificate of sale and all taxes due on this the land have been paid and (2) that. The patent should issue shall be issued to the named patentee. The patentee shall be the purchaser named in the certificate of sale, or the purchaser's successor in interest by execution, judicial, mortgage or tax sale, or the assignee, vendee, heir or devisee of the purchaser, as shown by a properly certified abstract of title or other evidence if the named patentee purchaser's successor is any a person other than the original purchaser named in the certificate of sale. If the certificate of sale has become lost or destroyed, an affidavit stating that fact must be submitted by the applicant for a patent.

Sec. 12. Minnesota Statutes 1986, section 92.50, subdivision 1, is amended to read:

Subdivision 1. [LEASE TERMS.] (a) The commissioner of natural resources may lease, at public or private vendue and at the prices and under the terms and conditions the commissioner may prescribe, any state-owned lands land under the commissioner's jurisdiction and control for the purpose of taking and removing:

(1) to remove sand, gravel, clay, rock, marl, peat, and black dirt, for storing;

(2) to store ore, waste materials from mines, or rock and tailings from ore milling plants;

(3) for roads or railroads; or

(4) for any other uses consistent with the interests of the state. Except as otherwise provided in this subdivision, the term of

(b) The commissioner shall offer the lease at public or private sale for an amount and under terms and conditions prescribed by the commissioner. Commercial leases for more than ten years and leases for removal of peat must be approved by the executive council.

(c) The lease term may not exceed ten years; except:

(1) leases of lands for storage sites for ore, waste materials from mines, or rock and tailings from ore milling plants, or for the removal of peat, or for the use of peat lands for agricultural purposes may not exceed a term of 25 years. Leases for the removal of peat must be approved by the executive council;

(2) leases for the use of peat lands for agricultural purposes may not exceed 21 years; and

(3) leases for commercial purposes, including major resort, convention center, or recreational area purposes, may not exceed a term of 40 years.

All (d) Leases must be subject to sale and leasing of the land for mineral purposes and contain a provision for cancellation for just cause at any time by the commissioner upon six months' written notice. A longer notice period, not exceeding three years, may be provided in leases for storing ore, waste materials from mines or rock or tailings from ore milling plants. The commissioner may determine the terms and conditions, including the notice period, for cancellation of a lease for the removal of peat and commercial leases.

(e) Money received from leases under this section must be credited to the fund to which the land belongs.

Sec. 13. Minnesota Statutes 1986, section 94.342, subdivision 3, is amended to read:

Subd. 3. [CLASS C.] No land specifically designated by law as a state park shall be given in exchange hereunder unless expressly authorized by the legislature. No Land bordering on or adjacent to any meandered or other public waters and withdrawn from sale by law shall is Class C land. Class C land may not be given in exchange unless expressly authorized by the legislature or unless through the same exchange the state acquires land on the same or other public waters in the same general vicinity affording at least equal opportunity for access to the waters and other riparian use by the public; provided, that any exchange with the United States or any agency thereof may be made free from this limitation upon condition that the state land given in exchange bordering on public waters shall be subject to reservations by the state for public travel along the shores as provided by Minnesota Statutes 1945, section 92.45, and that

there shall be reserved by the state such additional rights of public use upon suitable portions of of such state land as the commissioner of natural resources, with the approval of the land exchange board, may deem necessary or desirable for camping, hunting, fishing, access to the water, and other public uses.

Sec. 14. Minnesota Statutes 1986, section 94.342, is amended by adding a subdivision to read:

Subd. 4. [STATE PARK LAND.] Land specifically designated by law as a state park may not be given in exchange unless the land is school trust land that is exchanged for Class A or Class C land located outside a state park.

Sec. 15. Minnesota Statutes 1986, section 94.342, is amended by adding a subdivision to read:

Subd. 5. [SCHOOL TRUST LAND.] School trust land may be exchanged with other state land only if the permanent school fund advisory committee is appointed as temporary trustee of the school trust land for purposes of the exchange. The committee shall provide independent legal counsel to review exchanges.

Sec. 16. Minnesota Statutes 1986, section 94.343, subdivision 3, is amended to read:

Subd. 3. Except as otherwise herein provided, Class A land shall be exchanged only for land of at least substantially equal value to the state, as determined by the commissioner, with the approval of the board. For the purposes of such determination, the commissioner shall cause the state land and the land proposed to be exchanged therefor to be examined and appraised by qualified state appraisers as provided in section 92.12 in like manner as state school trust land to be offered for sale; provided, that in exchanges with the United States or any agency thereof the examination and appraisal may be made in such manner as the land exchange board may direct. The appraisers shall determine the fair market value of the lands involved, disregarding any minimum value fixed for state land by the state constitution or by law, and shall make a report thereof, together with such other pertinent information respecting the use and value of the lands to the state as they deem pertinent or as the commissioner or the board may require. Such reports shall be filed and preserved in the same manner as other reports of appraisal of state lands. The appraised values shall not be conclusive, but shall be taken into consideration by the commissioner and the board, together with such other matters as they deem material, in determining the values for the purposes of exchange.

Sec. 17. Minnesota Statutes 1986, section 94.344, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise ~~herein~~ provided, ~~any~~ Class B land ~~may~~, by resolution of the county board of the county ~~in which~~ where the land is ~~situated~~ located and with the unanimous approval of the land exchange board, ~~may~~ be exchanged for land of the United States ~~any publicly held or privately owned land in the same county in the manner and subject to the conditions herein prescribed.~~

Sec. 18. Minnesota Statutes 1986, section 94.348, is amended to read:

94.348 [EXCHANGES OF STATE OWNED LAND, APPRAISAL FEE.]

Subdivision 1. Whenever a private land owner or governmental unit, except the state, presents to the Minnesota land exchange board, an offer to exchange private or publicly held land for Class A state-owned land as defined in section 94.342, the private land owner ~~shall deposit with~~ or governmental unit shall pay to the board an appraisal and survey fee of not less than \$25 nor more than \$100, ~~the amount to be one-half of the cost of appraisal and survey determined by the board, depending upon the area of land involved in the offer.~~

Subd. 2. If the offer of the private land owner is accepted by the board and the land exchange is consummated, or, if the board refuses to accept the offer the appraisal fee shall be refunded, otherwise the appraisal [APPRAISAL AND SURVEY FEE.] (a) Except as provided in paragraph (b), the appraisal and survey fee shall be retained by the board.

(b) The appraisal and survey fee shall be refunded if:

(1) the land exchange offer is withdrawn by a private land owner or a governmental unit before money is spent for the appraisal and survey; or

(2) the board refuses to accept the land exchange offer.

Sec. 19. Minnesota Statutes 1987 Supplement, section 105.392, subdivision 4, is amended to read:

Subd. 4. [PAYMENT AND HELP TO OWNER.] In return for the easement of the owner, the commissioner must provide advice on conservation and development practices on the wetlands and adjacent areas for the purposes of this section as the commissioner determines to be appropriate. The commissioner must make the following payments to the landowner for the easement:

(1) for a permanent easement, 50 percent of the average equalized estimated market value of cropland in the township as established

by the commissioner of revenue for the time period when the application is made;

(2) for an easement of limited duration, a lump sum payment equal to the present value of the annual payments for the term of the easement based on 50 percent of the mean adjusted cash rental for cropland in the county as established by the commissioner of revenue 65 percent of the value of the permanent easement value for the time period when the application is made; or

(3) an alternative payment system for easements based on cash rent or a similar system as may be determined by the commissioner.

Sec. 20. [REPEALER.]

Minnesota Statutes 1986, section 92.25, is repealed.

Sec. 21. [EFFECTIVE DATE.]

Sections 6 to 10 and 20 are effective January 1, 1989."

Delete the title and insert:

"A bill for an act relating to natural resources; authorizing the commissioner to sell certain surplus lands to local governments for local recreation or natural resource purposes; authorizing the commissioner of natural resources to convey road and flowage easements in certain circumstances; transferring duties and powers of county auditors and treasurers relating to sales of certain classes of state land to the commissioner; transferring the authority to issue state land patents from the governor to the commissioner; specifying the amount above appraised value that the commissioner may pay when acquiring land; authorizing long-term leases of state land for certain purposes; modifying certain provisions of land exchange laws relating to appraisals and fees; implementing exchanges of public land authorized by the constitution; authorizing exchange of school trust land located within a state park; appointing an independent trustee and legal counsel for land exchanges involving school trust land; providing a procedure for exchange of Class B land with Class A or Class C land; authorizing governmental units to exchange land in the same manner as private persons; amending Minnesota Statutes 1986, sections 84.027, by adding a subdivision; 84.631; 85.015, subdivision 1; 92.16, subdivision 1; 92.23; 92.24; 92.26; 92.27; 92.29; 92.50, subdivision 1; 94.342, subdivision 3, and by adding subdivisions; 94.343, subdivision 3; 94.344, subdivision 1; 94.348; Minnesota Statutes 1987 Supplement, section 105.392, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 84 and 92; repealing Minnesota Statutes 1986, section 92.25."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2356, A bill for an act relating to appropriations; appropriating money for grants to agricultural societies and associations.

Reported the same back with the following amendments:

Page 1, line 7, delete "\$363,300" and insert "\$120,000"

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

The report was adopted.

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

H. F. No. 2359, A bill for an act relating to public employment; regulating hearing panels under the veterans preference act; amending Minnesota Statutes 1986, section 197.46.

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2364, A bill for an act relating to agriculture; prescribing procedure for delivery of dry edible beans from a grain warehouse; requiring the grade of dry edible beans on warehouse receipts; prescribing a delivery charge; amending Minnesota Statutes 1986, sections 223.16, subdivision 4; 232.21, subdivision 7; and 232.23, by adding a subdivision.

Reported the same back with the following amendments:

Page 3, line 17, delete "delivery" and insert "redelivery"

Page 3, line 21, delete "DELIVERY" and insert "REDELIVERY"

Page 3, line 24, delete "delivery" and insert "redelivery"

Page 3, line 28, delete "delivery" and insert "redelivery"

Page 3, line 30, delete "delivery" and insert "redelivery"

Page 3, line 31, delete "delivery" and insert "redelivery"

Amend the title as follows:

Page 1, line 5, delete "delivery" and insert "redelivery"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2368, A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's race, color, religion, sex, affectional or sexual orientation, or national origin; amending Minnesota Statutes 1986, sections 609.223; 609.605, by adding a subdivision; 609.79, by adding a subdivision; and Minnesota Statutes 1987 Supplement, sections 609.595, subdivisions 2, 3, and by adding a subdivision; 609.746, by adding a subdivision; and 609.795.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE.]

It is the purpose and intent of the legislature in enacting sections 1 to 10 to increase criminal penalties for the criminal acts enumerated in sections 1 to 10 when it can be proven beyond a reasonable doubt that the defendant committed the act because of the victim's race, color, religion, sex, sexual orientation, or national origin.

Sec. 2. Minnesota Statutes 1986, section 609.015, is amended by adding a subdivision to read:

Subd. 1a. The inclusion of sexual orientation as a category of motivation in sections 1 to 10 is not itself grounds for the creation of new rights and privileges based on sexual orientation.

Sec. 3. Minnesota Statutes 1986, section 609.2231, is amended by adding a subdivision to read:

Subd. 4. [ASSAULTS MOTIVATED BY BIAS.] (a) Whoever assaults another because of the victim's race, color, religion, sex, sexual orientation, or national origin may be sentenced to impris-

onment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever does either of the following is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both:

(1) assaults another because of the victim's race, color, religion, sex, sexual orientation, or national origin and inflicts demonstrable bodily harm; or

(2) violates the provisions of paragraph (a) within five years of a previous conviction under paragraph (a).

Sec. 4. Minnesota Statutes 1987 Supplement, section 609.595, is amended by adding a subdivision to read:

Subd. 1a. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND DEGREE.] (a) Whoever intentionally causes damage described in subdivision 2, paragraph (a), because of the property owner's or another's race, color, religion, sex, sexual orientation, or national origin is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both.

(b) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 5. Minnesota Statutes 1987 Supplement, section 609.595, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND THIRD DEGREE.] (a) Except as otherwise provided in section 4, whoever intentionally causes damage to another person's physical property without the other person's consent may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by more than \$250 but not more than \$500 as measured by the cost of repair and replacement.

(b) Whoever intentionally causes damage to another person's physical property without the other person's consent because of the property owner's or another's race, color, religion, sex, sexual orientation, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than

\$3,000, or both, if the damage reduces the value of the property by not more than \$250.

(c) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that ~~clause~~ paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 6. Minnesota Statutes 1987 Supplement, section 609.595, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL DAMAGE TO PROPERTY IN THE ~~THIRD~~ FOURTH DEGREE.] Whoever intentionally causes damage described in subdivision 2 under ~~any other circumstances other than those described in section 4 or subdivision 2~~ is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1986, section 609.605, is amended by adding a subdivision to read:

Subd. 3. [TRESPASSES MOTIVATED BY BIAS.] Whoever commits an act described in subdivision 1, clause (13) because of the property owner's race, color, religion, sex, sexual orientation, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 8. Minnesota Statutes 1987 Supplement, section 609.746, is amended by adding a subdivision to read:

Subd. 3. [INTRUSION ON PRIVACY; AGGRAVATED VIOLATION.] Whoever commits an act described in subdivision 2 because of the victim's race, color, religion, sex, sexual orientation, or national origin, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 9. Minnesota Statutes 1986, section 609.79, is amended by adding a subdivision to read:

Subd. 1a. [OBSCENE TELEPHONE CALLS; AGGRAVATED VIOLATION.] Whoever commits an act described in subdivision 1 because of the victim's race, color, religion, sex, sexual orientation, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 10. Minnesota Statutes 1987 Supplement, section 609.795, is amended to read:

609.795 [LETTER, TELEGRAM, OR PACKAGE; OPENING; HARASSMENT.]

Subdivision 1. [MISDEMEANORS.] Whoever does any of the following is guilty of a misdemeanor:

(1) knowing that the actor does not have the consent of either the sender or the addressee, intentionally opens any sealed letter, telegram, or package addressed to another; or

(2) knowing that a sealed letter, telegram, or package has been opened without the consent of either the sender or addressee, intentionally publishes any of the contents thereof; or

(3) with the intent to harass, abuse, or threaten, repeatedly uses the mails or delivers letters, telegrams, or packages.

Subd. 2. [GROSS MISDEMEANOR.] Whoever commits an act described in subdivision 1, clause (3), because of the victim's race, color, religion, sex, sexual orientation, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective August 1, 1988, and apply to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 6, delete "609.223" and insert "609.015, by adding a subdivision; 609.2231, by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2391, A bill for an act relating to metropolitan government; providing a salary for a part-time chair of the regional transit board; amending Minnesota Statutes 1987 Supplement, section 15A.081, subdivisions 1 and 7.

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. 2394, A bill for an act relating to state government; requiring the governor to appoint charitable gambling control board members from fraternal, religious, veteran's, and other nonprofit organizations; amending Minnesota Statutes 1986, section 349.151, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 11, before "The" insert "(a)"

Page 1, line 21, before "Of" insert "(b)" and delete "four" and insert "three"

Page 2, line 1, before "A" insert "(c)"

Page 2, line 12, after the period insert "Of the appointments made by the governor for terms expiring June 30, 1991, June 30, 1992, and June 30, 1993, at least one appointment in each group of appointments must be an appointment complying with the requirements of paragraph (b)."

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. 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 8, delete "initially"

Page 3, line 4, after the period insert "The president and no more than two subordinate officers shall be in the unclassified service."

Page 3, line 8, after "(b)" insert "Subject to chapters 43A and 179A,"

Page 3, line 10, delete "officers, and"

Page 3, line 11, delete "directors" and delete "not" and delete "but, at the"

Page 3, line 12, delete "board's option, may" and insert "and shall"

Page 3, lines 14 and 15, delete "in the unclassified service"

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. 2414, A bill for an act relating to Ramsey county; removing references to personnel from the county personnel law; amending Minnesota Statutes 1986, sections 383A.281, subdivision 13; and 383A.286, subdivision 2.

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. 2418, A bill for an act relating to the state university board; authorizing it to use money held by it to discharge or otherwise provide for the payment of its outstanding revenue bonds; authorizing it to issue revenue bonds to finance the acquisition and betterment of facilities at the state universities subject to obtaining certain approvals; amending Minnesota Statutes 1986, sections 136.31, by adding a subdivision; and 136.41, by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 16, after "money" insert "other than state appropriated money"

Page 2, line 4, delete everything after "or" and insert "law."

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. 2423, A bill for an act relating to local government; authorizing issuance of bonds for repair, restoration, and modernization of the Saint Paul City Hall and Ramsey County Courthouse building.

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. 2437, A bill for an act relating to human services; affecting the demonstration project for uninsured low-income persons; adding Crow Wing county to the demonstration project geographic area; allowing additional demonstration projects; appropriating money; amending Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 10.

Reported the same back with the following amendments:

Page 2, after line 8, insert:

"\$50,000 is appropriated to the commissioner of the state planning agency to fund the local efforts of a multi-county area in southwest central Minnesota to plan, organize, and design a health insurance program demonstration project for low income adults and their dependents. The demonstration project shall be designed to best meet the health insurance needs of individuals and families who are not eligible for any other state or federal health benefits program and who do not have any health insurance or who do not have adequate health insurance. The project shall be planned and organized to make the best use of existing community health providers and agencies. By February 1, 1989, the commissioner shall report to the chairs of the health and human services committees of the senate and the house with a plan, organization, and design for implementation of the health insurance demonstration

project. The report must be based on recommendations from the multi-county area."

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. 2445, A bill for an act relating to human services; planning for the Faribault regional center; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 246.

Reported the same back with the following amendments:

Page 1, line 24, after "Faribault," insert "Rice County District No. 1 Hospital,"

Page 2, after line 16, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. The appropriation in section 2 is available until expended."

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

The report was adopted.

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

H. F. No. 2446, A bill for an act relating to St. Louis county; providing duties of the county board and the county administrator; regulating finances; providing for property assessments; repealing obsolete laws; amending Minnesota Statutes 1986, sections 383C.031; 383C.034; 383C.091; 383C.094, subdivision 1; 383C.131; 383C.133, subdivision 1; 383C.135; 383C.16; 383C.161; 383C.162; 383C.231, subdivision 1; 383C.232; 383C.26; 383C.261; 383C.36; 383C.422; 383C.482, subdivision 1; 383C.74, subdivision 1; 383C.75; and 383C.78, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1986, section 383C.075; 383C.076; 383C.095; 383C.132; 383C.13; 383C.133; 383C.17; 383C.171; 383C.174; 383C.175; 383C.20; 383C.201; 383C.202; 383C.203; 383C.291; 383C.292; 383C.339;

383C.361; 383C.362; 383C.363; 383C.392, subdivision 2; 383C.423; 383C.424; 383C.45; 383C.481; 383C.52; 383C.521; 383C.523; 383C.55; 383C.551; 383C.552; 383C.553; 383C.554; 383C.555, subdivision 2; 383C.556; 383C.557; 383C.61; 383C.611; 383C.612; 383C.613; 383C.64; 383C.641; 383C.642; 383C.643; 383C.644; 383C.645; 383C.646; 383C.647; 383C.648; 383C.649; 383C.65; 383C.651; 383C.66; 383C.67; 383C.671; 383C.672; 383C.673; 383C.674; 383C.675; 383C.676; 383C.677; 383C.77; 383C.80; 383C.801; 383C.802; 383C.803; 383C.804; and 383C.805; Minnesota Statutes 1987 Supplement, section 383C.76.

Reported the same back with the following amendments:

Page 6, delete lines 18 to 28 and insert:

"Sec. 3. Minnesota Statutes 1987 Supplement, section 383C.035, is amended to read:

383C.035 [UNCLASSIFIED CIVIL SERVICE.]

The officers and employees of such county and of any agency, board, or commission, supported in whole or in part by taxation upon the taxable property of such county or appointed by the judges of the district or probate court for such county, are hereby divided into the unclassified and classified service. The unclassified service shall comprise:

(a) All officers elected by popular vote or persons appointed to fill vacancies in such offices.

(b) Judges and receivers, referees, arbiters, court reporters, jurors, notaries public, and persons appointed by a court to make or conduct any special inquiry of a judicial and temporary character.

(c) Superintendent or principal administrative officer or comptroller of any separate department of county government which is now or hereafter created pursuant to law, who is directly responsible to the board of county commissioners or any other board or commission, as well as the county agricultural agents and the home demonstration agents under the control of the county extension committee.

(d) Members of nonpaid board, or commissioners appointed by the board of county commissioners or acting in an advisory capacity.

(e) Assistant county attorneys or special investigators in the employ of the county attorney.

(f) All common labor temporarily employed on an hourly basis.

(g) All inmate or patient help in county institutions.

(h) All physicians, dentists, registered nurses and medical laboratory technicians working under the direction of a licensed physician or dentist in any hospital or sanatorium operated by a commission or board of such county.

(i) All county commissioners' clerks appointed by the county board after the passage of sections 383C.03 to 383C.059; but nothing in sections 383C.03 to 383C.059 shall affect the civil service status of any person previously appointed and now holding such a position in the classified service of the county Not more than a total of nine clerks serving the county board and administrator.

(j) A legislative lobbyist/grant coordinator appointed by the county board to act as legislative liaison with the St. Louis county legislative delegation and pursue legislative concerns and grant opportunities for the county, and the clerk for that position.

(k) The county recorder.

(l) Any department head designated by the county board.

(m) One clerk for the county administrator Two administrative assistants in the county administrator's office.

The classified service shall include all other positions now existing and hereinafter created in the service of the county or any board or commission, agency, or offices of such county.

Page 12, after line 2, insert:

"Sec. 13. Minnesota Statutes 1986, section 383C.17, is amended to read:

383C.17 [COURTHOUSE BUILDING COMMISSION.]

In St. Louis county, the courthouse building commission The board of county commissioners of St. Louis county shall have the authority to assign and reassign space and rooms to the various offices in the courthouses and county office buildings in said county."

Page 17, line 30, delete "383C.17;"

Page 17, line 31, delete "383C.201;"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "383C.162;" insert "383C.17;"

Page 1, line 11, after "2;" insert "Minnesota Statutes 1987 Supplement, section 383C.035;"

Page 1, line 15, delete "383C.17;"

Page 1, line 16, delete "383C.201;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 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; amending Minnesota Statutes 1986, section 500.24, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 36, strike everything after "(c)"

Page 3, lines 1 and 2, strike the old language

Page 3, line 2, after "fund" insert "which fails to file a required report or willfully files false information"

Page 3, line 3, delete "also" and delete "\$1,000" and insert "\$500"

Page 3, line 4, after "15" insert "that"

Page 3, after line 5, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1988, and applies to violations occurring on or after that date."

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. 2459, A bill for an act relating to education; providing for faculty exchanges between secondary schools and post-secondary institutions.

Reported the same back with the following amendments:

Page 1, line 11, delete "secondary" and insert "school districts"

Page 1, line 16, delete "secondary schools" and insert "school districts"

Page 1, line 19, after "school" insert "district"

Page 1, line 21, delete "secondary"

Page 1, line 22, after "school" insert "district"

Page 1, line 25, delete "secondary" and insert "public school"

Page 2, line 5, delete "secondary" and after "school" insert "district"

Page 2, line 16, after "school" insert "district" and after "and" insert "post-secondary"

Amend the title as follows:

Page 1, line 3, delete "secondary schools" and insert "school districts"

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

The report was adopted.

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

H. F. No. 2460, A bill for an act relating to education; conditioning University of Minnesota appropriations on the restructuring of governance of the university by the board of regents.

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. 2475, A bill for an act relating to state lands; authorizing transfer of certain state lands in Ramsey county to the city of Mounds View.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CONVEYANCE OF STATE LAND TO CITY OF MOUNDS VIEW.]

Notwithstanding Minnesota Statutes, sections 92.01 to 92.16, 92.45, or any other law, the commissioner of transportation shall convey the land described in this section by private sale to the city of Mounds View.

The conveyance shall be by quitclaim deed without consideration in a form approved by the attorney general.

The land to be conveyed is located in Ramsey county consisting of approximately 54.91 acres described as:

South half of the Northeast quarter of Section 5, Township 30, Range 23

This property was acquired by the department of transportation for construction of a new portion of trunk highway No. 10 west of Interstate 35W. The property is mostly wetland and floodplain and is not needed for highway purposes and is located within a conservancy, recreation, and protection district."

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. 2478, A bill for an act relating to public safety; providing that bomb disposal workers are state employees when disposing of bombs outside the jurisdiction of their municipal employer, for purposes of tort claims and workers' compensation; amending Min-

nesota Statutes 1987 Supplement, section 3.732, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176.

Reported the same back with the following amendments:

Page 2, line 3, delete "bomb disposal employees" and insert "members of a bomb disposal unit approved by the commissioner of public safety and"

Page 2, line 19, after "unit" insert "approved by the commissioner of public safety and"

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. 2481, A bill for an act relating to local government; the city of Cook and Koochiching and St. Louis counties; providing for the establishment of a hospital district in portions of those counties.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [HOSPITAL DISTRICT TERRITORY.]

Subdivision 1. [ST. LOUIS COUNTY.] The St. Louis county board may, acting for the unorganized townships listed in this subdivision, request the annexation of those townships to a hospital district to be organized under Minnesota Statutes, sections 447.31 to 447.37, that includes the city of Cook and the city of Orr as well as other townships in Koochiching county and St. Louis county. The unorganized townships are: 61 North, Range 17 West; 62 North, Range 21 West; 63 North, Range 21 West; 63 North, Range 19 West; 64 North, Range 21 West; 64 North, Range 18 West; 65 North, Range 21 West; 66 North, Range 21 West; 66 North, Range 20 West; 66 North, Range 19 West; 67 North, Range 21 West; 67 North, Range 20 West; 67 North, Range 19 West; 67 North, Range 18 West; 67 North, Range 17 West; 68 North, Range 21 West; 68 North, Range 20 West; 68 North, Range 19 West; 68 North, Range 18 West; 68 North, Range 17 West; 69 North, Range 21 West; 69 North, Range 20 West; 69 North, Range 19 West; 69 North, Range 18 West; 69 North, Range 17 West; 70 North, Range 21 West; 70 North, Range 20 West; 70 North, Range 19 West; 70 North, Range 18 West; 71 North, Range 21 West; and 71 North, Range 20 West.

Subd. 2. [KOOCHICHING COUNTY.] The Koochiching county board may, acting for the unorganized townships listed in this subdivision, request the annexation of those townships to the hospital district described in subdivision 1. The unorganized townships are: 64 North, Range 22 West; 64 North, Range 23 West; 65 North, Range 22 West; 65 North, Range 23 West; 66 North, Range 22 West; and 66 North, Range 23 West.

Subd. 3. [EXCEPTION TO CONTIGUITY REQUIREMENTS.] Notwithstanding Minnesota Statutes, section 447.31, subdivision 2, the district created under this act is not required to be contiguous.

Sec. 2. [OFFICERS.]

Notwithstanding Minnesota Statutes, section 447.32, subdivision 1, the hospital district created under this act shall be governed by a board composed of one member elected from each city and town in the district, two members elected at large from the aggregate of the unorganized townships in St. Louis county listed in section 1, subdivision 1, and one member elected at large from the aggregate of the unorganized townships in Koochiching county listed in section 1, subdivision 2.

Sec. 3. [TAX; PAYMENT OF EXPENSES.]

The tax levied by the hospital district under Minnesota Statutes, section 447.34, must not be levied at a rate that exceeds 2 mills. The proceeds of that tax may be used only for acquisition, betterment, and maintenance of the district's hospital and nursing home facilities and equipment, and not for administrative or salary expenses.

Sec. 4. [TRANSFER OF FACILITIES OF CITY OF COOK.]

The city of Cook may transfer title and interest in its hospital and nursing home, including the real estate, building, and equipment, to the hospital district created under this act for no consideration. All obligations incurred prior to the transfer in connection with the construction or operation of the hospital and nursing home shall remain as the exclusive obligation of the city of Cook.

Sec. 5. [EFFECTIVE DATE.]

This act is effective for the city of Cook the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Cook.

This act is effective for the city of Orr the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Orr.

This act is effective for St. Louis county the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of St. Louis county.

This act is effective for Koochiching county the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Koochiching county."

Amend the title as follows:

Page 1, line 2, after "Cook" insert ", the city of Orr,"

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. 2485, A bill for an act relating to state government; authorizing the sale or lease of property within the jurisdiction of the commissioner of administration under certain conditions.

Reported the same back with the following amendments:

Page 2, after line 27 insert:

"If the commissioner conveys the land for less than its appraised value, the Minnesota Children's Center must pay all of the administrative costs to the state, as determined by the commissioner, associated with making the conveyance."

Page 3, line 7, delete "and"

Page 3, delete lines 8 to 13 and insert:

"(4) has executed an agreement, in recordable form, (i) prohibiting the voluntary sale of the project to an unrelated third party without paying to the state the fair market value of the land in unimproved condition, measured as of the date of conveyance by the state to the Minnesota Children's Center, and (ii) requiring, at the option of the state, reconveyance of the land to the state, or termination of the lease, as the case may be, subject only to any mortgage liens created or incurred in connection with the development and construction of the proposed facility, if the facility has not been completed by the time specified in clause (3) or ceases to be used for the purposes set out in clause (2); and

(5) has obtained the approval of the capitol area architectural and planning board of the plans and specifications for the proposed facility.

Page 3, line 20, delete "approved in writing by" and insert "submitted for review to"

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. 2491, A bill for an act relating to commerce; regulating franchises; modifying the definition of franchise to include certain royalty or residuals agreements; amending Minnesota Statutes 1986, section 80C.01, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 22, after "selling" insert "security systems"

Page 2, line 26, after the period insert "Any manufacturer of a burglar alarm product having been sold to a distributor in Minnesota for at least five years may establish itself as a franchisor requiring said distributor to begin paying an annual franchise fee or a sign up fee for operations within Minnesota after the manufacturer provides its existing non-franchised distributor five years notice of such intent, with an automatic extension of the existing distributor contractual arrangement during the notice period. The manufacturer may not establish any business in Minnesota in competition with the distributor during the notice period. Any such manufacturer terminating an existing burglar alarm distributor contract in Minnesota must wait five years before opening a distributorship in Minnesota."

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. 2507, A bill for an act relating to education; increasing the powers of the state board for community colleges; changing the criteria for board membership; directing the Revisor to prepare a bill reorganizing community college statutes; amending Minnesota Statutes 1986, sections 15.0591, subdivision 2; 136.61, subdivision

1; 136.622; and 136.67, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 136.

Reported the same back with the following amendments:

Page 4, delete section 6

Renumber the sections in sequence

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. 2514, A bill for an act relating to metropolitan government; establishing various requirements on agency organization, work programs, budgets, and reports; amending Minnesota Statutes 1986, sections 473.13, subdivision 1; 473.146, subdivision 3; 473.173, subdivision 6; 473.245; and 473.375, subdivision 16; Minnesota Statutes 1987 Supplement, section 473.1623, subdivisions 4 and 6.

Reported the same back with the following amendments:

Page 2, after line 9, insert:

"Sec. 2. Minnesota Statutes 1986, section 473.13, is amended by adding a subdivision to read:

Subd. 1a. [PROGRAM EVALUATION.] The budget procedure of the council must include a substantive assessment and evaluation of the effectiveness of each significant program of the council, with, to the extent possible, quantitative information on the status, progress, costs, benefits, and effects of each program. The council shall transmit the evaluation to the legislature annually."

Page 2, line 19, after "needs" insert "and problems"

Page 2, line 20, strike the first "and" and insert ", including the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers;

(2)"

Page 2, line 22, strike "(2)" and insert "(3)"

Page 2, line 24, strike "(3)" and insert "(4)"

Page 2, line 26, strike "(4)" and insert "(5)"

Page 2, line 28, strike "(5)" and insert "(6)"

Page 2, line 31, delete "(6)" and insert "(7)"

Page 3, line 35, before "consulting" insert "proposed or anticipated" and after "contracts" insert "or projects"

Page 3, line 36, before the period insert "or project"

Page 4, line 20, after "on" insert "employee" and after "salaries" insert "under clause (1)"

Page 4, line 23, after "benefits" insert "granted to individuals"

Page 4, line 24, before the period insert "or agency"

Pages 5 and 6, delete sections 6 and 7 and insert:

"Sec. 7. Minnesota Statutes 1986, section 473.38, is amended by adding a subdivision to read:

Subd. 4. [PROGRAM EVALUATION.] The budget procedure of the board must include a substantive assessment and evaluation of the effectiveness of each significant program of the board, with, to the extent possible, quantitative information on the status, progress, costs, benefits, and effects of each program. The board shall transmit the evaluation to the legislature annually."

Renumber sections in sequence

Amend the title as follows:

Page 1, line 5, before the semicolon insert ", and by adding a subdivision"

Page 1, line 7, delete everything before "Minnesota" and insert "473.38, by adding a subdivision,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 2520, A bill for an act relating to commerce; clarifying certain procedures and fees relating to the statewide uniform commercial code computerized filing system; amending Minnesota Statutes 1987 Supplement, sections 336.9-407; 336.9-411; and 336.9-413.

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. 2526, A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; 82.19, subdivisions 1, 2, and 4; 82.20, subdivisions 1, 2, and 3; 82.22, subdivisions 1, 5, 10, 11, and 13; 82.23, subdivision 2; 82.27, subdivision 2; and 481.02, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 82.21, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 507.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [POLICY STATEMENT; LEGISLATIVE FINDINGS.]

Since 1931 the expressed policy of the state of Minnesota, stated by law in Minnesota Statutes, section 481.02, subdivision 3, clause (3), has been that real estate brokers and salespeople may provide drafting services incident to real estate closings. The legislature continues to find that the public interest will be served by permitting the provision of those services by brokers, salespeople, and closing agents with or without compensation. The legislature also finds it appropriate, and it is the purpose of this act, to provide clarification of the role of real estate brokers, salespeople, and closing agents.

Sec. 2. Minnesota Statutes 1986, section 82.17, is amended by adding a subdivision to read:

Subd. 10. “Closing agent” or “real estate closing agent” means any person, except a licensed attorney, real estate broker, or real estate salesperson, who for another and with or without a commission, fee, or other valuable consideration or with or without the intention or

expectation of receiving a commission, fee, or other valuable consideration, directly or indirectly provides closing services incident to the sale, trade, lease, or loan of residential real estate, including drawing or assisting in drawing papers incident to the sale, trade, lease, or loan, or advertises or claims to be engaged in these activities.

Sec. 3. Minnesota Statutes 1986, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) ~~any one, acting as broker for the parties or agent of one of the parties to a sale or trade or lease of property or to a loan, from drawing or assisting in drawing, with or without charge, papers incident to the sale, trade, lease, or loan;~~

(4) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

~~(5)~~ (4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

~~(6)~~ (5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(7) (6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(8) (7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except

wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(9) (8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(10) (9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(11) (10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(12) (11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(13) (12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(14) (13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property

used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 4. Minnesota Statutes 1986, section 481.02, is amended by adding a subdivision to read:

Subd. 3a. [REAL ESTATE CLOSING SERVICES.] Nothing in this section shall be construed to prevent a real estate broker, a real estate salesperson, or a real estate closing agent as defined in section 82.17, subdivision 10, from drawing or assisting in drawing papers incident to the sale, trade, lease, or loan of property, or from charging for drawing or assisting in drawing them, except as hereafter provided by the supreme court.

Sec. 5. Minnesota Statutes 1986, section 481.02, is amended by adding a subdivision to read:

Subd. 9. Nothing in this section shall be construed to allow a person other than a licensed attorney to perform or provide the services of an attorney or be construed to otherwise conflict with section 481.02.

Sec. 6. [507.45] [RESIDENTIAL REAL ESTATE CLOSINGS.]

Subdivision 1. Residential real estate closing services may be provided and a fee charged by a licensed attorney, real estate broker, real estate salesperson, and real estate closing agent.

Subd. 2. No charge, except a charge required to be disclosed by Regulation Z, Code of Federal Regulations, title 12, section 226, may be made for closing services unless the party to be charged is informed of the charge in writing at least five business days before the closing by the party charging for the closing services.

Subd. 3. If the closing services are to be provided by a real estate broker, real estate salesperson, or real estate closing agent, the following regulations shall apply.

(a) The written contract for closing services shall state in at least 6-point type that the real estate broker, real estate salesperson, or real estate closing agent has not and, under applicable state law, may not express opinions regarding the legal effect of the closing documents or of the closing itself.

(b) No closing fee may be charged if a closing is performed without either a mortgagee's or owner's title insurance commitment or a legal opinion regarding the status of title.

Sec. 7. [CONSTRUCTION.]

Nothing in this act shall be construed to imply that fees charged for closing services before its enactment constituted the unauthorized practice of law.

Sec. 8. [NONSEVERABILITY.]

If section 4 or section 6, subdivision 1, is found to be unconstitutional or otherwise inoperative, the entire act shall be void and without effect.

Sec. 9. [EFFECTIVE DATES.]

Sections 2, 3, 4, 5 and 6, subdivision 1, take effect the day after final enactment. The other sections and subdivisions take effect January 1, 1989."

Delete the title and insert:

"A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; and 481.02, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 507."

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. 2536, A bill for an act relating to elections; providing that statewide computerized voter registration system satisfy requirements for duplicate registration file; establishing voter registration account and appropriating money; changing certain procedures related to registration cards, files, and records; changing certain procedures for filing, voting, arranging names on ballots, and completing summary statements; amending Minnesota Statutes 1986, sections 201.091, subdivisions 2 and 5; 204B.09, subdivision 1; 204D.08, subdivision 5; Minnesota Statutes 1987 Supplement, sections 201.022, subdivision 1; 201.071, subdivision 4; 204C.24, subdivision 1; and 204D.08, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 201.

Reported the same back with the following amendments:

Page 1, line 28, delete "All" and insert "County"

Page 1, line 29, delete "must be" and insert "are"

Page 3, line 22, delete "examination" and insert "public inspection"

Pages 3 and 4, delete section 6

Page 6, after line 14, insert:

"Sec. 9. Minnesota Statutes 1987 Supplement, section 206.80, is amended to read:

206.80 [ELECTRONIC VOTING SYSTEMS.]

(a) An electronic voting system may not be employed unless it

(1) permits every voter to vote in secret;

(2) permits every voter to vote for all candidates and questions for whom or upon which the voter is legally entitled to vote;

(3) provides for write-in voting when authorized;

(4) rejects by means of the automatic tabulating equipment, except as provided in section 206.84 with respect to write-in votes, all votes for an office or question when the number of votes cast on it exceeds the number which the voter is entitled to cast;

(5) permits a voter at a primary election to select secretly the party for which the voter wishes to vote; and

(6) rejects, by means of the automatic tabulating equipment, all votes cast in a primary election by a voter when the voter votes for candidates of more than one party, except as provided in paragraph (b).

(b) A punch card electronic voting system ~~must permit~~ may not be employed at a partisan primary election unless it permits a voter at a partisan primary election to select the party for which the voter wishes to vote by punching out an indicator for one of the parties only, and must reject, by means of the automatic tabulating equipment, all votes cast in a partisan primary election by a voter for candidates of a party other than the one chosen by the voter from the party indicators."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete "filing,"

Page 1, line 10, after the semicolon insert "permitting cities or counties to use their present voting systems for general elections;"

Page 1, line 11, delete "204B.09, subdivision 1;"

Page 1, line 14, delete "and"

Page 1, line 15, after the semicolon insert "and 206.80;"

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

The report was adopted.

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

H. F. No. 2537, A bill for an act relating to horse racing; changing the date when the racetrack must submit its financial statement to the racing commission; allowing the breeders' fund to be used to supplement purses for Minnesota horses racing in nonrestricted races; amending Minnesota Statutes 1986, sections 240.15, subdivision 4; and 240.18.

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. 2539, A bill for an act relating to elections; allowing the city of Falcon Heights to consolidate election precincts.

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. 2540, A bill for an act relating to the city of Bloomington; authorizing the city to expend and loan public funds for flood mitigation measures to protect residential structures.

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

The report was adopted.

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

H. F. No. 2542, A bill for an act relating to the environment; authorizing the waste management board to enter agreements providing for the development and operation of a wholly or partially state owned stabilization and containment facility; directing the board to make recommendation for legislative changes needed to implement facility development and operation; proposing coding for new law in Minnesota Statutes, chapter 115A.

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. 2544, A bill for an act relating to veterans; requiring the housing and care of veterans in the Fergus Falls regional treatment center; proposing coding for new law in Minnesota Statutes, chapters 198 and 253.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [198.311] [VETERANS ACCEPTED BY FERGUS FALLS RESIDENTIAL TREATMENT CENTER.]

Veterans may be housed and cared for at the Fergus Falls regional treatment center in the manner and under the conditions provided in section 2.

Sec. 2. [253.28] [ACCEPTANCE OF VETERANS BY FERGUS FALLS CENTER.]

Subdivision 1. [AUTHORITY.] The Fergus Falls regional treatment center may lease any suitable separate identifiable part of the center not used for the care and treatment of residents under the supervision of the commissioner of human services to the department of veterans affairs for the care of veterans and other persons eligible for admission to a veterans home. Veterans and other persons accepted for admission shall be housed and cared for, to the greatest extent practicable, under the same conditions and in the same manner as veterans and other persons under sections 198.001 to 198.34.

Subd. 2. [AGREEMENT.] The commissioner of human services and the commissioner of veterans affairs may enter into a written contract providing for the lease of the physical plant and for shared services necessary to implement subdivision 1.

Delete the title and insert:

"A bill for an act relating to veterans; authorizing the housing and care of veterans in the Fergus Falls regional treatment center; proposing coding for new law in Minnesota Statutes, chapters 198 and 253."

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. 2546, A bill for an act relating to commerce; regulating preparation of certain financial information for membership camping contract applications and subdivider qualification statements; repealing an exception to the exemption of subdivided lands within a city; prohibiting advance payments relating to resale of time share property interests; providing for hearing on misleading or deceptive sales practices relating to subdivisions; amending Minnesota Statutes 1986, sections 82A.04, subdivision 2; 83.26, subdivision 2; and 83.44; Minnesota Statutes 1987 Supplement, sections 83.23, subdivision 3; and 83.45.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 82A.04, subdivision 2, is amended to read:

Subd. 2. [APPLICATION CONTENTS.] The application for registration shall include:

(1) an irrevocable appointment of the commissioner to receive service of any lawful process as required by section 82A.22, subdivision 1;

(2) the name of the campground, the membership camping operator's name and the address of its principal place of business, the form, date of organization, and jurisdiction of its organization; and the name and address of each of its offices in this state;

(3) a copy of the membership camping operator's articles of incorporation, partnership agreement, or joint venture agreement as contemplated or currently in effect;

(4) the name, address, and principal occupation for the past five years of the membership camping operator and of each controlling person of the membership camping operator, and the extent and nature of each such person's interest in the membership camping operator as of a specified date within 30 days prior to the filing of the application;

(5) a statement indicating whether or not the membership camping operator, or any of the persons identified in clause (4), within the past ten years has been:

(i) convicted of a felony; or

(ii) enjoined or received any adverse administrative order relating to the sale of securities, land, or campgrounds or based on violations of any consumer protection statutes. If any of the above has occurred, the name of the person involved, the jurisdiction, offense, and date of the offense shall be listed;

(6) a legal description of each campground owned or operated in this state by the membership camping operator which is represented to be available for use by purchasers, and a map or maps showing the location of all campgrounds, wherever located, which are owned or operated by the membership camping operator and represented to be available for use by purchasers, and a statement identifying the existing amenities at each such campground and the planned amenities represented as to be available for use by purchasers in the future at each such campground;

(7) the states or jurisdictions in which an application for registration or similar document has been filed by the membership camping

operator pursuant to any statute similar to this chapter regulating membership camping contracts and any adverse order, judgment, or decree entered against the operator in connection with membership camping contracts by any regulatory authority in any jurisdiction or by any court;

(8) a statement of the condition of the title to the campground owned or operated in this state by the membership camping operator and represented to be available for use by purchasers, including all encumbrances, deed restrictions, and covenants applicable thereto with data as to recording, as of a specified date within 30 days prior to the date of application, by a title opinion of a licensed attorney or by a title insurance policy, naming the operator or lender as beneficiaries and issued by an insurance company authorized to do business in this state, or by any evidence of title acceptable to the commissioner;

(9) copies of the instruments by which the membership camping operator's interest in the campgrounds in this state was acquired;

(10) copies of all recorded or unrecorded instruments, known to the membership campground operator, that evidence blanket encumbrances that materially adversely affect the campgrounds in this state;

(11) if there is a blanket encumbrance which materially adversely affects the campgrounds located in this state, a legal description of the encumbrance, and a description of the steps taken to protect purchasers, in accordance with section 82A.14, clause (1), in case of failure to discharge the lien or encumbrance;

(12) evidence showing compliance with the zoning and other applicable environmental or land use laws, ordinances, and rules affecting the use of the campgrounds located in this state;

(13) a statement of the existing and planned provisions for the following with respect to campgrounds located in this state:

(i) purchasers' access to the campgrounds;

(ii) the availability of sewage disposal facilities and other public utilities, including but not limited to water, electricity, gas, and telephone facilities in the campgrounds;

(iii) the proximity of community fire and police protection;

(iv) a statement of the amenities which will be represented to purchasers as guaranteed to be constructed or installed, whether the operator will be responsible for their cost, installation and maintenance and an estimated cost of and schedule for completion of the

same; provided that the estimated completion dates need not be more precise than the year in which completion is estimated to occur, and may be extended for the period of any delays caused by or deferred due to the occurrence of events such as acts of God, strikes, and other causes outside the reasonable control of the membership camping operator; and assurance that such amenities will be completed by filing a bond or irrevocable letter of credit, depositing funds in an escrow account, or such other provision as the commissioner may by order allow. The amount of the bond or escrow account shall be reduced monthly in proportion to the amount paid for completion of the amenities during such period. The bond, letter of credit, or escrow account shall be issued or held by a bank or insurance or surety company authorized to do business in this state;

(v) a statement of the amenities to be represented to purchasers as planned for construction and installation, but not guaranteed, whether the operator will be responsible for their costs, installation, and maintenance, and an estimated cost of and schedule for completion of the same; provided that the estimated completion dates need not be more precise than the year in which completion is estimated to occur and may be extended for the period of any delays caused by or deferred due to the occurrence of events such as acts of God, strikes, and other causes outside the reasonable control of the membership camping operator;

(14) a copy of each item of advertising materials which has been prepared for public distribution in this state after January 1, 1986. Advertising material for off-site distribution which is pictorial in nature, other than site and conceptual plans which are labeled as such, shall be limited to a depiction of the actual on-site condition of the campgrounds or other areas that are material to the offer or sale of membership camping contracts pursuant to this registration; site and conceptual plans shall disclose which facilities are and are not currently in existence;

(15) the proposed disclosure statement as required by section 82A.05, subdivision 1, and the proposed separate disclosure, if applicable, as required by section 82A.05, subdivision 6;

(16) (15) a financial statement of the membership camping operator as of the end of the membership camping operator's most recent fiscal year, audited prepared by an independent certified public accountant and certified by the camping operator; and, if the fiscal year end of the membership camping operator is in excess of 120 180 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within 120 180 days of the date of application;

(17) (16) a statement of the applicable material permits, other than building permits, not yet obtained but required to be obtained from various federal, state, and local agencies to operate the

membership campground in this state, stating which have been applied for. If any permit has been refused, the reasons for the refusal and the effect the refusal will have on subsequent development of the campgrounds must be disclosed;

(18) (17) a copy of each type of membership camping contract to be sold in this state, the purchase price of each type and, if the price varies, the reason for the variance;

(19) (18) the number of membership camping contracts proposed to be sold at each campground located in this state and a statement describing the method used to determine the number;

(20) (19) rules of general applicability governing use and occupancy of the campgrounds; but not including any temporary or emergency rules, or any rules adopted in response to unique local or immediate needs;

(21) (20) copies of applications for and contracts with any reciprocal program entity in which the membership camping operator is to participate and represents as available for use by purchasers;

(22) (21) information concerning purchase or lease costs, rules, forms, and any fees, other than the initial membership fee and annual dues, which are required for purchaser usage of in-park trailers, recreational vehicles, tents, or other overnight accommodations, provided by or through the membership camping operator, for purchasers as an alternative to using the purchaser's own mobile accommodations; and

(23) (22) any additional information the commissioner reasonably deems appropriate to administer the provisions of this chapter.

Sec. 2. Minnesota Statutes 1987 Supplement, section 82A.09, subdivision 3, is amended to read:

Subd. 3. [SPECIFIC PROHIBITIONS.] The following devices or sales presentations, and the use of those devices or presentations, are deceptive or misleading practices:

(1) An advertisement that offers travel, accommodations, gifts, meals, or entertainment published to induce prospective purchasers to visit a campground or attend a sales presentation and that:

(i) does not prominently set forth all eligibility requirements;

(ii) describes offers of travel, accommodations, gifts, meals, or entertainment as "prizes," "awards," or by words of similar import or describes prospective purchasers as "winners" or by words of similar import;

(iii) contains the words "free" or "no obligation" or similar terms unless the offer is unequivocally without conditions;

(iv) states or implies that prospective purchasers have been specially selected;

(v) does not specifically state that gifts will be provided at the time the prospective purchaser visits the campground or attends the sales presentation;

(vi) does not disclose on its face page the retail market value of the travel, accommodations, gifts, meals, or entertainment provided. For purposes of this subclause, "retail market value" means: the retail price the item sells for in Minnesota; or if the item is not sold in Minnesota, the retail price the item sells for in states contiguous to Minnesota; or if the item is not sold in Minnesota or in a state contiguous to this state, the retail price the item sells for anywhere in the United States;

(vii) does not specifically and prominently disclose that the purpose of the offer of travel, accommodations, gifts, meals, or entertainment is to induce prospective purchasers to visit a campground or attend a sales presentation where they will be encouraged to purchase a membership camping contract;

(viii) does not completely disclose rules and procedures if travel, accommodations, gifts, meals, or entertainment are offered through a "sweepstakes," "giveaway," or similar contest;

(ix) does not specifically disclose the odds, as a fraction, using a common denominator, of a prospective purchaser's receiving each gift if the gift is offered through a "sweepstakes," "giveaway," or similar contest; or

(x) does not clearly and prominently state that gifts may be given to persons outside the state if the advertisement is part of a national advertising campaign.

(2) An advertisement that does not prominently disclose the name, address, and phone number of the membership camping operator on whose behalf the advertisement is distributed.

(3) An advertisement prepared on the stationery of a person other than the membership camping operator that creates a likelihood of confusion, misunderstanding, or deception.

(4) Site and conceptual plans which do not disclose which facilities are and are not currently in existence.

(5) Pictorial advertising material for off-site distribution, other

than site and conceptual plans which are labeled as such, which depicts more than the actual on-site condition of the campgrounds or other areas that are material to the offer or sale of membership camping contracts.

Sec. 3. Minnesota Statutes 1987 Supplement, section 83.23, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATION.] Subdivided lands may be registered by qualification provided all of the following requirements have been met:

(a) an application for registration has been filed with the commissioner in a format which the commissioner may by rule prescribe;

(b) the commissioner has been furnished a proposed public offering statement complying with section 83.24;

(c) a filing fee of \$400 plus an additional registration fee of \$1 for each lot, unit, parcel, or interest included in the offering accompanies the application. The maximum combined filing and registration fees shall in no event be more than \$3,500;

(d) the subdivider is in compliance with service of process provisions of section 83.39;

(e) the commissioner has been furnished a financial statement of the subdivider's most recent fiscal year, audited prepared by an independent certified public accountant and certified by the subdivider; and, if the fiscal year of the subdivider is more than 90 180 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within 90 180 days of the date of application.

Subdivisions in which all the improvements are complete and paid for by the developer, and for which clear title can be given the purchaser at the closing, are exempt from providing independently certified financial statements prepared by an independent accountant.

An application for registration under this section becomes effective when the commissioner so orders.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Sec. 4. Minnesota Statutes 1986, section 83.29, subdivision 2, is amended to read:

Subd. 2. If the commissioner determines upon inquiry and examination:

(1) That any of the requirements of sections 83.20 to 83.42 or the rules promulgated pursuant to sections 83.20 to 83.42 have not been met;

(2) That the proposed promotional plan or advertising is or tends to be fraudulent, deceptive or misleading;

(3) That the sales of the lands would work or tend to work a fraud or deception on the purchasers thereof;

(4) That the sales of the lands would be unfair or inequitable to the purchasers thereof;

(5) That the subdivider has violated any of the provisions of sections 83.20 to 83.42 or any order or rule of the commissioner;

(6) That the subdivider is not in compliance with federal, state or local environmental quality standards;

the commissioner may issue an order denying the application for registration; provided, however, that nothing in this section shall authorize the commissioner to deny an application based solely on the proposed sale price of the lands. The order shall state the reasons for denial. Every person whose application for registration has been denied shall have the right to a hearing provided a request for such hearing is filed with the commissioner within 30 days of the receipt of the order of denial. The order of denial shall inform the applicant of the right to this hearing.

Sec. 5. Minnesota Statutes 1986, section 83.29, subdivision 5, is amended to read:

Subd. 5. No person shall publish or cause to be published in this state any advertisement offering subdivided lands subject to the registration requirements of section 83.23 which is false, misleading, or deceptive. ~~The commissioner has 15 days in which to deny the advertising.~~

Sec. 6. Minnesota Statutes 1986, section 83.44, is amended to read:

83.44 [PROHIBITED PRACTICES.]

It is unlawful for any person, in connection with the offer or sale of any subdivided land or interests therein, directly or indirectly:

(a) to employ any device, scheme, or artifice to defraud;

(b) to make any untrue statement of a material fact or to omit to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or

(c) to engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person; or

(d) to accept an advance payment for services rendered by an agent in connection with the resale of a time share interest.

Sec. 7. [REPEALER.]

Minnesota Statutes 1986, section 82A.09, subdivision 1, is repealed.

Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; regulating preparation of certain information for membership camping contract applications and subdivider qualification statements; prohibiting certain misleading and deceptive practices; prohibiting advance payments relating to resale of time share property interests; amending Minnesota Statutes 1986, sections 83.29, subdivisions 2 and 5; and 83.44; Minnesota Statutes 1987 Supplement, sections 82A.04, subdivision 2; 82A.09, subdivision 3; and 83.23, subdivision 3; repealing Minnesota Statutes 1986, section 82A.09, subdivision 1."

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. 2550, A bill for an act relating to health; establishing two studies concerning blood lead levels in American Indian children and in pregnant women; appropriating money.

Reported the same back with the following amendments:

Page 1, line 7, after "STUDIES" insert "; DEMONSTRATION PROJECTS"

Page 1, delete lines 8 to 14

Page 1, line 15, delete "also"

Page 2, after line 1, insert:

"The department shall oversee and participate in a demonstration project to be undertaken by the Minnesota lead free kids project to clean up lead contamination in the exterior environment of a selected portion of the Phillips neighborhood in Minneapolis. Cleanup includes soil removal and replacement, landscaping and removal of loose paint. The department shall test children who reside in the selected project area before cleanup and one year following cleanup for blood lead levels. The Minnesota lead free kids project shall report to the legislature by January 1, 1990, on the project."

Page 2, delete lines 3 to 5

Page 2, line 6, delete "\$65,000" and insert "\$"

Page 2, after line 9, insert:

"\$ is appropriated from the general fund to the department of health to fund the demonstration project to be undertaken by the Minnesota lead free kids project."

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

The report was adopted.

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

H. F. No. 2558, A bill for an act relating to elections; requiring optical scan voting systems to be tested within 14 days before election; amending Minnesota Statutes 1986, section 206.83.

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2559, A bill for an act relating to commerce; regulating sales and repair of hearing aids; amending Minnesota Statutes 1986, section 145.43, subdivision 1a, and by adding a subdivision; Minnesota Statutes 1987 Supplement, section 145.43, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 21, before "hearing" insert "entire"

Page 2, line 25, after "for" insert "the entire hearing aid for"

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. 2561, A bill for an act relating to human services; establishing a demonstration project for child and adolescent crisis intervention and suicide prevention; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

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. 2567, A bill for an act relating to trade practices; providing for payment to farm implement retailer by successor in interest of the manufacturer, wholesaler, or distributor who repurchases stock and inventory; amending Minnesota Statutes 1986, sections 325E.05; and 325E.06, subdivisions 1, 4, and 5, and by adding a subdivision.

Reported the same back with the following amendments:

Page 4, line 27, after the period insert "Any contract in force and effect on July 1, 1988, which by its terms will terminate on a date subsequent thereto and which is not renewed, is governed by the law as it existed before July 1, 1988."

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. 2570, A bill for an act relating to education; placing conditions on University of Minnesota appropriations; requesting a study by the legislative auditor.

Reported the same back with the following amendments:

Page 2, after line 4, insert:

"Sec. 2. [137.001] [COMPENSATION.]

All board members shall be compensated as provided in section 15.0575, subdivision 3, except that the rate shall be \$50 per day."

Page 2, line 14, delete "2" and insert "3"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 4, before the period insert "; 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.

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

H. F. No. 2575, A bill for an act relating to human services; providing medical assistance to certain work activity programs; establishing pilot program; amending Minnesota Statutes 1987 Supplement, section 256B.02, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [256B.75] [FEASIBILITY STUDY FOR HABILITATION SERVICES.]

The commissioner of human services, together with the commissioner of jobs and training, shall study the feasibility of providing

medical assistance reimbursement to work activity programs for training and habilitative services provided to participants. The commissioner shall report its findings to the legislature by December 1, 1988. For the purpose of this section, a work activity program is defined at section 129A.01, subdivision 7."

Delete the title and insert:

"A bill for an act relating to human services; requiring a study of the feasibility of medical assistance reimbursement to work activity programs; proposing coding for new law in Minnesota Statutes, chapter 256B."

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

The report was adopted.

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

H. F. No. 2579, A bill for an act relating to workers' compensation; providing for review of rehabilitation plans; amending Minnesota Statutes 1986, section 176.102, subdivision 7.

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. 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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [3.863] [LEGISLATIVE TASK FORCE.]

Subdivision 1. [MEMBERSHIP] A ten-member legislative task force is created to study and monitor equal employment opportunity activities of each of the metropolitan agencies established by chapter 473. Five members shall be appointed by the speaker of the house and five members by the senate committee on rules and legislative administration. Two of the members from each house must be from the minority party. The appointing authority from each house shall appoint one member to serve as a co-chair.

Subd. 2. [DUTIES.] The task force shall monitor the performance of metropolitan agencies in complying with sections 3 and 4. The task force shall recommend action necessary to assure that metropolitan agencies comply with principles of equal employment opportunity in establishing their work forces and to assure that these agencies maintain work environments free of forbidden discrimination. The task force has powers granted to legislative committees under section 3.153, to the extent necessary to perform its duties.

Subd. 3. [SPECIAL INVESTIGATIONS.] (a) A special investigation of a metropolitan agency within the jurisdiction of the task force may be initiated only by direction of the legislature or upon a finding by vote of a majority of all members of the task force that a special investigation of an agency is necessary to assure compliance with the principles of equal employment opportunity and nondiscriminatory employment. Upon initiation of a special investigation, the task force shall exercise the authority provided in this subdivision and assure agency compliance with the requirements of this subdivision. The task force may terminate the special investigation upon a determination that the investigation has achieved its objective and is no longer necessary. Paragraphs (b), (c), (d), and (e) apply only if a special investigation is initiated according to this paragraph.

(b) The task force shall receive complaints concerning equal employment opportunity policies and alleged instances of forbidden discrimination relating to the agency. The task force shall investigate complaints to the extent necessary to determine if the agency's internal policies and procedures are adequate to assure that complaints are dealt with fairly and that the circumstances underlying complaints are corrected. The task force does not have authority to decide the merits of individual cases. The task force may designate a person to be present at agency facilities to the extent necessary to fulfill duties assigned by this subdivision. The agency shall cooperate with the task force by providing access to requested documents that are public data under chapter 13 and by providing space and support at agency facilities upon request.

(c) The agency must report monthly to the task force summarizing personnel actions that it has taken since the last report. For

purposes of this subdivision, "personnel action" means a new hire, promotion, transfer, demotion, layoff, recall from layoff, suspension with or without pay, letter of reprimand, involuntary termination, other disciplinary action, and voluntary termination. Each report must include the job title of the affected person and must specify what protected group, if any, the person is a member of. Each report must also include the percentage of members of each protected group, as defined in section 43A.02, subdivision 33, in the applicant pool for each new hire or promotion, to the extent that the agency knows this information. The agency must also report monthly to the task force summarizing the number of:

(1) charges filed against the agency with the state or a local human rights department or commission alleging employment discrimination;

(2) lawsuits filed in federal or state court against the agency, alleging employment discrimination;

(3) grievances filed under a nondiscrimination clause of a union contract;

(4) complaints filed under the agency's affirmative action plan or sexual or racial harassment policies; or

(5) discrimination complaints filed under other agency personnel policies.

The reports required by clauses (1) to (5) must include the basis for each complaint, grievance or lawsuit, and any disciplinary action taken against an agency employee in relation to the complaint or lawsuit. In filing reports on complaints and lawsuits, the agency shall not disclose the name of the employee filing the complaint or lawsuit, and shall not reveal information that is not public data under chapter 13.

(d) The agency shall report to the task force on the composition of the work force under the direction of each person that the agency designates as a managerial or supervisory employee. The report must be in the form and submitted at the time intervals requested by the task force and must show the percentage of the relevant work force that is composed of members of each protected group.

(e) Upon request of the task force, the agency shall report other information related to achievement of affirmative action goals or to elimination of discrimination from the workplace.

Subd. 4. [WASTE CONTROL COMMISSION.] The task force shall initiate a special investigation of the metropolitan waste control commission under subdivision 3.

Subd. 5. [REPORTS.] The task force shall report to the legislature by January 15, 1989. The report must include:

(1) an evaluation of the performance of each metropolitan agency in complying with sections 3 and 4;

(2) recommendations for further legislation related to personnel and procurement functions of metropolitan agencies; and

(3) a recommendation on what form of continued legislative oversight of these personnel and procurement functions is appropriate and on when, or under what conditions, the task force should be eliminated.

Sec. 2. Minnesota Statutes 1986, section 473.141, subdivision 9, is amended to read:

Subd. 9. [PERSONNEL CODE; MERIT SYSTEM.] (a) The council shall by resolution adopt guidelines for a personnel code relating to the employees of the commissions, except that nothing in Laws 1974, Chapter 422 shall impair the rights of any commission or employee under sections 473.405 and 473.415. After adoption of the guidelines, each commission shall by resolution adopt a personnel code in general conformance therewith. The code shall include a job classification plan, procedures for employment and promotion of personnel based on merit, procedures for the demotion, suspension or discharge of employees, procedures for hearing grievances, procedures for salary administration, and such other provisions as the council deems appropriate. In addition, the code shall provide for the development by each commission of affirmative action plans, which shall be submitted for approval to the appropriate agency or office of the state. The plans shall include a yearly progress report to the agency or office as provided in section 4. The chief administrator of each commission shall administer the code, and no commission shall take any action inconsistent with the personnel code.

(b) All employees of the commission except those expressly designated for the unclassified service, shall serve in the classified service. The unclassified service shall include: members of the commission, the chief administrator of the commission, all officers of the commission, any employee of the commission who is determined by the commission to have a confidential relationship to the commission or the council; and any employee of the commission expressly exempted from the classified service by law. Each code shall also include procedures for open competitive examinations to test the relative skill or ability of all applicants for positions in the classified service. Such examinations may consist of written or oral tests of the subjective or objective type, physical tests, and practical or demonstration tests for the evaluation of past training and experience. Oral tests may be used to test the applicant's knowledge of the position applied for or personal fitness for the position. Where

there is more than one applicant for a position, each code shall provide for the employment of one of the three applicants best qualified for it.

(c) When a commission employee has been demoted, suspended or dismissed by the chief administrator, the employee may, within 30 days after such action becomes effective, file with the commission a written request for a hearing showing the position from which the employee was dismissed, the date of dismissal, and the reason for requesting the hearing, full name and present mailing address. Upon receipt of a request for a hearing the commission shall appoint three of its members to act as an appeal committee and preside at a hearing on the action of the administrator. The hearing shall be held within 30 days after the request is received by the commission, upon written notice mailed or delivered to the employee at the employee's present mailing address, not less than seven days before the hearing. The appeal committee shall approve or disapprove the action of the administrator, and in the case of approval the action of the administrator shall be final. In the case of disapproval the appeal committee may reinstate the employee under such conditions as it deems proper, and may order the payment to the employee of compensation lost as a result of the demotion, suspension or dismissal.

Sec. 3. [473.142] [SOCIALLY AND ECONOMICALLY DISADVANTAGED BUSINESSES.]

(a) The metropolitan council and agencies specified in section 4, subdivision 1, shall attempt to award at least nine percent of the value of all procurement, other than contracts under clause (c), to businesses owned and operated by socially or economically disadvantaged persons. For purposes of this section, "socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic conditions. This disadvantage may rise from cultural, social or economic circumstances, background, or other similar cause. It includes racial minorities, women, persons with a disability as defined in section 363.01, subdivision 25, sheltered workshops, and work activity programs. To the extent practicable, the council and agencies shall attempt to meet this goal through procurement from businesses with their principal place of business in Minnesota. In furtherance of this goal, the council or an agency shall set aside a percentage of all procurements for bidding only by these businesses. The council or an agency may also award a five percent preference to these businesses in the amount bid on selected procurements.

(b) The council and each agency specified in section 4, subdivision 1, as a condition of awarding procurements for construction, consultant, professional, or technical service contracts in excess of \$200,000, shall require that at least ten percent of the contract award to a prime contractor be subcontracted to a small business

owned and operated by a socially or economically disadvantaged person, or that at least ten percent of the contract award be expended in purchasing materials or supplies from this type of business. This paragraph does not apply if the council or agency determines that there is no small business owned and operated by a socially or economically disadvantaged person able to perform the subcontract or provide the supplies. Subcontracting or purchasing of supplies under this subdivision is not included in determining achievement of goals under paragraph (a) or (c).

(c) The council and each agency specified in section 4, subdivision 1, shall attempt to award at least six percent of the value of all procurements for consultant services or professional or technical services to businesses owned and operated by socially or economically disadvantaged persons.

(d) The council and each agency may adopt rules to implement this section.

(e) This section does not apply to procurement financed in whole or in part with federal funds if the procurement is subject to federal disadvantaged business enterprise regulations. The council and each agency must report annually to the legislature on compliance with this subdivision. The reports must include the information specified in section 16B.21.

Sec. 4. [473.143] [AFFIRMATIVE ACTION PLANS.]

Subdivision 1. [APPLICATION.] For purposes of this section, "agency" means a metropolitan agency as defined in section 473.121, except the metropolitan parks and open space commission. Agency also means the metropolitan mosquito control commission. For purposes of this section, "commissioner" means the commissioner of the state department of employee relations.

Subd. 2. [DEVELOPMENT AND CONTENTS.] The council and each agency must develop an affirmative action plan and submit its plan to the commissioner for approval. The commissioner may not approve a plan unless the commissioner determines that it will be effective in assuring that employment positions are equally accessible to all qualified persons, in eliminating the underutilization of qualified members of protected groups, in providing a supportive work environment to all employees, regardless of race, religion, sex, national origin, or disability, and in dealing with discrimination complaints. For purposes of this section, "protected group" has the meaning given it in section 43A.02, subdivision 33. A plan must contain at least the elements required in this subdivision.

(a) It must identify protected groups that are underrepresented in the council's or agency's work force.

(b) It must designate a person responsible for directing and implementing the affirmative action program and assign the specific responsibilities and duties of that person. The person responsible for implementing the program must report directly to the council's or agency's chief executive officer regarding the person's affirmative action duties. The person responsible for the affirmative action program must review examination and other selection criteria to assure compliance with law. This person must be involved in the filling of all vacancies in the council or agency work force, to the extent necessary to facilitate attainment of affirmative action goals.

(c) It must describe the methods by which the plan will be communicated to employees and to other persons.

(d) It must describe methods for recruiting members of protected groups. These methods may include internship programs, cooperation with union apprenticeship programs, and other steps necessary to expand the number of protected group members in applicant pools.

(d) It must describe internal procedures in accordance with this paragraph for processing complaints of alleged discrimination from job applicants and employees. The procedures must provide for an initial determination of whether the complaint is properly a discrimination complaint subject to the procedure under the affirmative action plan. Complaints filed under the discrimination procedures that allege reprisals against an employee for opposing a forbidden practice or for filing a charge, testifying, or participating in an investigation, proceeding, or hearing relating to a forbidden practice must be appealable to the chief executive officer of the council or agency. Procedures under this paragraph must be distinct from any procedures available under a union contract or personnel policy for nondiscrimination complaints. Use of procedures developed under this paragraph is not a prerequisite to filing charges with a governmental enforcement agency, nor does it limit a person's right to file these charges.

(e) It must set goals and timetables to eliminate underutilization of members of each protected group in the council or agency work force.

(f) It must provide a plan for retaining and promoting protected group members in the council or agency work force. This plan should encourage training opportunities for protected group members, to the extent necessary to eliminate underutilization in specific parts of the work force.

(g) It must describe methods of auditing, evaluating, and reporting program success, including a procedure that requires a preemployment review of all hiring decisions for occupational groups with unmet affirmative action goals.

(h) It must provide for training of management and supervisory personnel in implementation of the plan and in dealing with alleged acts of discrimination in the workplace.

(i) It must provide for periodic surveying of the council or agency work force to determine employee attitudes toward implementation of the plan.

(j) It must provide for creation of an employee committee to advise on implementation of the plan and on any changes needed in the plan.

Subd. 3. [HARASSMENT.] The council and each agency must adopt written policies forbidding sexual and racial harassment in their workplaces and establishing implementation plans and grievance procedures to deal with complaints of sexual and racial harassment.

Subd. 4. [PERFORMANCE EVALUATION.] The evaluation of the performance of each supervisory and managerial employee of the council and the agencies must include evaluation of the person's performance in implementing the council's or agency's affirmative action plan and in preventing forbidden discrimination in the workplace.

Subd. 5. [REPORT.] By March 1 each year, the commissioner shall report to the legislature and to the task force created in section 1 on affirmative action progress of the council and of each agency. The report must include:

(1) an audit of the record of the council and each agency to determine compliance with affirmative action goals and to evaluate overall progress in attainment of overall affirmative actions objectives;

(2) if the council or any agency has failed to make satisfactory progress toward its affirmative action goals, a list of unmet goals and an analysis of why the failure occurred;

(3) a summary of all personnel actions, as defined in section 1, subdivision 3, taken by the council and each agency during the past calendar year, categorized by occupational group, protected group status, and full-time, part-time, temporary, and seasonal status; and

(4) a summary of discrimination complaints and lawsuits against the council and each agency filed or resolved during the past calendar year, including the basis for the complaints and lawsuits.

The council and each agency must report to the commissioner all

information that the commissioner requests to make the report required by this subdivision.

The council and each agency must submit these reports at the time and in the manner requested by the commissioner. The commissioner shall report to the legislature and the task force created in section 1 on the failure of the council or an agency to file the required report in a timely manner.

Subd. 6. [COORDINATION.] The commissioner or a designee shall meet with affirmative action officers of the council and all of the agencies to share successful techniques and foster innovative means to implement affirmative action plans and eliminate discrimination in the workplace.

Sec. 5. Minnesota Statutes 1986, section 473.406, subdivision 2, is amended to read:

Subd. 2. [SET-ASIDES.] The metropolitan transit commission ~~may, on a fiscal year basis, designate and set aside for awarding to~~ shall comply with the requirements of section 3 relating to procurement from business entities controlled by socially or economically disadvantaged persons or handicapped persons, ~~or for awarding to business entities which guarantee the use of subcontractors controlled by socially or economically disadvantaged persons or handicapped persons,~~ approximately five percent of the value of its anticipated total procurement of goods and services, including construction. The failure of the commission to set aside particular procurements shall not be deemed to prohibit or discourage business entities controlled by socially or economically disadvantaged persons or handicapped persons from seeking the procurement award through the normal solicitation and bidding processes.

Sec. 6. Minnesota Statutes 1986, section 473.406, subdivision 5, is amended to read:

Subd. 5. [RECOURSE TO OTHER BUSINESSES.] If this section ~~does and~~ section 3 do not operate to extend a contract award to a business entity controlled by socially or economically disadvantaged persons or handicapped persons, the award shall be placed pursuant to the normal solicitation and award procedures set forth in section 471.345.

Sec. 7. Minnesota Statutes 1986, section 473.406, subdivision 6, is amended to read:

Subd. 6. [RULES.] The commission shall promulgate by rule standards and procedures for certifying that business entities eligible to participate in the ~~set-aside program authorized in~~ required by this section and section 3 are controlled by socially or economically

disadvantaged persons ~~or handicapped persons~~. The commission shall promulgate other rules as may be necessary or advisable to carry out the provisions of this section and section 3.

Sec. 8. Minnesota Statutes 1986, section 473.406, subdivision 7, is amended to read:

Subd. 7. [OTHER LAWS SUPERSEDED.] In the event of conflict with other laws or rules, the provisions of this section and section 3 and rules promulgated pursuant to ~~it~~ them shall govern.

Sec. 9. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Sections 2 to 8 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Section 3 applies only to contracts for which notice of invitation to bid or requests for proposals are issued after the effective date of the section.

Delete the title and insert:

"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 businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 3 and 473."

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. 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.

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

The report was adopted.

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

H. F. No. 2627, A bill for an act relating to the city of Chanhassen; extending certain tax increment financing.

Reported the same back with the following amendments:

Page 1, line 14, delete "or" and insert "and"

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

The report was adopted.

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

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.

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. 2642, A bill for an act relating to metropolitan government; permitting the acquisition of certain open space property.

Reported the same back with the following amendments:

Page 2, after line 6, insert:

"The findings required by this subdivision may have been made before or may be made on or after the effective date of this act."

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. 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.

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

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.

Reported the same back with the following amendments:

Page 3, line 14, strike "\$100,000" and insert "\$150,000"

Page 3, line 34, strike "one-fourth" and insert "35 percent" and after "principal" insert "amount"

Page 3, line 35, strike "\$25,000" and insert "\$50,000"

Page 4, after line 22, insert:

"Sec. 7. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 4, is amended to read:

Subd. 4. [FARM MANAGEMENT.] A borrower must agree to participate in a farm management program approved by the commissioner of agriculture for at least the first ~~eight~~ five years of the loan."

Page 7, delete section 8

Page 8, line 8, delete "\$7,000,000" and insert "\$6,700,000"

Page 8, delete lines 34 to 36

Page 9, delete lines 1 to 4

Renumber subdivisions in sequence

Renumber sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 13, after "2," insert "4,"

Page 1, line 15, delete "chapters" and insert "chapter"

Page 1, line 16, delete "116J and"

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. 2687, A bill for an act relating to metropolitan affairs; authorizing the sale of state bonds to provide funds for the acquisition and betterment of metropolitan regional recreation open space land; 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.

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

H. F. No. 2688, A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; proposing coding for new law as Minnesota Statutes, chapter 176C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 176.183, subdivision 2, is amended to read:

Subd. 2. The commissioner of labor and industry, in accordance with the terms of the order awarding compensation, shall pay compensation to the employee or the employee's dependent from the special compensation fund. The commissioner of labor and industry shall certify to the commissioner of finance and to the legislature annually the total amount of compensation paid from the special compensation fund under ~~subdivisions~~ subdivision 1 and 1a. The commissioner of finance shall upon proper certification reimburse the special compensation fund from the general fund appropriation provided for this purpose. The amount reimbursed shall be limited to the certified amount paid under this section or the appropriation made for this purpose, whichever is the lesser amount. Compensation paid under this section which is not reimbursed by the general fund shall remain a liability of the special compensation fund and shall be financed by the percentage assessed under section 176.129.

Sec. 2. Minnesota Statutes 1986, section 176.183, subdivision 3, is amended to read:

Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to ~~subdivisions~~ subdivision 1 and 1a, including benefits payable under sections 176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation.

(b) The commissioner may suspend or terminate an order under clause (a) for good cause as determined by the commissioner.

Sec. 3. [176C.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 3 to 19 the terms defined in this section have the meaning given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of commerce except where specifically stated otherwise.

Subd. 3. [INCURRED LIABILITIES FOR THE PAYMENT OF COMPENSATION.] "Incurred liabilities for the payment of compensation" means the sum of both of the following:

(1) an estimate of future workers' compensation benefits, including medical and indemnity; and

(2) an amount determined by the commissioner to be reasonably adequate to assure the administration of claims, including legal costs, but not to exceed ten percent of future workers' compensation benefits.

Subd. 4. [INSOLVENT SELF-INSURER.] "Insolvent self-insurer" means either a member private self-insurer who has failed to pay compensation as a result of a declaration of bankruptcy or insolvency by a court of competent jurisdiction and whose security deposit has been called by the commissioner pursuant to chapter 176, or a member self-insurer who has failed to pay compensation and who has been issued a certificate of default by the commissioner and whose security deposit has been called by the commissioner pursuant to chapter 176.

Subd. 5. [MEMBER.] "Member" means a private self-insurer which participates in the self-insurers' security fund.

Subd. 6. [PRIVATE SELF-INSURER.] "Private self-insurer" means a member private employer which is self-insured or a group which is self-insured against liability for workers' compensation under chapter 176. It does not include the state of Minnesota or its political subdivisions.

Subd. 7. [SECURITY FUND.] "Security fund" means the self-insurers' security fund established pursuant to this chapter.

Subd. 8. [TRUSTEES.] "Trustees" means the board of trustees of the self-insurers' security fund.

Sec. 4. [176C.02] [SELF-INSURANCE APPLICATIONS.]

Subdivision 1. [PROCEDURE.] Each employer desiring to self-insure individually shall apply to the commissioner on forms available from the commissioner. The commissioner shall grant or deny the application within 30 days after a complete application is filed. The time limit may be extended for another 30 days upon 15 days' prior notice to the applicant. Any grant of authority to self-insure shall continue in effect until revoked by order of the commissioner or until such time as the employer becomes insured.

Subd. 2. [CERTIFIED FINANCIAL STATEMENT.] Each application for self-insurance shall be accompanied by a certified financial statement. Certified financial statements for a period ending more than six months prior to the date of the application must be accompanied by an affidavit, signed by a company officer under oath, stating that there has been no material lessening of the net worth nor other adverse changes in its financial condition since the end of the period.

Subd. 3. [NET WORTH.] Each individual self-insurer shall have and maintain a net worth at least equal to the greater of ten times the retention limit selected with the workers' compensation reinsurance association or one-third the amount of the self-insurer's current annual modified premium. The requirements of this subdivision shall be modified if the self-insurer can demonstrate through a reinsurance program, other than coverage provided by the WCRA, that it can pay expected losses without endangering the financial stability of the company.

Subd. 4. [ASSETS, NET WORTH, AND LIQUIDITY.] Each individual self-insurer shall have and maintain sufficient assets, net worth, and liquidity to promptly and completely meet all of its obligations that may arise under chapter 176 or this act. In determining whether a self-insurer meets this requirement, the commissioner shall consider the self-insurer's current ratio; its long-term and short-term debt to equity ratios; its net worth; financial characteristics of the particular industry in which the self-insurer is involved; any recent changes in the management and ownership of the company; any excess insurance purchased by the self-insurer from a licensed company or an authorized surplus line carrier, other than excess insurance from the workers' compensation reinsurance association; any other financial data submitted to the commissioner by the company; and the company's workers' compensation experience for the last four years.

Subd. 5. [GUARANTEE BY AFFILIATES.] Where an employer seeking to self-insure fails to meet the financial requirements set forth in subdivisions 3 and 4, the commissioner shall grant authority to self-insure provided that an affiliated company, whose financial statement is filed with the commissioner and meets the requirements set forth in subdivisions 3 and 4, provides a written guarantee adopted by resolution of its board of directors that it will pay all workers' compensation claims incurred by its affiliate, and that it will not terminate the guarantee under any circumstances without first giving the commissioner and its affiliate 30 days' written notice. If said guarantee is withdrawn or if the guarantor ceases being an affiliate, the affiliate shall give written notice to the commissioner and the self-insured. The self-insured's authority to self-insure shall automatically terminate upon expiration of the 30-day notice period.

Subd. 6. [APPLICATIONS FOR GROUP SELF-INSURANCE.] (a) Two or more employers may apply to the commissioner for the authority to self-insure as a group on forms available from the commissioner. This initial application shall be accompanied by a copy of the bylaws or plan of operation adopted by the group. Such bylaws or plan of operation shall conform to the conditions prescribed by law or rule. The commissioner shall approve or disapprove the bylaws within 30 days unless a question as to the legality of a specific bylaw or plan provision has been referred to the

attorney general's office. The commissioner shall make a determination as to the application within 15 days after receipt of the requested response from the attorney general's office.

(b) After the initial application and the bylaws or plan of operation have been approved by the commissioner or at the time of the initial application, the group shall submit the names of employers that will be members of the group; an indemnity agreement providing for joint and several liability for all group members for any and all workers' compensation claims incurred by any member of the group, as set forth in Minnesota Rules, part 2780.9920, signed by an officer of each member; and an accounting review performed by a certified public accountant. A certified financial audit may be filed in lieu of an accounting review.

Subd. 7. [FINANCIAL STANDARDS.] A group proposing to self-insure shall have and maintain:

(a) A combined net worth of all of the members of at least equal to the greater of ten times the retention selected with the workers' compensation reinsurance association or one-third of the current annual modified premium of the members. The requirements of this item shall be modified if the self-insurer can demonstrate that through excess insurance, other than coverage provided by the workers' compensation reinsurance association, that it can pay expected losses.

(b) Sufficient assets, net worth, and liquidity to promptly and completely meet all obligations of its members under chapter 176 or this act. In determining whether a group is in sound financial condition, consideration shall be given to the combined net worth of the member companies; the consolidated long-term and short-term debt to equity ratios of the member companies; any excess insurance other than reinsurance with the workers' compensation reinsurance association, purchased by the group from an insurer licensed in Minnesota or from an authorized surplus line carrier; other financial data requested by the commissioner or submitted by the group; and the combined workers' compensation experience of the group for the last four years.

Subd. 8. [PROCESSING APPLICATION.] The commissioner shall grant or deny the group's application to self-insure within 60 days after a complete application has been filed, provided that the time may be extended for an additional 30 days upon 15 days prior notice to the applicant. The commissioner shall grant approval for self-insurance upon a determination that the financial ability of the self-insurer's group is sufficient to fulfill all joint and several obligations of the member companies that may arise under chapter 176 or this act; the gross annual premium of the group members is at least \$300,000; the group has established a fund pursuant to Minnesota Rules, parts 2780.4100 to 2780.5000; the group has

contracted with a licensed workers' compensation service company to administer its program; the required securities or surety bond shall be on deposit prior to the effective date of coverage for any member. Approval shall be effective until revoked by order of the commissioner or until the employer members of the group become insured.

Subd. 9. [FILING REPORTS.] (a) Incurred losses, paid and unpaid, specifying indemnity and medical losses by classification, payroll by classification, and current estimated outstanding liability for workers' compensation shall be reported to the commissioner by each self-insurer on a calendar year basis, in a manner and on forms available from the commissioner. Payroll information must be filed by April 1 of the following year, and loss information and total workers' compensation liability must be filed by August 1 of the following year.

(b) Each self-insurer shall, under oath, attest to the accuracy of each report submitted pursuant to paragraph (a). Upon sufficient cause, the commissioner shall require the self-insurer to submit a certified audit of payroll and claim records conducted by an independent auditor approved by the commissioner, based on generally accepted accounting principles and generally accepted auditing standards, and supported by an actuarial review and opinion of the future contingent liabilities. The basis for sufficient cause shall include the following factors: where the losses reported appear significantly different from similar type businesses; where major changes in the reports exist from year to year, which are not solely attributable to economic factors; or where the commissioner has reason to believe that the losses and payroll in the report do not accurately reflect the losses and payroll of that employer. If any discrepancy is found, the commissioner shall require changes in the self-insurer's or workers' compensation service company record keeping practices.

(c) With the annual loss report due August 1, each self-insurer shall report to the commissioner any workers' compensation claim from the previous year where the full, undiscounted value is estimated to exceed \$50,000, in a manner and on forms prescribed by the commissioner.

(d) Each individual self-insurer shall, within four months after the end of its fiscal year, annually file with the commissioner its latest 10K report required by the Securities and Exchange Commission. If an individual self-insurer does not prepare a 10K report, it shall file an annual certified financial statement, together with such other financial information as the commissioner may require to substantiate data in the financial statement.

(e) Each group self-insurer shall, within four months after the end of the fiscal year for that group, annually file a statement showing

the combined net worth of its members based upon an accounting review performed by a certified public accountant, together with such other financial information the commissioner may require to substantiate data in the group's summary statement.

(f) In addition to the financial statements required by paragraphs (d) and (e), interim financial statements or 10Q reports required by the Securities and Exchange Commission may be required by the commissioner upon an indication that there has been deterioration in the self-insurer's financial condition, including a worsening of current ratio, lessening of net worth, net loss of income, the downgrading of the company's bond rating, or any other significant change that may adversely affect the self-insurer's ability to pay expected losses. Any self-insurer that files an 8K report with the Securities and Exchange Commission shall also file a copy of the report with the commissioner within 30 days of the filing with the Securities and Exchange Commission.

Subd. 10. [ANNUAL AUDIT.] The accounts and records of the group self-insurer's fund shall be audited annually. Audits shall be made by certified public accountants, based on generally accepted accounting principles and generally accepted auditing standards, and supported by actuarial review and opinion of the future contingent liabilities, in order to determine the solvency of the self-insurer's fund. All audits required by this part shall be filed with the commissioner 90 days after the close of the fiscal year for the group self-insurer. The commissioner may require a special audit to be made at other times if the financial stability of the fund or the adequacy of its monetary reserves is in question.

Subd. 11. [JOINT AND SEVERAL LIABILITY.] All members of a private self-insurer group shall be jointly and severally liable for the obligations incurred by any member of the same group under chapter 176.

Subd. 12. [COMMISSIONER REVIEW.] The commissioner shall annually review the documents and reports filed by the private self-insurer.

Sec. 5. [176C.03] [PRIVATE SELF-INSURING EMPLOYER; ANNUAL RENEWAL OR DEPOSIT OF NEW SECURITY FOR PAYMENT OF COMPENSATION.]

Subdivision 1. [ANNUAL SECURING OF LIABILITY.] Each year every private self-insuring employer shall secure incurred liabilities for the payment of compensation and the performance of the obligations of employers imposed under chapter 176 by renewing the prior year's security deposit or by making a new deposit of security. If a new deposit is made, it must be posted within 60 days of the filing of the self-insured employer's annual report with the commissioner, but in no event later than July 1.

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 110 percent of the private self-insurer's estimated future liability. Up to ten percent of that deposit may be used to secure payment of all administrative and legal costs relating to or arising from the employer's self-insuring. As used in this section, "private self-insurers' estimated future liability" means the private self-insurers' total of estimated future liability as determined by a member of the casualty actuarial society every two years for non-group member private self-insurers, and every year for group member private self-insurers. Estimated future liability is determined by first taking the total amount of the self-insured's future liability of workers' compensation claims and then deducting the total amount which is estimated to be returned to the self-insurer from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits or second injury benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits or second injury benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the reports required thereunder are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the last retention limit selected by the self-insurer with the workers' compensation reinsurance association. The posting or depositing of security pursuant to this section shall release all previously posted or deposited securities from any obligations under the posting or depositing.

Subd. 3. [TYPE OF ACCEPTABLE SECURITY.] The commissioner may only accept as security, and the employer shall deposit as security, cash, approved government securities, surety bonds, or irrevocable letters of credit in any combination. Interest or dividend income or other income generated by the security shall be paid to the member or, at the member's direction, applied to the member's security requirement. The current deposit shall include within its coverage all amounts covered by terminated surety bonds. As used in this chapter, an irrevocable letter of credit shall be accepted only if it is clean, irrevocable, and contains an evergreen clause.

(a) "Clean" means a letter of credit that is not conditioned on the delivery of any other documents or materials.

(b) "Irrevocable" means a letter of credit that cannot be modified or revoked without the consent of the beneficiary, once the beneficiary is established.

(c) "Evergreen clause" means one which specifically states that expiration of a letter of credit will not take place without a 60-day notice by the insurer and one which allows the issuer to conduct an annual review of the account party's financial condition. If prior

notice of expiration is not given by the issuer, the letter of credit is automatically extended for one year.

A clean irrevocable letter of credit shall be accepted only if it is in the form prescribed by statute and is issued by a financial institution that is authorized to engage in banking in any of the 50 states or under the laws of the United States and whose business is substantially confined to banking and supervised by the state commissioner of commerce or banking or similar official, and which has a long-term debt rating by a recognized national rating agency of investment grade or better. If no long-term debt rating is available, the financial institution must have the equivalent investment grade financial characteristics.

Subd. 4. [EXONERATION OF SECURITY.] Surety bonds, irrevocable letters of credit, and documents showing issuance of any irrevocable letter of credit shall be deposited with, and, except where specified by statute, in a form approved by the commissioner.

Subd. 5. [DEPOSIT WITH STATE TREASURER.] Securities shall be deposited on behalf of the commissioner by the self-insured employer with the state treasurer or a financial institution approved by the commissioner. Securities shall be accepted by the state treasurer for deposit and shall be withdrawn only upon written order of the commissioner.

Subd. 6. [CASH DEPOSITS.] Cash shall be deposited in a financial institution approved by the commissioner, and in the account assigned to the state treasurer. Cash shall be withdrawn only upon written order of the commissioner.

Subd. 7. [PERFECTION OF SECURITY.] Upon the commissioner sending a request to renew, request to post, or request to increase a security deposit, a perfected security interest is created in the private self-insured's assets in favor of the commissioner to the extent of any then unsecured portion of the self-insured's incurred liabilities. That perfected security interest is transferred to any cash or securities thereafter posted by the private self-insured with the state treasurer and is released only upon either of the following:

(1) the acceptance by the commissioner of a surety bond or irrevocable letter of credit for the full amount of the incurred liabilities for the payment of compensation; or

(2) the return of cash or securities by the commissioner.

The private self-insured employer loses all right, title, and interest in and any right to control all assets or obligations posted or left on deposit as security. In the event of a declaration of bankruptcy or insolvency by a court of competent jurisdiction, or in the event of the

issuance of a certificate of default by the commissioner, the commissioner shall liquidate the deposit as provided in this chapter, and transfer it to the self-insurer's security fund for application to the self-insured employers incurred liability.

Subd. 8. [RETURN OF EXCESS AMOUNTS OF SECURITY TO PRIVATE SELF-INSURED EMPLOYER.] The commissioner shall return on an annual basis to a private self-insured employer all amounts of security determined by the commissioner to be in excess of the statutory requirements to self-insure, including that necessary for administrative costs and legal fees, and the payment of any future workers' compensation claims.

Subd. 9. [INSOLVENCY, BANKRUPTCY, OR DEFAULT; UTILIZATION OF SECURITY DEPOSIT.] The commissioner of labor and industry shall notify the commissioner and the security fund if the commissioner of labor and industry has knowledge that any private self-insurer has failed to pay workers' compensation benefits as required by chapter 176. If the commissioner determines that a court of competent jurisdiction has declared the private self-insurer to be bankrupt or insolvent, and the private self-insurer has failed to pay workers' compensation as required by chapter 176 or, if the commissioner issues a certificate of default against a private self-insurer for failure to pay workers' compensation as required by chapter 176, then the security deposit shall be utilized to administer and pay the private self-insurers' workers' compensation obligations.

Subd. 10. [NOTICE; OBLIGATION OF FUND.] In the event of bankruptcy, insolvency, or certificate of default, the commissioner shall immediately notify the state treasurer, the surety, the issuer of an irrevocable letter of credit, and any custodian of the security required in this chapter. At the time of notification, the commissioner shall also call the security and transfer and assign it to the self-insurer's security fund. The commissioner shall also immediately notify the self-insurers' security fund, and order the security fund to assume the insolvent self-insurers' obligations for which it is liable under chapter 176. The security fund shall commence payment of these obligations within 14 days of this notification and order. Payments shall be made to claimants whose entitlement to benefits can be ascertained by the security fund, with or without proceedings before the department of labor and industry, the office of administrative hearings, the workers' compensation court of appeals, or the Minnesota supreme court. Upon the assumption of obligations by the security fund pursuant to the commissioner's notification and order, the security fund has the right to immediate possession of any posted or deposited security and the custodian, surety, or issuer of any irrevocable letter of credit or the commissioner, if in possession of it, shall turn over the security, proceeds of the surety bond, or letter of credit to the security fund together with the interest that has accrued since the date of the self-insured

employer's insolvency. The self-insurers' security fund may administer payment of benefits, or it may retain a third-party administrator to do so.

Subd. 11. [PRIORITY.] Notwithstanding anything in this chapter to the contrary, any cash, securities, irrevocable letter of credit, specific excess or aggregate excess insurance proceeds, or any other security deposited or posted in accordance with this section shall be used first, when due, to pay workers' compensation claims. After that security has been exhausted, the payment of workers' compensation claims from self-insurers' security fund members' assessments may be made. Where the self-insurers' security fund member assessment account is used to pay workers' compensation claims on an emergency or an interim basis, pending receipt by the self-insurers' security fund of security which is due but not yet received, then the member assessment account shall be reimbursed for payment from the security when it is received, and the priorities stated above shall thereafter apply.

Subd. 12. [DUTY TO INFORM.] The commissioner shall be provided with any relevant information by the employer, any excess insurer, any third party administrator, or any issuer of any irrevocable letter of credit, issuer of any surety bond, or custodian of any security necessary for the commissioner to carry out the commissioner's obligations under this chapter. The commissioner shall provide this information to the self-insurers' security fund if necessary for the security fund to carry out its obligations under this chapter.

Subd. 13. [DISCHARGE AND RELEASE.] The payment of benefits by the self-insurers' security fund from security deposit proceeds shall release and discharge any custodian of the security deposit, surety, any issuer of a letter of credit, and the self-insured employer from liability to fulfill obligations to provide those same benefits as compensation, but does not release any person or entity from any liability to the security fund for full reimbursement. Any decision or determination made or any settlement approved by the commissioner or by an administrative law judge under subdivision 15 shall conclusively be presumed valid and binding as to all known claims arising out of the underlying dispute, unless an appeal is made pursuant to chapter 14. No security shall be exchanged more often than once every 90 days.

Subd. 14. [NOTICE TO SECURITY FUND.] The commissioner shall advise the self-insurers' security fund promptly after the receipt of information indicating that a private self-insurer may be unable to meet its compensation obligations. The commissioner shall advise the self-insurers' security fund of all determinations and directives and orders made or issued pursuant to this section.

Subd. 15. [DISPUTE RESOLUTION; APPEALS.] Disputes concerning the posting, renewal, termination, exoneration, or return of

all or any portion of the security deposit, or any liability arising out of the posting or failure to post security, or adequacy of the security or reasonableness of administrative costs, including legal fees, and arising between or among a surety, the issuer of an agreement of assumption and guarantee of workers' compensation liabilities, the issuer of a letter of credit, any custodian of the security deposit, a private self-insurer, or the self-insurers' security fund shall be resolved by the commissioner. An appeal from the commissioner's written decision, determination, or order may be instituted pursuant to the contested case procedures of chapter 14. Payment of claims from the security deposit or by the self-insurers' security fund shall not be stayed pending the resolution of the disputes unless and until the administrative law judge issues a determination staying a payment of claims decision or determination of the commissioner or the self-insurers' security fund.

Subd. 16. [CERTIFICATE TO SELF-INSURE; REVOCATION.] If, following a private self-insurer's bankruptcy, insolvency, or certificate of default, the commissioner calls its security and proceeds in accordance with this section, the commissioner shall revoke the certificate to self-insure of the private self-insurer as soon as practicable but no later than 30 days after its security has been called.

Sec. 6. [176C.04] [REVOCATION OF CERTIFICATE TO SELF-INSURE.]

A certificate to self-insure may be revoked by the commissioner at any time for good cause. After revocation, the self-insurer may request a hearing. Good cause includes, among other things, failure to maintain a security deposit as required by this chapter, failure to pay assessments of the self-insurers' security fund, or the failure or inability of the employer to fulfill obligations under chapter 176 or this chapter. Good cause also includes failure to provide proof of renewal of the security 15 days before its expiration.

A self-insured employer must comply with section 176.181 and all applicable rules to operate during the pendency of its appeal of a decision under this section.

Sec. 7. [176C.05] [THIRD-PARTY ADMINISTRATOR.]

Subdivision 1. [CERTIFICATE TO SELF-INSURE.] No person, firm, or corporation, other than an insurer admitted to transact workers' compensation insurance in this state, shall contract to administer claims of self-insured employers as a third-party administrator unless qualified to do so pursuant to section 60A.23, subdivision 8.

Subd. 2. [LOCAL OFFICE.] A third-party administrator who contracts to administer claims of a self-insured employer shall

maintain an office in the state of Minnesota and shall be subject to regulation under this chapter and chapters 60A and 72A with respect to the adjustment, administration, and management of workers' compensation claims for any self-insured employer.

Subd. 3. [ANNUAL ESTIMATE OF LIABILITY.] A third-party administrator retained by a self-insured employer to administer the employer's workers' compensation claims shall estimate the total accrued liability of the employer for the payment of compensation for the employer's annual report to the commissioner and shall make the estimate both in good faith and with the exercise of a reasonable degree of care. The use of a third-party administrator does not discharge or alter the employer's responsibilities with respect to the report.

Subd. 4. [FAILURE TO SUBMIT REPORTS OR INFORMATION; PENALTY.] Failure to submit reports to the commissioner as required by this chapter may result in the assessment of a penalty which shall not exceed \$3,000 for each month or fraction thereof the report is past due. Failure to submit reports required by statute within 60 days from the due date without written consent of the commissioner shall result in the revocation of certificate to self-insure. Penalties shall be deposited in the self-insurers security fund.

Subd. 5. [PRIVATE EMPLOYERS WHO HAVE CEASED TO BE SELF-INSURED.] Private employers who have ceased to be private self-insurers shall discharge their continuing obligations to secure the payment of compensation which is accrued during the period of self-insurance, for purposes of sections 3 to 19 by compliance with all of the following obligations of current certificate holders:

(1) Filing reports with the commissioner to carry out the requirements of this chapter;

(2) Depositing and maintaining security deposit for accrued liability for the payment of any compensation which may become due, pursuant to chapter 176. However, if a private employer who has ceased to be a private self-insurer purchases an insurance policy from an insurer authorized to transact workers' compensation insurance in this state which provides coverage of all claims for compensation arising out of injuries occurring during the period the employer was self-insured, whether or not reported during that period, the policy will discharge the obligation of the employer to maintain a security deposit for the payment of the claims covered under the policy. The policy may not be issued by an insurer unless it has previously been approved as to form and substance by the commissioner; and

(3) Paying within 30 days all assessments of which notice is sent by the security fund, for a period of seven years from the last day its

certificate of self-insurance was in effect. Thereafter, the private employer who has ceased to be a private self-insurer may either: (a) continue to pay within 30 days all assessments of which notice is sent by the security fund until it has no incurred liabilities for the payment of compensation arising out of injuries during the period of self-insurance; or (b) pay the security fund a cash payment equal to four percent of the net present value of all remaining incurred liabilities for the payment of compensation under sections 176.101 and 176.111 as certified by a member of the casualty actuarial society. Assessments shall be based on the benefits paid by the employer during the last full calendar year of self-insurance on claims incurred during that year.

In addition to proceedings to establish liabilities and penalties otherwise provided, a failure to comply may be the subject of a proceeding before the commissioner. An appeal from the commissioner's determination may be taken pursuant to the contested case procedures of chapter 14, within 30 days of the commissioner's written determination.

Any current or past member of the self-insurer's security fund is subject to service of process on any claim arising out of chapter 176 or this chapter in the manner provided by section 303.13, subdivision 1, clause (3), or as otherwise provided by law. The issuance of a certificate to self-insure to the private self-insured employer shall be deemed to be the agreement that any process which is served in accordance with this section shall be of the same legal force and effect as if served personally within this state.

Sec. 8. [176C.06] [PREFERRED SUBROGATION RIGHTS OF SELF-INSURERS' SECURITY FUND OR SURETY.]

The self-insurers' security fund by making payment of compensation under this chapter has the same preference over the other debts of the principal or the principal's estate as is given by law to the person directly entitled to the compensation.

Sec. 9. [176C.07] [LEGISLATIVE INTENT.]

It is the intent of the legislature in enacting sections 9 to 11 to provide for the continuation of workers' compensation benefits delayed due to the failure of a private self-insured employer to meet its compensation obligations whenever the commissioner of commerce issues a certificate of default or there is a declaration of bankruptcy or insolvency by a court of competent jurisdiction. With respect to the continued liability of a surety for claims that arose under a bond after termination of that bond and to a surety's liability for the cost of administration of claims, it is the intent of the legislature to provide that that liability ceases upon lawful termination of that bond. This applies to all surety bonds which are purchased by the self-insured employer after the effective date of

this section. The legislature finds and declares that the establishment of the self-insurers' security fund is a necessary component of a complete system of workers' compensation, required by chapter 176, to have adequate provisions for the comfort, health, safety, and general welfare of any and all workers and their dependents to the extent of relieving the consequences of any industrial injury or death, and full provision for securing the payment of compensation.

Sec. 10. [176C.08] [SECURITY FUND.]

Subdivision 1. [CREATION.] The self-insurers' security fund is established as a nonprofit corporation pursuant to the Minnesota nonprofit corporation act, sections 317.01 to 317.69. If any provision of the Minnesota nonprofit corporation act conflicts with any provision of this chapter, the provisions of this chapter apply. Each private self-insurer who is self-insured on the effective date of this act, or who becomes self-insured thereafter, shall participate as a member in the security fund. This participation shall be a condition of maintaining its certificate to self-insure.

Subd. 2. [BOARD OF TRUSTEES.] The security fund shall be governed by a nine-member board of trustees. Five of the trustees shall be representatives of private self-insurers who shall be elected by the members of the security fund, other than group self-insurers, each member having one vote. One of the trustees shall be a representative of the private group self-insurers who shall be elected by the members of the security fund who are group self-insurers, each group having one vote. Three of the trustees, including the group self-insurer trustee, initially elected by the members shall serve two-year terms, and three shall serve four-year terms. Thereafter, trustees shall be elected to four-year terms, and shall serve until their successors are elected and assume office pursuant to the bylaws of the security fund. Three additional trustees shall be appointed by the commissioner. Two of these trustees shall serve four-year terms. One of those trustees shall serve a two-year term. Thereafter, the trustees shall be appointed to four-year terms, and shall serve until their successors are appointed and assume office pursuant to the bylaws of the security fund. In addition to the nine trustees elected by the members or appointed by the commissioner, the commissioner of labor and industry or the commissioner's designee shall be an ex officio, nonvoting member of the board of trustees. A member of the board of trustees may designate another person to act in the member's place as though the member were acting and the designee's actions shall be deemed those of the member.

Subd. 3. [BYLAWS.] The security fund shall establish bylaws and a plan of operation, subject to the prior approval of the commissioner necessary to the purposes of this chapter and to carry out the responsibilities of the security fund. The security fund may carry out its responsibilities directly or by contract, and may purchase

services and insurance and borrow funds as it deems necessary for the protection of the members and their employees.

Subd. 4. [CONFIDENTIAL INFORMATION.] The security fund may receive private data concerning the financial condition of private self-insurers whose liabilities to pay compensation have become its responsibility and shall adopt bylaws to prevent dissemination of that information.

Subd. 5. [EMPLOYEES.] Security fund employees are not state employees and are not subject to any state civil service regulations.

Sec. 11. [176C.09] [ASSUMPTION OF WORKERS' COMPENSATION OBLIGATIONS OF INSOLVENT SELF-INSURER.]

Subdivision 1. [ORDER OF COMMISSIONER.] Upon order of the commissioner pursuant to section 5, subdivision 10, the security fund shall assume the workers' compensation obligations of an insolvent private self-insurer.

Subd. 2. [ACT OR OMISSIONS; PENALTIES.] Notwithstanding subdivision 1, the security fund shall not be liable for the payment of any penalties assessed for any act or omission on the part of any person other than the security fund or its appointed administrator, including, but not limited to, the penalties provided in chapter 176 unless the security fund or its appointed administrator would be subject to penalties under chapter 176 as the result of the actions of the security fund or its administrator.

Subd. 3. [PARTY IN INTEREST.] The security fund shall be a party in interest in all proceedings involving compensation claims against an insolvent self-insurer whose compensation obligations have been paid or assumed by the security fund. The security fund shall have the same rights and defenses as the insolvent private self-insurer, including, but not limited to, all of the following:

- (1) to appear, defend, and appeal claims;
- (2) to receive notice of, investigate, adjust, compromise, settle, and pay claims; and
- (3) to investigate, handle, and deny claims.

Subd. 4. [PAYMENTS TO SECURITY FUND.] Notwithstanding anything in this chapter or chapter 176 to the contrary, in the event that the self-insurers' security fund assumes the obligations of any bankrupt or insolvent private self-insurer pursuant to this section, then the proceeds of any surety bond, workers' compensation reinsurance association, specific excess insurance or aggregate excess insurance policy, and any special compensation fund payment or

second injury fund or supplementary benefit reimbursements shall be paid to the self-insurers' security fund instead of the bankrupt or insolvent private self-insurer or its successor in interest. No special compensation fund reimbursements shall be made to the security fund unless the special compensation fund assessments pursuant to section 176.129 are paid and the reports required thereunder are made to the special compensation fund.

Sec. 12. [176C.10] [REIMBURSEMENT FOR OBLIGATIONS PAID AND ASSUMED.]

Subdivision 1. [INSOLVENT INSURER.] The security fund shall have the right and obligation to obtain reimbursement from an insolvent private self-insurer up to the amount of the private self-insurers' workers' compensation obligations paid and assumed by the security fund, including reasonable administrative and legal costs. This right includes, but is not limited to, a right to claim for wages and other necessities of life advanced to claimants as subrogee of the claimants in any action to collect against the private self-insurer as debtor.

Subd. 2. [SECURITY DEPOSITS.] The security fund shall have the right and obligation to obtain from the security deposit of an insolvent private self-insurer the amount of the private self-insurer's compensation obligations, including reasonable administrative and legal costs, paid or assumed by the security fund. Reimbursement of administrative costs, including legal costs, shall be subject to approval by a majority of the security fund's voting trustees. The security fund shall be a party in interest in any action to obtain the security deposit for the payment of compensation obligations of an insolvent self-insurer.

Subd. 3. [LEGAL ACTIONS.] The security fund shall have the right to bring an action against any person or entity to recover compensation paid and liability assumed by the security fund, including, but not limited to, any excess insurance carrier of the insolvent private self-insurer, and any person or entity whose negligence or breach of any obligation contributed to any underestimation of the private self-insurer's total accrued liability as reported to the commissioner.

Subd. 4. [PARTY IN INTEREST.] The security fund may be a party in interest in any action brought by any other person seeking damages resulting from the failure of an insolvent private self-insurer to pay workers' compensation required pursuant to this subdivision.

Sec. 13. [176C.11] [MAINTENANCE OF ASSETS OR LINE OF CREDIT TO CONTINUE PAYMENT OF COMPENSATION OBLIGATIONS.]

Subdivision 1. [ASSETS MAINTAINED.] The security fund shall maintain cash, readily marketable securities, or other assets, or a line of credit, approved by the commissioner, sufficient to immediately continue the payment of the compensation obligations of an insolvent private self-insurer pending receipt of the security deposit, surety bond proceeds, irrevocable letter of credit, or, if necessary, assessment of the members. The commissioner may establish the minimum amount to be maintained by, or immediately available to, the security fund for this purpose.

Subd. 2. [ASSESSMENT.] The security fund may assess each of its members a pro rata share of the funding necessary to carry out its obligation and the purposes of this chapter. Total annual assessments in any calendar year shall not exceed four percent of the workers' compensation benefits paid under sections 176.101 and 176.111 during the previous calendar year. The annual assessment calculation shall not include workers' compensation benefits paid which will be reimbursed by the special compensation fund. Funds obtained by assessments pursuant to this subdivision may only be used for the purposes of this chapter. The trustees shall certify to the commissioner the collection and receipt of all money from assessments, noting any delinquencies. The trustees shall take any action deemed appropriate to collect any delinquent assessments.

Sec. 14. [176C.12] [AUDIT; ANNUAL REPORT]

The trustees shall annually contract for an independent certified audit of the financial activities of the fund. An annual report on the financial status of the fund as of June 30 shall be submitted to the commissioner and to each member.

The security fund shall be established on July 1, 1988, or 90 days after the effective date of this act, whichever occurs later. All applications for new and renewal private self-insurers which are made after the effective date of this act prior to the establishment of the security fund shall comply with all requirements of this chapter. Applications for new and renewal private self-insurers which are made after January 1, 1988, but prior to the effective date of this act shall, prior to the establishment of the security fund, comply with the requirements of this chapter. The security fund shall be liable for payment of benefits only for members where there has been a declaration of bankruptcy or insolvency by a court of competent jurisdiction after the date on which the security fund is established, or the commissioner has issued a certificate of default which has occurred after the date on which the security fund is established.

Sec. 15. [176C.13] [LETTER OF CREDIT FORM.]

The form for the letter of credit under this chapter shall be:

Effective DateState of Minnesota (Beneficiary)
(Address)Dear Sirs:

By order of (Self-Insurer) we are instructed
to open a clean irrevocable Letter of Credit in your favor for United
States \$ (Amount).

We undertake that drawings under this Letter of Credit will be
honored upon presentation of your draft drawn on (Self-
Insurer), at (Address) prior to expiration date.

The Letter of Credit expires on but will automatically
extend for an additional one year if you have not received by
registered mail notification of intention not to renew 60 days prior
to the original expiration date and each subsequent expiration date.

Except as expressly stated herein, this undertaking is not subject
to any condition or qualification. The obligation of
(issuing bank) under this letter of credit shall be the individual
obligation of (issuing bank), in no way contingent
upon reimbursement with respect thereto.

Very truly yours,

Sec. 16. [176C.14] [SURETY BOND FORM.]

The form for the surety bond hereunder shall be:

STATE OF MINNESOTA
DEPARTMENT OF COMMERCE
SURETY BOND OF SELF-INSURER
OF WORKERS' COMPENSATION

IN THE MATTER OF THE CERTIFICATE OF

)
)
) SURETY BOND
) NO.
) PREMIUM:

Employer, Certificate No:KNOW ALL PERSONS BY THESE PRESENTS:

That
(Employer)

whose address is

as Principal, and
(Surety)

a corporation organized under the laws of
and authorized to transact a general surety business in the State of
Minnesota, as Surety, are held and firmly bound to the State of
Minnesota in the penal sum of
dollars (\$) for which payment we bind ourselves, our
heirs, executors, administrators, successors, and assigns, jointly and
severally, firmly by these presents.

WHEREAS in accordance with Minnesota Statutes, chapter 176,
the principal elected to self-insure, and made application for, or
received from the commissioner of commerce of the state of Minne-
sota, a certificate to self-insure, upon furnishing of proof satisfactory
to the commissioner of commerce of ability to self-insure and to
compensate any of all employees of said principal for injury or
disability, and their dependents for death incurred or sustained by
said employees, pursuant to the terms, provisions, and limitations of
said statute;

NOW THEREFORE, the conditions of this bond or obligation are
such that if principal shall pay and furnish compensation, pursuant
to the terms, provisions, and limitations of said statute to its
employees for injury or disability, and to the dependents of its
employees, then this bond or obligation shall be null and void;
otherwise to remain in full force and effect.

FURTHERMORE, it is understood and agreed that:

1. This bond may be amended, by agreement between the parties
hereto and the commissioner of commerce as to the identity of the
principal herein named and, by agreement of the parties hereto, as
to the premium or rate or premium. Such amendment must be by
endorsement upon, or rider to, this bond, executed by the surety and
delivered to or filed with the commissioner.

2. The surety does, by these presents, undertake and agree that
the obligation of this bond shall cover and extend to all past,
present, existing, and potential liability of said principal, as a
self-insurer, to the extent of the penal sum herein named without
regard to specific injuries, date or dates or injuries, happenings or
events.

3. The penal sum of this bond may be increased or decreased, by

agreement between the parties hereto and the commissioner of commerce, without impairing the obligation incurred under this bond for the overall coverage of the said principal, for all past, present, existing, and potential liability, as a self-insurer, without regard to specific injuries, date or dates of injuries, happenings or events, to the extent, in the aggregate, of the penal sum as increased or decreased. Such amendment must be by endorsement.

4. This bond shall be continuous in form and shall remain in full force and effect unless terminated in the manner provided by law.

5. The aggregate liability of the surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.

6. In the event of a change in the proprietorship of the principal or the appointment of a receiver or trustee for said principal and 30 days after the receipt of notice by the commissioner of commerce, state of Minnesota, given by registered or certified mail, by the principal or surety, herein named, the obligation of this bond shall terminate, save and except as to all past, present, existing, and potential liability of the principal incurred as a self-insurer. This bond shall also terminate upon the revocation of the certificate to self-insure, save and except as to all past, present, existing, and potential liability of the principal, incurred as a self-insurer; and the principal and the surety, herein named, shall be notified in writing by said commissioner, in the event of such revocation.

7. If the said principal shall suspend payment of workers' compensation benefits or shall become insolvent or a receiver shall be appointed for its business, the undersigned surety will become liable for the workers' compensation obligations of the principal on the date benefits are suspended and the surety shall begin payments within 30 days after receipt of written notification by the commissioner of commerce of Minnesota to begin payments under the terms of this bond.

8. When the surety exercises its obligation to pay claims, it shall pay benefits due to the principal's injured workers without a form award of a compensation judge, the commissioner of labor and industry, the workers' compensation court of appeals, or the Minnesota supreme court and such payment will be a credit against the penal sum of the bond. Administrative and legal costs incurred by the surety in discharging its obligations shall also be a charge against the penal sum of the bond, however, the total amount of this surety bond set aside for the payment of said administrative and legal expenses shall be limited to a maximum of ten percent of the total penal sum of the bond pursuant to Minnesota Statutes. Payment by the surety of the principal's obligation for administra-

tive and legal expenses under said statute in an amount not to exceed ten percent of the penal sum of the bond shall satisfy in full the surety's obligation to pay said administrative and legal expenses of the principal.

9. If any part or provision of this bond shall be declared unenforceable or held to be invalid by a court of proper jurisdiction, such determination shall not affect the validity or enforceability of the other provisions or parts of this bond.

10. If the commissioner of commerce directs the self-insurers' security fund to assume the payment of the workers' compensation obligations of the principal pursuant to Minnesota Statutes, chapter 176, the surety shall pay upon written demand by the commissioner and within 30 days of receipt of such demand to the self-insurers' security fund the entire penal sum of the bond that remains unpaid.

11. Disputes concerning the posting, renewal, termination, exoneration, or return of all or any portion of the principal's security deposit or any liability arising out of the posting or failure to post security, or the adequacy of the security or the reasonableness of administrative costs, including legal costs, arising between or among a surety, the issuer of an agreement of assumption and guarantee of workers' compensation liabilities, the issuer of a letter of credit, any custodian of the security deposit, the principal, or the self-insurers' security fund shall be resolved by the commissioner of commerce pursuant to Minnesota Statutes, chapters 176 and 176C.

12. This bond is executed by the surety to comply with Minnesota Statutes, chapters 176 and 176C, and said bond shall be subject to all terms and provisions thereof.

.....
Name of Surety

.....
Address

.....
City, State, Zip

THIS bond is executed under an unrevoked appointment or power of attorney.

I certify (or declare) under penalty of perjury under the laws of the state of Minnesota that the foregoing is true and correct.

.....
Date

.....
Signature of Attorney-In-Fact

.....
Printed or Typed Name of
Attorney-In-Fact

A copy of the transcript or record of the unrevoked appointment, power of attorney, bylaws, or other instrument, duly certified by the proper authority and attested by the seal of the insurer entitling or authorizing the person who executed the bond to do so for and in behalf of the insurer, must be filed in the office of commissioner of commerce or must be included with this bond for such filing.

Sec. 17. [176C.15] [OPEN MEETING; ADMINISTRATIVE PROCEDURE ACT.]

The security fund and its board of trustees and the self-insurers eligibility advisory committee shall not be subject to the open meeting law, the open appointments law, the data privacy law, or, except where specifically set forth, the administrative procedure act.

Sec. 18. [176C.16] [RULES.]

The commissioner may adopt, amend, and repeal rules reasonably necessary to carry out the purposes of sections 3 to 19. This authorization includes, but is not limited to, the adoption of rules to do all of the following:

(1) except as otherwise specifically provided by statute, specifying what constitutes ability to self-insure and to pay any compensation which may become due under chapter 176;

(2) specifying what constitutes a failure or inability to fulfill an insolvent self-insurer's obligations under this chapter;

(3) interpreting and defining the terms used in this chapter;

(4) establishing procedures and standards for hearing and determinations, and providing for those determinations to be appealed;

(5) except where otherwise specifically provided by statute specifying the standards, forms, and content of agreements, forms, and reports between parties who have obligations pursuant to this chapter;

(6) providing for the combinations and relative liabilities of security deposits, assumptions, and guarantees used pursuant to this chapter; and

(7) disclosing otherwise private data concerning self-insurers to courts or the self-insurers' security fund and specifying appropriate safeguards for that information.

The self-insurers' eligibility advisory committee may make recommendations to the commissioner under this section as it deems appropriate.

Sec. 19. [EXISTING RULES.]

If there is any inconsistency among any rule or statute and this act, this act shall govern.

Sec. 20. [REPEALER.]

Minnesota Statutes, 1987 Supplement, section 176.183, subdivision 1a, is repealed.

Sec. 21. [EFFECTIVE DATE.]

This act is effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; amending Minnesota Statutes 1986, section 176.183, subdivision 3; Minnesota Statutes 1987 Supplement, 176.183, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 176C; repealing Minnesota Statutes 1987 Supplement, section 176.183, subdivision 1a."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2696, A resolution memorializing the President and Congress of the United States to design farm legislation designed to protect the family farm system.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Whereas, the family farm system has proven to be the means of food production best able to supply an ever expanding demand for food and at the same time to provide for the long-term, wide-based social, economic, and environmental concerns of our nation; and

Whereas, public policy, inflationary economy, and an unstable world situation combine to exert unbearable pressures on the family farm system; and

Whereas, providing incentives for unlimited production unfairly encourages large scale corporate farming operations at the expense of family farmers; and

Whereas, the benefits of a healthy family farm system are shared by all citizens; and

Whereas, corporate agriculture and agricultural conglomerates cannot be sensitive to the local needs of a richly diversified rural economy; Now, Therefore,

Be It Resolved by the Legislature of the State of Minnesota that Congress should enact legislation to establish price supports for dairy products at 80 percent of parity for up to 1,000,000 pounds of production per farm unit per year; that this level be adjusted semiannually; and that there be limits set on the importation of dairy products and substitutes including casein.

Be It Further Resolved that the \$.50 per hundredweight reduction in the support price of milk that went into effect on January 1, 1988, be reversed immediately and that all resulting reductions in dairy farmer milk checks be restored by lump sum payments.

Be It Further Resolved that the \$.50 reduction in the support prices of milk scheduled for January 1, 1989, be eliminated.

Be It Further Resolved that formulas used by the United States Department of Agriculture to establish different support prices in locations covered by various milk marketing orders be adjusted to reestablish fairness and equity for the Upper Midwest.

Be It Further Resolved that target price supports for other farm commodities not be abandoned but be statutorily established at a level not to fall below 75 percent of parity and be limited so that no single farming operation receive annual target price support payments totaling more than \$20,000.

Be It Further Resolved that the Farmer-Owned Reserve program be continued in its present form with the basic commodity loan rate set at the cost of production, and that these loans be limited to \$150,000 per farm unit per year, the reserve level set at 110 percent

of the loan rate, the release level set at 120 percent of the loan rate, and the call level at 140 percent of the loan rate except in cases where the exportation of a commodity has been restricted by United States governmental, labor, or management activities that infringe upon the movement of agricultural commodities in which case the loan rate for the commodity would be set at 100 percent of parity.

Be It Further Resolved that the President of the United States immediately direct the Commissioner of Agriculture to maximize on-farm storage of Farmer-Owned Reserve grain stocks.

Be It Further Resolved that the implementation and administration of all federal farm programs be primarily the responsibility of the state and local Agricultural Stabilization and Conservation Service offices, and that these offices be given the flexibility necessary to serve their districts adequately.

Be It Further Resolved that the Secretary of State of the State of Minnesota is instructed to transmit copies of this memorial to the President of the United States, the President and Secretary of the Senate of the United States, the Speaker and Chief Clerk of the House of Representatives of the United States, to the Minnesota Senators and Representatives in Congress, and to the members of the Agriculture Committees of the United States Senate and House of Representatives."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2700, A bill for an act relating to labor; providing for conformity with federal minimum wage; amending Minnesota Statutes 1987 Supplement, section 177.24, subdivision 1.

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:

S. F. No. 604, A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; amending Minnesota Statutes 1986, sections 10A.01, subdivision 15; 10A.04,

subdivisions 2 and 4; and 10A.15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 10A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [10A.065] [CONTRIBUTIONS AND SOLICITATIONS DURING LEGISLATIVE SESSION.]

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; REGULATION.] A registered lobbyist, political committee, or political fund may not make a contribution to a candidate for the state legislature or to the candidate's principal campaign committee or other political committee with a candidate's name or title other than the principal campaign committee of that candidate during a regular session of the legislature.

Subd. 2. [SOLICITATION PROHIBITED.] A candidate for the state legislature or the candidate's principal campaign committee or other political committee with a candidate's name or title other than the principal campaign committee of that candidate may not knowingly solicit a registered lobbyist, political committee, or political fund for a contribution during a regular session of the legislature.

Subd. 3. [PENALTY.] A candidate, registered lobbyist, political committee, or political fund that violates this section is subject to a civil fine of up to \$500. If the state ethical practices board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county, to impose a civil fine as prescribed by the board. Fines paid under this section must be deposited in the general fund in the state treasury.

Subd. 4. [SPECIAL ELECTION.] This section does not apply to candidates in a legislative special election.

Subd. 5. [POLITICAL COMMITTEE.] This section does not apply to a political committee established by a political party as defined in section 10A.27, subdivision 4.”

Delete the title and insert:

“A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; proposing coding for new law in Minnesota Statutes, chapter 10A.”

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1346, 1469, 1526, 1534, 1630, 1658, 1674, 1701, 1702, 1736, 1745, 1780, 1812, 1848, 1860, 1873, 1880, 1897, 1925, 1935, 1957, 1996, 2006, 2021, 2024, 2054, 2086, 2101, 2104, 2108, 2118, 2120, 2134, 2176, 2178, 2181, 2192, 2193, 2204, 2210, 2228, 2235, 2269, 2298, 2309, 2331, 2341, 2349, 2359, 2364, 2368, 2391, 2394, 2414, 2423, 2446, 2450, 2475, 2478, 2481, 2485, 2491, 2514, 2526, 2537, 2539, 2540, 2542, 2546, 2558, 2559, 2567, 2579, 2596, 2615, 2629, 2642, 2643, 2688, 2696 and 2700 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 604 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Knuth and Nelson, D., introduced:

H. F. No. 2728, A bill for an act relating to natural resources; recodifying groundwater law; protecting groundwater; providing a cost-share program to protect abandoned wells; identifying fragile groundwater recharge areas; providing fragile groundwater recharge areas may be placed in the conservation reserve program; identification of wells on state property; prohibiting purchase of state land without identifying wells on the property; appropriating money; amending Minnesota Statutes 1986, sections 40.036, by adding a subdivision; 40.42, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 40.43, subdivision 2, and by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 105E; repealing Minnesota Statutes 1986, sections 84.57; 84.58; 84.59; 84.60; 84.61; 84.611; 84.62; 84.621, subdivision 1; 156A.02; 156A.03; 156A.031, subdivision 1; 156A.04; 156A.05; 156A.06, subdivision 1; 156A.07, subdivisions 1, 2, 4, 5, 6, 7, 8, and 9; 156A.071; 156A.075; 156A.08; 156A.10; 156A.11; Minnesota Statutes 1987 Supplement, sections 105.416; 105.51; and 469.141.

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

Simoneau introduced:

H. F. No. 2729, A bill for an act relating to taxation; designating a medical enterprise park opportunity zone in the city of Coon Rapids; providing tax benefits for the zone; appropriating money.

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

Neuenschwander and Jennings introduced:

H. F. No. 2730, A bill for an act relating to taxation; income; providing a pension exclusion; repealing 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; repealing Minnesota Statutes 1987 Supplement, section 290.06, subdivision 20.

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

Nelson, C., and Brown introduced:

H. F. No. 2731, A bill for an act relating to the judiciary; permitting the application of bail to pay court-ordered restitution; amending Minnesota Statutes 1986, section 629.53.

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

Simoneau introduced:

H. F. No. 2732, A bill for an act relating to retirement; St. Paul teachers retirement fund association; approving a bylaw amendment implementing five-year vesting for certain benefits.

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

Ogren introduced:

H. F. No. 2733, A bill for an act relating to agriculture; appropri-

ating money for sustainable agriculture; repealing Laws 1987, chapter 396, article 12, section 6, subdivision 2.

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

Blatz, Wenzel, Heap and Rest introduced:

H. F. No. 2734, A bill for an act relating to crimes; requiring mandatory minimum terms of imprisonment for soliciting, inducing, or promoting prostitution or receiving profits derived from prostitution; amending Minnesota Statutes 1986, sections 609.322, by adding subdivisions; and 609.323, by adding subdivisions.

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

Olson, K.; Hugoson; Sparby and Wenzel introduced:

H. F. No. 2735, A resolution memorializing the President to immediately direct the Secretary of Agriculture to halt the forced movement of Farmer-Owned Reserve grains to commercial warehouses.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Olson, K., moved that the rule therein be suspended and an urgency be declared so that H. F. No. 2735 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Olson, K., moved that the Rules of the House be so far suspended that H. F. No. 2735 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 2735 was read for the second time.

There being no objection, H. F. No. 2735 was temporarily laid over.

INTRODUCTION AND FIRST READING OF HOUSE BILLS, CONTINUED

Simoneau introduced:

H. F. No. 2736, A bill for an act relating to state government; transferring administration and financing of the district court to the

state; proposing coding for new law in Minnesota Statutes, chapter 485.

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

Kahn introduced:

H. F. No. 2737, A bill for an act relating to elections; providing for a presidential primary election; amending Minnesota Statutes 1986, sections 202A.13; 204D.03, by adding a subdivision; 204D.06; and 204D.08, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 202A.14, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Frederick, Morrison, Poppenhagen, Hugoson and DeRaad introduced:

H. F. No. 2738, A bill for an act relating to unclaimed property; providing for the disposition of unclaimed money held by counties; amending Minnesota Statutes 1986, section 345.38, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local and Urban Affairs.

Nelson, K., introduced:

H. F. No. 2739, A bill for an act relating to education; providing matching grants to school districts for participation in the Center for Applied Research and Education Improvement; appropriating money.

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

Battaglia introduced:

H. F. No. 2740, A bill for an act relating to capital improvements; authorizing recovery of losses and expenses resulting from an arbitration award for a construction project at Ironworld; appropriating money.

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

Burger, Gutknecht, McDonald, Otis and Sparby introduced:

H. F. No. 2741, A bill for an act relating to taxation; property tax; allowing cities and counties to adopt a two-rate tax structure; proposing coding for new law in Minnesota Statutes, chapter 273.

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

Price, Vanasek, Munger, Rose and Beard introduced:

H. F. No. 2742, A resolution memorializing the Congress of the United States to adequately fund the Fish and Wildlife Service.

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

Heap and Knickerbocker introduced:

H. F. No. 2743, A bill for an act relating to soil and water conservation; amending Minnesota Statutes 1987 Supplement, section 40.43, subdivision 6.

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

Winter, Price, Pappas, Sarna and Skoglund introduced:

H. F. No. 2744, A bill for an act relating to financial institutions; providing for the licensing of mortgage lenders and loan officers and general mortgage brokers and individual mortgage brokers; detailing the supervising powers of the commissioner; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, sections 46.131, subdivision 2; 56.01; and 82.18; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 82B.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted.

Senate Concurrent Resolution No. 21,

A Senate concurrent resolution proclaiming Sunday, May 15, as Ethnic American Day in Minnesota.

PATRICK E. FLAHAVEN, Secretary of the Senate

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

Mr. Speaker:

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

S. F. No. 1958.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1958, A bill for an act relating to employment; requiring rest breaks during the work day; amending Minnesota Statutes 1986, section 177.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 177.

The bill was read for the first time.

Trimble moved that S. F. No. 1958 and H. F. No. 2251, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1731, A bill for an act relating to the city of Proctor; authorizing the continuance of a municipal liquor store.

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

The bill was passed and its title agreed to.

H. F. No. 1732, A bill for an act relating to intoxicating liquor; authorizing extended off-sale hours on the day preceding Thanksgiving day; amending Minnesota Statutes 1986, section 340A.504, subdivision 4.

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 111 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	DeRaad	Kelly	Morrison	Price
Anderson, R.	Dille	Kelso	Munger	Quinn
Battaglia	Dorn	Kinkel	Murphy	Quist
Bauerly	Forsythe	Kludt	Nelson, C.	Redalen
Beard	Frederick	Knickerbocker	Neuenschwander	Reding
Begich	Greenfield	Knuth	O'Connor	Rest
Bennett	Gruenes	Kostohryz	Ogren	Riveness
Bertram	Hartle	Krueger	Olsen, S.	Rodosovich
Bishop	Haukoos	Larsen	Olson, E.	Rose
Blatz	Heap	Lasley	Omann	Rukavina
Boo	Himle	Lieder	Orenstein	Sarna
Brown	Hugoson	Long	Osthoff	Scheid
Carlson, L.	Jacobs	Marsh	Otis	Schreiber
Carruthers	Jaros	McEachern	Ozment	Seaberg
Clark	Jefferson	McKasy	Pappas	Segal
Cooper	Jennings	McLaughlin	Pauly	Simoneau
Dawkins	Jensen	McPherson	Pelowski	Solberg
DeBlieck	Johnson, A.	Milbert	Peterson	Sparby
Dempsey	Kahn	Minne	Poppenhagen	Stanis

Steensma	Trimble	Vellenga	Wenzel
Swenson	Tunheim	Voss	Winter
Thiede	Uphus	Wagenius	Wynia
Tjornhom	Valento	Welle	Spk. Vanasek

Those who voted in the negative were:

Burger	Frerichs	Kalis	Olson, K.	Tompkins
Carlson, D.	Johnson, R.	McDonald	Schafer	Waltman
Dauner	Johnson, V.	Nelson, D.	Skoglund	

The bill was passed and its title agreed to.

The Speaker called Knickerbocker to the Chair.

H. F. No. 1767, A bill for an act relating to commerce; real property; requiring notice of foreclosure by advertisement to separately list record owners with no legally protected interest in the real estate; proposing coding for new law in Minnesota Statutes, chapter 580.

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

The bill was passed and its title agreed to.

H. F. No. 1831, A bill for an act relating to intoxicating liquor; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake, Becker County; authorizing issuance of an on-sale liquor license to Fort Snelling.

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 123 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Olson, K. Osthoff

The bill was passed and its title agreed to.

H. F. No. 1904, A bill for an act relating to liquor; defining the term "restaurant" for purposes of county liquor licenses; amending Minnesota Statutes 1986, section 340A.101, subdivision 25.

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

The bill was passed and its title agreed to.

H. F. No. 2022, A bill for an act relating to agriculture; adding members to the state agricultural society; amending Minnesota Statutes 1986, section 37.03, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Sarna	Simoneau	Swenson	Valento	Winter
Schafer	Skoglund	Thiede	Vellenga	Wynia
Scheid	Solberg	Tjornhom	Voss	Spk. Vanasek
Schreiber	Sparby	Tompkins	Wagenius	
Seaberg	Stanisus	Trimble	Waltman	
Segal	Steensma	Tunheim	Welle	
Shaver	Sviggum	Uphus	Wenzel	

The bill was passed and its title agreed to.

H. F. No. 2254, A bill for an act relating to liquor; authorizing the city of Blaine to issue an on-sale intoxicating liquor license to the Pheasant Ridge Music Center.

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 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Stanisus Voss

The bill was passed and its title agreed to.

H. F. No. 2358, A bill for an act relating to state lands; authorizing

sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk 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 132 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	Stanius
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	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.	Riveness	Voss
Cooper	Kahn	Nelson, D.	Rodosovich	Wagenius
Dauner	Kalis	Neuenschwander	Rose	Waltman
Dawkins	Kelly	O'Connor	Rukavina	Welle
DeBlick	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
DeRaad	Kludt	Olson, E.	Scheid	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omann	Seaberg	
Forsythe	Kostohryz	Onnen	Segal	
Frederick	Krueger	Orenstein	Shaver	

The bill was passed and its title agreed to.

H. F. No. 2402, A bill for an act relating to economic development; permitting certain development authorities to hold certain licenses; amending Minnesota Statutes 1987 Supplement, section 469.155, subdivision 13.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bauerly	Bennett	Boo	Carlson, D.
Anderson, R.	Beard	Bertram	Brown	Carlson, L.
Battaglia	Begich	Blatz	Burger	Carruthers

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

Those who voted in the negative were:

Johnson, V. Waltman

The bill was passed and its title agreed to.

H. F. No. 2449, A bill for an act relating to agriculture; directing the commissioner of agriculture to study ownership of Minnesota farmland by limited partnerships.

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

Quist	Rose	Skoglund	Tjornhom	Wagenius
Redalen	Rukavina	Solberg	Tompkins	Waltman
Reding	Sarna	Sparby	Trimble	Welle
Rest	Schafer	Stanis	Tunheim	Wenzel
Rice	Scheid	Steensma	Uphus	Winter
Richter	Seaberg	Svigum	Valento	Wynia
Riveness	Segal	Swenson	Vellenga	Spk. Vanasek
Rodosovich	Simoneau	Thiede	Voss	

The bill was passed and its title agreed to.

H. F. No. 2463, A bill for an act relating to state agencies; authorizing the iron range resources and rehabilitation board to purchase fire insurance for facilities operated by the board; amending Minnesota Statutes 1986, section 15.38, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2469, A bill for an act relating to agriculture; regulating sales of anhydrous ammonia; proposing coding for new law in Minnesota Statutes, chapter 239.

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

The bill was passed and its title agreed to.

H. F. No. 2509, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

H. F. No. 2529, A bill for an act relating to alcoholic beverages; defining importers as brewers in the beer wholesaling act; amending Minnesota Statutes 1986, section 325B.01, subdivision 4.

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

The bill was passed and its title agreed to.

H. F. No. 1681, A bill for an act relating to civil actions; modifying the statute of limitations for damages based on services or construction to improve real property; amending Minnesota Statutes 1986, section 541.051, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1774, A bill for an act relating to alcoholic beverages; making certain illegal gifts of alcoholic beverages subject to civil liability; providing for notice of claims; amending Minnesota Statutes 1986, sections 340A.801, subdivision 4; and 340A.802; Minnesota Statutes 1987 Supplement, section 340A.801, 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 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Begich	Boo	Carlson, L.	Cooper
Anderson, R.	Bennett	Brown	Carruthers	Dauner
Battaglia	Bertram	Burger	Clark	Dawkins
Bauerly	Blatz	Carlson, D.	Clausnitzer	DeBlieck

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

The bill was passed and its title agreed to.

H. F. No. 1961, A bill for an act relating to property interests; setting the effective date of the uniform statutory rule against perpetuities; amending Minnesota Statutes 1987 Supplement, section 501A.05; and Laws 1987, chapter 60, section 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Uphus
Valento
Vellenga

Voss
Wagenius
Waltman

Welle
Wenzel
Winter

Wynia
Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 2246 was reported to the House.

There being no objection, H. F. No. 2246 was continued on the Consent Calendar until Wednesday, March 16, 1988.

H. F. No. 2434 was reported to the House.

Munger moved to amend H. F. No. 2434, as follows:

Page 1, line 11, after "section 12," insert "subdivision 2,"

The motion prevailed and the amendment was adopted.

H. F. No. 2434, A bill for an act relating to the city of Duluth; authorizing the expenditure of previously appropriated funds for acquisition or construction of Duluth's Western Waterfront Trail.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Thiede	Tunheim	Voss	Wenzel
Tjornhom	Uphus	Wagenius	Winter
Tompkins	Valento	Waltman	Wynia
Trimble	Vellenga	Welle	Spk. Vanasek

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

The Speaker resumed the Chair.

H. F. No. 2508, A bill for an act relating to statute of limitations; providing relief for certain individuals denied a remedy due to the unconstitutionality of a statute of limitation relating to real property improvement.

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

The bill was passed and its title agreed to.

H. F. No. 2630 was reported to the House.

Knickerbocker moved to amend H. F. No. 2630, as follows:

Page 1, delete lines 7 through 25 and insert:

"Section 1. [MINNETONKA VOLUNTEER FIREFIGHTERS.]

Subdivision 1. [EXCLUSION FROM PERA COVERAGE.] Notwithstanding any law to the contrary, a volunteer firefighter serving with the Minnetonka fire department shall be excluded from the definition of "public employee" in Minnesota Statutes, section 353.01, subdivision 2, for activities undertaken as part of volunteer firefighter duties. Compensation paid to a Minnetonka volunteer firefighter for volunteer firefighting duties shall be excluded from the definition of "salary" in section 353.01, subdivision 10. A Minnetonka volunteer firefighter shall not be a member of the public employees police and fire fund as a result of volunteer firefighter duties.

Subd. 2. [QUALIFICATION FOR MEMBERSHIP.] A person who is a Minnetonka volunteer firefighter may qualify as a "public employee" under section 353.01, subdivision 2, and may be a member of the public employees police and fire fund for compensation received from employment and activities other than volunteer firefighter duties."

The motion prevailed and the amendment was adopted.

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 third time, as amended, and placed upon its final passage.

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

Those who voted in the affirmative were:

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

Pelowski	Rice	Seaberg	Sviggum	Vellenga
Peterson	Richter	Segal	Swenson	Voss
Poppenhagen	Riveness	Shaver	Thiede	Wagenius
Price	Rodosovich	Simoneau	Tjornhom	Waltman
Quinn	Rose	Skoglund	Tompkins	Welle
Quist	Rukavina	Solberg	Trimble	Wenzel
Redalen	Sarna	Sparby	Tunheim	Winter
Reding	Schafer	Stanius	Uphus	Wynia
Rest	Scheid	Steensma	Valento	Spk. Vanasek

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

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 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2735 which was temporarily laid over earlier today under the order of business "Introduction and First Reading of House Bills" was again reported to the House.

Redalen; Olson, K.; Brown and Uphus moved to amend H. F. No. 2735, as follows:

Page 1, line 24, after "companies" insert "; and

Whereas, Minnesota farms consume significant amounts of diesel fuel; and

Whereas, Minnesota farmers require a high proportion of their diesel fuel during periods corresponding to periods of high cash demands; and

Whereas, a concentrated high farm cash demand tends to promote high short-term indebtedness and may cause a negative farm cash flow; and

Whereas, the security of Minnesota's farmers may be jeopardized by increased cash and record keeping demands;"

Page 2, line 5, after "*Resolved*" insert "that the Congress of the United States should immediately enact legislation prohibiting the Department of the Treasury from collecting exempt fuel taxes from farm diesel fuel consumers whether or not those taxes may later be refunded.

Be It Further Resolved"

Page 2, line 7, after "United States," insert "the President and Secretary of the United States Senate, the Speaker and Chief Clerk of the United States House of Representatives,"

Page 2, line 12, after "Congress," insert "the Secretary of the United States Treasury,"

The motion prevailed and the amendment was adopted.

Sviggum moved to amend H. F. No. 2735, as amended, as follows:

Page 2, line 4, before the period, insert ", and to establish a reserve grain storage payment structure that compensates farmers and commercial warehouses equally for their services"

The motion prevailed and the amendment was adopted.

H. F. No. 2735, A resolution memorializing the President to immediately direct the Secretary of Agriculture to halt the forced movement of Farmer-Owned Reserve grains to commercial warehouses.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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	Sviggun
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.	Riveness	Voss
Cooper	Kahn	Nelson, D.	Rodosovich	Wagenius
Dauner	Kalis	Neuenschwander	Rose	Waltman
Dawkins	Kelly	O'Connor	Rukavina	Welle
DeBlieck	Kelso	Ogren	Sarna	Wenzel
Dempsey	Kinkel	Olsen, S.	Schafer	Winter
DeRaad	Kludt	Olson, E.	Scheid	Wynia
Dille	Knickerbocker	Olson, K.	Schreiber	Spk. Vanasek
Dorn	Knuth	Omann	Seaberg	
Forsythe	Kostohryz	Onnen	Segal	

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

CALENDAR

H. F. No. 453 was reported to the House.

There being no objection, H. F. No. 453 was continued on the Calendar until Thursday, March 17, 1988.

H. F. No. 1748, A bill for an act relating to the handicapped; permitting equal access to public accommodations for persons using a service dog; amending Minnesota Statutes 1986, section 256C.025, subdivision 4.

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

The bill was passed and its title agreed to.

S. F. No. 1594, A bill for an act relating to human services; providing for definitions, exclusions, access to records, and period of receivership under the human services licensing act; liability of the state for municipal inspection functions; amending Minnesota Statutes 1986, section 466.132; and Minnesota Statutes 1987 Supplement, sections 245A.02, subdivision 13; 245A.03, subdivision 2; 245A.04, subdivisions 3 and 5; 245A.095, subdivision 1; 245A.11, subdivision 5; 245A.13, subdivision 5; 256D.01, subdivision 1d; and 256D.37, subdivision 5; repealing Minnesota Statutes 1987 Supplement, sections 256D.01, subdivision 1c; and 256D.37, subdivision 4.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Beard	Bishop	Burger	Clausnitzer
Anderson, R.	Begich	Blatz	Carlson, D.	Cooper
Battaglia	Bennett	Boo	Carlson, L.	Dauner
Bauerly	Bertram	Brown	Clark	Dawkins

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

The bill was passed and its title agreed to.

H. F. No. 322, A bill for an act relating to retirement; highway patrol formula; amending Minnesota Statutes 1987 Supplement, section 352B.08, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Swenson	Trimble	Vellenga	Welle	Spk. Vanasek
Thiede	Tunheim	Voss	Wenzel	
Tjornhom	Uphus	Wagenius	Winter	
Tompkins	Valento	Waltman	Wynia	

The bill was passed and its title agreed to.

H. F. No. 1589, A bill for an act relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks; amending Minnesota Statutes 1986, section 500.20, 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.	Forsythe	Krueger	Orenstein	Simoneau
Anderson, R.	Frederick	Larsen	Otis	Skoglund
Battaglia	Greenfield	Lasley	Ozment	Solberg
Bauerly	Gruenes	Lieder	Pappas	Sparby
Beard	Gutknecht	Marsh	Pauly	Stanislaus
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	Neuenschwander	Rose	Waltman
Dauner	Kelly	O'Connor	Rukavina	Welle
Dawkins	Kelso	Ogren	Sarna	Wenzel
DeBlick	Kinkel	Olsen, S.	Schafer	Winter
Dempsey	Kludt	Olson, E.	Schreiber	Wynia
DeRaad	Knickerbocker	Olson, K.	Seaberg	Spk. Vanasek
Dille	Knuth	Omann	Segal	
Dorn	Kostohryz	Onnen	Shaver	

The bill was passed and its title agreed to.

H. F. No. 1755, A bill for an act relating to traffic regulations; broadening criminal liability of passengers under the open bottle law; amending Minnesota Statutes 1986, section 169.122, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 56 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Battaglia	Jefferson	McEachern	Peterson	Trimble
Bauerly	Jensen	McLaughlin	Price	Vellenga
Bertram	Johnson, A.	Munger	Rest	Voss
Blatz	Kahn	Murphy	Rice	Wagenius
Burger	Kalis	Nelson, D.	Riveness	Welle
Carlson, L.	Kelly	O'Connor	Rukavina	Winter
Carruthers	Kinkel	Ogren	Sarna	Wynia
Dauner	Kludt	Onnen	Segal	Spk. Vanasek
Forsythe	Knuth	Orenstein	Simoneau	
Greenfield	Larsen	Otis	Skoglund	
Gruenes	Lasley	Pappas	Steensma	
Jaros	Long	Pelowski	Swenson	

Those who voted in the negative were:

Anderson, G.	Frerichs	Lieder	Osthoff	Shaver
Anderson, R.	Gutknecht	Marsh	Ozment	Solberg
Beard	Hartle	McDonald	Pauly	Sparby
Begich	Haukoos	McKasy	Poppenhagen	Stanius
Bishop	Heap	McPherson	Quinn	Svigum
Boo	Himle	Milbert	Quist	Thiede
Brown	Hugoson	Miller	Redalen	Tjornhom
Clausnitzer	Jacobs	Minne	Reding	Tompkins
Cooper	Jennings	Morrison	Richter	Tunheim
Dawkins	Johnson, R.	Nelson, C.	Rodosovich	Uphus
DeBlick	Johnson, V.	Neuenschwander	Rose	Valento
Dempsey	Kelso	Olsen, S.	Schafer	Waltman
DeRaad	Knickerbocker	Olson, E.	Scheid	Wenzel
Dorn	Kostohryz	Olson, K.	Schreiber	
Frederick	Krueger	Omann	Seaberg	

The bill was not passed.

H. F. No. 1804, A bill for an act relating to retirement; authorizing a defined contribution plan for the Fridley volunteer firefighter's relief association.

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 2 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Begich	Blatz	Carlson, D.	Clausnitzer
Battaglia	Bennett	Boo	Carlson, L.	Cooper
Bauerly	Bertram	Brown	Carruthers	Dauner
Beard	Bishop	Burger	Clark	Dawkins

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

Those who voted in the negative were:

Anderson, G. Neuenschwander

The bill was passed and its title agreed to.

H. F. No. 1838, A bill for an act relating to intermediate school districts; permitting certain school districts to become a participating school district of intermediate school district number 917; amending Minnesota Statutes 1986, section 136D.81.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Pelowski	Richter	Segal	Thiede	Waltman
Peterson	Riveness	Shaver	Tjornhom	Welle
Poppenhagen	Rodosovich	Simoneau	Tompkins	Wenzel
Price	Rose	Skoglund	Trimble	Winter
Quinn	Rukavina	Solberg	Tunheim	Wynia
Quist	Sarna	Sparby	Uphus	Spk. Vanasek
Redalen	Schafer	Stanis	Valento	
Reding	Scheid	Steensma	Vellenga	
Rest	Schreiber	Sviggum	Voss	
Rice	Seaberg	Swenson	Wagenius	

The bill was passed and its title agreed to.

H. F. No. 1844, A bill for an act relating to courts; prescribing when a referee's orders become effective; amending Minnesota Statutes 1986, section 484.70, subdivision 7.

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

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

Those who voted in the affirmative were:

Anderson, G.	Forsythe	Krueger	Orenstein	Segal
Anderson, R.	Frederick	Larsen	Osthoff	Shaver
Battaglia	Frerichs	Lasley	Otis	Simoneau
Bauerly	Greenfield	Lieder	Ozment	Skoglund
Beard	Gruenes	Marsh	Pappas	Solberg
Begich	Gutknecht	McDonald	Pauly	Stanis
Bennett	Hartle	McEachern	Pelowski	Steensma
Bertram	Haukoos	McKasy	Peterson	Sviggum
Bishop	Heap	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	Reding	Tunheim
Carlson, L.	Jensen	Munger	Rest	Uphus
Carruthers	Johnson, A.	Murphy	Rice	Valento
Clark	Johnson, R.	Nelson, C.	Richter	Vellenga
Clausnitzer	Johnson, V.	Nelson, D.	Riveness	Voss
Cooper	Kalis	Neuenschwander	Rodosovich	Wagenius
Dauner	Kelly	O'Connor	Rose	Waltman
Dawkins	Kelso	Ogren	Rukavina	Welle
DeBleck	Kinkel	Olson, S.	Sarna	Wenzel
Dempsey	Kludt	Olson, E.	Schafer	Winter
DeRaad	Knickerbocker	Olson, K.	Scheid	Wynia
Dille	Knuth	Omann	Schreiber	Spk. Vanasek
Dorn	Kostohryz	Onnen	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 1855, A bill for an act relating to state employees; authorizing the purchase of certain insurance coverage by retired legislative employees; amending Minnesota Statutes 1986, section 43A.27, subdivision 4.

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

The bill was passed and its title agreed to.

H. F. No. 1913 was reported to the House and given its third reading.

Schreiber requested unanimous consent to offer an amendment to H. F. No. 1913. The request was not granted.

Schreiber moved that H. F. No. 1913 be returned to the top of General Orders.

A roll call was requested and properly seconded.

The question was taken on the Schreiber motion and the roll was called. There were 53 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Knickerbocker	Ozment	Stanius
Bennett	Frederick	Knuth	Pauly	Sviggun
Bishop	Frerichs	Marsh	Poppenhagen	Swenson
Blatz	Gruenes	McDonald	Quist	Thiede
Boo	Gutknecht	McKasy	Redalen	Tjornhom
Burger	Hartle	McPherson	Richter	Tompkins
Carlson, D.	Haukoos	Miller	Rose	Uphus
Clausnitzer	Heap	Morrison	Schafer	Valento
Dempsey	Himle	Olsen, S.	Schreiber	Waltman
DeRaad	Hugoson	Omann	Seaberg	
Dille	Johnson, V.	Onnen	Shaver	

Those who voted in the negative were:

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

The motion did not prevail.

H. F. No. 1913, A bill for an act relating to employment; prohibiting employer reprisals against employees who decline to participate in charitable fund drives; proposing coding for new law in Minnesota Statutes, chapter 181.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carruthers	Gutknecht	Kalis	McEachern
Anderson, R.	Clark	Hartle	Kelly	McKasy
Battaglia	Clausnitzer	Haukoos	Kelso	McLaughlin
Bauerly	Cooper	Heap	Kinkel	McPherson
Beard	Dauner	Himle	Kludt	Milbert
Begich	Dawkins	Hugoson	Knickerbocker	Miller
Bennett	DeBlick	Jacobs	Knuth	Minne
Bertram	Dempsey	Jaros	Kostohryz	Morrison
Bishop	DeRaad	Jefferson	Krueger	Munger
Blatz	Dille	Jennings	Larsen	Murphy
Boo	Dorn	Jensen	Lasley	Nelson, C.
Brown	Forsythe	Johnson, A.	Lieder	Nelson, D.
Burger	Frederick	Johnson, R.	Long	Neuenschwander
Carlson, D.	Greenfield	Johnson, V.	Marsh	O'Connor
Carlson, L.	Gruenes	Kahn	McDonald	Ogren

Olsen, S.	Peterson	Rose	Stanius	Voss
Olson, E.	Poppenhagen	Rukavina	Steensma	Wagenius
Olson, K.	Price	Sarna	Sviggum	Waltman
Omann	Quinn	Schafer	Swenson	Welle
Onnen	Quist	Scheid	Thiede	Wenzel
Orenstein	Redalen	Schreiber	Tjornhom	Winter
Osthoff	Reding	Seaberg	Tompkins	Wynia
Otis	Rest	Shaver	Trimble	Spk. Vanasek
Ozment	Rice	Simoneau	Tunheim	
Pappas	Richter	Skoglund	Uphus	
Pauly	Riveness	Solberg	Valento	
Pelowski	Rodosovich	Sparby	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 1922 was reported to the House and given its third reading.

UNANIMOUS CONSENT

Jacobs requested unanimous consent to offer an amendment to H. F. No. 1922. The request was granted.

Jacobs, Vanasek, Quist and Pappas moved to amend H. F. No. 1922, the first engrossment, as follows:

Page 1, line 17, before the period insert "unless the instrument, article, drug, or medicine is sold or distributed by a student who is enrolled at the school to another student who is enrolled at the school"

The motion prevailed and the amendment was adopted.

Dawkins moved that his name be stricken as an author on H. F. No. 1922. The motion prevailed.

H. F. No. 1922, A bill for an act relating to crimes; prohibiting the sale or distribution of contraceptives on elementary and secondary school grounds; repealing the prohibition against the sale of articles relating to prevention of conception or disease; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1986, section 617.251.

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

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dawkins	Kahn	Long	Orenstein
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The bill was passed, as amended, and its title agreed to.

H. F. No. 1923, A bill for an act relating to civil actions; imposing civil liability for the theft of merchandise and shopping carts; proposing coding for new law in Minnesota Statutes, chapter 332.

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

Pauly	Richter	Seaberg	Sviggun	Vellenga
Pelowski	Riveness	Segal	Swenson	Voss
Poppenhagen	Rodosovich	Shaver	Thiede	Wagenius
Price	Rose	Simoneau	Tjornhom	Waltman
Quinn	Rukavina	Skoglund	Tompkins	Welle
Quist	Sarna	Solberg	Trimble	Wenzel
Redalen	Schafer	Sparby	Tunheim	Winter
Reding	Scheid	Stanius	Uphus	Wynia
Rice	Schreiber	Steensma	Valento	Spk. Vanasek

The bill was passed and its title agreed to.

Carlson, D., was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Voss requested immediate consideration of H. F. Nos. 2117 and 1864.

H. F. No. 2117, A bill for an act relating to public finance; providing conditions of local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1987 Supplement, sections 474A.04, subdivision 1a; 474A.061, subdivisions 2 and 4; and 474A.091; repealing Minnesota Statutes 1987 Supplement, section 474A.061, subdivision 5.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Sarna	Simoneau	Swenson	Valento	Winter
Schafer	Skoglund	Thiede	Vellenga	Wynia
Scheid	Solberg	Tjornhom	Voss	Spk. Vanasek
Schreiber	Sparby	Tompkins	Wagenius	
Seaberg	Stanius	Trimble	Waltman	
Segal	Steensma	Tunheim	Welle	
Shaver	Sviggum	Uphus	Wenzel	

The bill was passed and its title agreed to.

H. F. No. 1864 was reported to the House.

Jensen moved to amend H. F. No. 1864, the first engrossment, as follows:

Page 1, line 20, after the period insert "Certificates issued under this section in anticipation of taxes levied in 1987 shall not exceed \$375,000. Certificates issued under this section in anticipation of taxes levied in 1988 shall not exceed \$300,000."

Page 2, line 11, after "enactment" insert "and applies to certificates issued in anticipation of taxes levied in 1987 and 1988."

Page 2, delete lines 12 to 14

The motion prevailed and the amendment was adopted.

H. F. No. 1864, A bill for an act relating to the city of Jordan; enabling the city to issue tax anticipation certificates.

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

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

Those who voted in the affirmative were:

Anderson, R.	Clausnitzer	Hartle	Kelly	McKasy
Battaglia	Cooper	Haukoos	Kelso	McLaughlin
Bauerly	Dauncer	Heap	Kinkel	McPherson
Beard	Dawkins	Himle	Kludt	Milbert
Begich	DeBlieck	Hugoson	Knickerbocker	Miller
Bennett	Dempsey	Jacobs	Knuth	Minne
Bertram	DeRaad	Jaros	Kostohryz	Morrison
Bishop	Dille	Jefferson	Krueger	Munger
Blatz	Dorn	Jennings	Larsen	Murphy
Boo	Forsythe	Jensen	Lasley	Nelson, C.
Brown	Frederick	Johnson, A.	Lieder	Nelson, D.
Burger	Frerichs	Johnson, R.	Long	O'Connor
Carlson, L.	Greenfield	Johnson, V.	Marsh	Ogren
Carruthers	Gruenes	Kahn	McDonald	Olsen, S.
Clark	Gutknecht	Kalis	McEachern	Olson, E.

Olson, K.	Poppenhagen	Rukavina	Sparby	Valento
Omamn	Price	Sarna	Stanisus	Vellenga
Onnen	Quinn	Schafer	Steensma	Voss
Orenstein	Quist	Scheid	Sviggum	Wagenius
Osthoff	Redalen	Schreiber	Swenson	Waltman
Otis	Reding	Seaberg	Thiede	Welle
Ozment	Rest	Segal	Tjornhom	Wenzel
Pappas	Richter	Shaver	Tompkins	Winter
Pauly	Riveness	Simoneau	Trimble	Wynia
Pelowski	Rodosovich	Skoglund	Tunheim	Spk. Vanasek
Peterson	Rose	Solberg	Uphus	

The bill was passed, as amended, 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

Osthoff moved that the name of Larsen be stricken and the name of Bennett be added as an author on H. F. No. 4. The motion prevailed.

Neuenschwander moved that the name of Scheid be shown as chief author on H. F. No. 1063. The motion prevailed.

Nelson, D., moved that the name of Tunheim be added as an author on H. F. No. 2307. The motion prevailed.

Quinn moved that the names of Wagenius and Ogren be added as authors on H. F. No. 2373. The motion prevailed.

Anderson, G., moved that the names of Sparby; Lasley; Nelson, C., and Frerichs be added as authors on H. F. No. 2468. The motion prevailed.

Nelson, K., moved that the name of Segal be stricken and the name of Pappas be added as an author on H. F. No. 2670. The motion prevailed.

Beginch moved that the names of Sarna, Rice and Beard be added as authors on H. F. No. 2700. The motion prevailed.

Sarna moved that the name of Wenzel be added as an author on H. F. No. 2715. The motion prevailed.

Bertram moved that H. F. No. 2621 be recalled from the Commit-

tee on Taxes and be re-referred to the Committee on Agriculture. The motion prevailed.

Kelso moved that H. F. No. 987, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Dawkins moved that H. F. No. 2178, now on Technical General Orders, be re-referred to the Committee on Governmental Operations. The motion prevailed.

Johnson, A., moved that H. F. No. 2221, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

McPherson moved that H. F. No. 1485 be returned to its author. The motion prevailed.

Nelson, C., moved that H. F. No. 2177 be returned to its author. The motion prevailed.

McPherson moved that H. F. No. 2267 be returned to its author. The motion prevailed.

Tompkins moved that H. F. No. 2324 be returned to its author. The motion prevailed.

There being no objection, the order of business reverted to Introduction and First Reading of House Bills.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Kelly, Wynia, Krueger, Blatz and Bishop introduced:

H. F. No. 2745, A bill for an act proposing an amendment to the Minnesota Constitution, article V, section 3; removing the requirement that notaries public be approved by the senate; amending Minnesota Statutes 1986, section 359.01.

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

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Wednesday, March 16, 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 16, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives