

## STATE OF MINNESOTA

## SEVENTY-FIFTH SESSION—1988

## SEVENTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 22, 1988

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Pastor Dwight Haberman, Grace United Methodist Church, Burnsville, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Tjornhom was excused until 1:30 p.m. Gutknecht was excused until 1:40 p.m. Carlson, D., was excused until 3:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Voss 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. 1865, 1898, 1900, 2370, 2502, 2551, 2584, 2597, 2621, 2653, 2128, 2227, 2241, 2430, 681, 1493, 1719, 1830, 2047, 2080, 2146, 2148, 2167, 2232, 2234, 2388, 2654, 1685, 2396, 2486, 2489, 2490, 2504, 2585, 2594, 1733, 1896, 1932, 1956, 2205, 1777, 2041, 2106, 2596, 1935 and 2049 and S. F. Nos. 2264, 2358, 2367, 1607, 1623, 1713, 1717, 2134, 1608, 462 and 1223 have been placed in the members' files.

S. F. No. 2367 and H. F. No. 2521, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kahn moved that S. F. No. 2367 be substituted for H. F. No. 2521 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2358 and H. F. No. 2511, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rodosovich moved that S. F. No. 2358 be substituted for H. F. No. 2511 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2264 and H. F. No. 2539, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rose moved that S. F. No. 2264 be substituted for H. F. No. 2539 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1607 and H. F. No. 1862, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Nelson, K., moved that the rules be so far suspended that S. F. No. 1607 be substituted for H. F. No. 1862 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2134 and H. F. No. 2210, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Rukavina moved that the rules be so far suspended that S. F. No. 2134 be substituted for H. F. No. 2210 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1717 and H. F. No. 1900, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Ogren moved that S. F. No. 1717 be substituted for H. F. No. 1900 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1713 and H. F. No. 1898, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

#### SUSPENSION OF RULES

Ogren moved that the rules be so far suspended that S. F. No. 1713 be substituted for H. F. No. 1898 and that the House File be indefinitely postponed. The motion prevailed.

### REPORTS OF STANDING COMMITTEES

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

H. F. No. 89, A bill for an act relating to animals; providing for the return of lost animals to their owners; prohibiting transfer of certain dogs and cats for use in research; providing a penalty; amending Minnesota Statutes 1986, section 35.71.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 35.71, subdivision 3, is amended to read:

Subd. 3. [STRAY ANIMALS; SEIZURE, DISPOSITION.] All animals seized by public authority must be held for redemption by the owner for at least five regular business days of the impounding agency or for a longer time specified by municipal ordinance. At least one of the business days must be a Saturday or Sunday. For the purpose of this subdivision, "regular business day" means a day during which the establishment having custody of an animal is open to the public not less than four consecutive hours between the hours of 8:00 a.m. and 7:00 p.m. Establishments must maintain the following records of the animals in custody, and preserve the records for at least six months:

(a) the description of the animal by species, breed, sex, approximate age, and other distinguishing traits;

(b) the location at which the animal was seized;

(c) the date of seizure;

(d) the name and address of the person from whom any animal three months of age or over was received; and

(e) the name and address of the person to whom any animal three months of age or over was transferred.

The records must be maintained in a form permitting easy perusal by the public. A person may view the records and animals in custody at any time during which the establishment is open to the public. At the end of the five-day period, all animals which remain unredeemed must be made available to any licensed institution which has requested that number of animals. ~~However, if a tag affixed to the animal or a statement by the animal's owner after the animal's seizure specifies that the animal may not be used for research, the animal must not be made available to any institution and may, in the discretion of the establishment, be destroyed after the expiration of the five-day period.~~ If a request is made by a licensed institution to an establishment for more animals than are available at the time of the request, the establishment must withhold from destruction all unclaimed and unredeemed animals until the request has been filled. The actual expense of holding animals beyond the time of notice to the institution of their availability must be borne by the institution receiving them. An establishment which fails or refuses to comply with this section is ineligible for any further public funds from any county or municipality. Upon receipt of a sworn statement by an authorized officer or employee of a licensed institution of noncompliance by any establishment with this section, the treasurer of any municipality or other political subdivision of the state may not pay any public funds to the establishment until the complainant withdraws its statement of noncompliance or until the board either determines that the complaint of noncompliance was without foundation or that the establishment has given adequate assurance of

future compliance and the treasurer of the municipality or other political subdivision has been notified of the determination in writing. If it appears upon a person's complaint that an officer, agent, or employee of an establishment is violating or failing to carry out the provisions of this section, the attorney general or county attorney of the county in which the establishment is located, in addition to any other remedies, may bring an action in the name of the state against the establishment, officer, agent, or employee to enjoin compliance with this section.

Sec. 2. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3a. [CONVEYANCE PROHIBITED WITHOUT LICENSE.] An establishment may not convey a dog or cat to an institution that is not licensed under this section.

Sec. 3. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3b. [DOGS AND CATS BEARING IDENTIFICATION.] An establishment shall check for identification on each dog or cat, identify the owner by the identification whenever possible, and promptly notify the owner of the location of the animal by the most expedient means. An establishment may not convey to an institution a dog or cat with a collar or other form of identification attached, unless there is in the possession of the establishment a surrender form signed by the owner of the dog or cat that it may be released to an institution for research and teaching.

Sec. 4. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3c. [DISPOSITION OF DOGS AND CATS.] Dogs and cats not returned to their owners or conveyed to institutions must be adopted out as pet and companion animals or humanely euthanized. An establishment may not transfer dogs or cats to dealers, as defined in section 347.31, subdivision 4, or out-of-state institutions.

Sec. 5. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 3d. [NOTICE TO PUBLIC.] An establishment that conveys dogs and cats to institutions must post a conspicuous notice at the establishment's site where dogs and cats are surrendered and must place a notice on each surrender form. The notice must state that dogs and cats left with the establishment may be conveyed to an institution for research and teaching purposes.

Sec. 6. Minnesota Statutes 1986, section 35.71, is amended by adding a subdivision to read:

Subd. 4a. [RECOVERY OF DOGS AND CATS.] An institution that receives dogs and cats from an establishment must have a procedure for permitting the owner of a lost dog or cat to determine if the institution has the animal.

Sec. 7. [REPEALER.]

Minnesota Statutes 1986, section 346.54, is repealed.

Delete the title and insert:

“A bill for an act relating to animals; establishing requirements for establishments that convey unredeemed dogs and cats to institutions for research; prohibiting establishments from transferring dogs or cats to dealers; requiring establishments to post a notice that the animals may be conveyed to institutions for research; amending Minnesota Statutes 1986, section 35.71, subdivision 3, and by adding subdivisions; repealing Minnesota Statutes 1986, section 346.54.”

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. 482, A bill for an act relating to education; establishing the state board of technical 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, at which time the task force would cease to exist.

Sec. 2. [APPROPRIATION.]

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

Delete the title and insert:

"A bill for an act relating to education; establishing a task force to study post-secondary governance options; appropriating money."

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

The report was adopted.

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

H. F. No. 926, A bill for an act relating to occupations and professions; authorizing physical therapy treatment without referral by a physician; prohibiting certain business relationships in the practice of physical therapy; amending Minnesota Statutes 1986, sections 148.75 and 148.76, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 148.70, is amended to read:

148.70 [APPLICANTS, QUALIFICATIONS.]

It shall be the duty of the board of medical examiners with the advice and assistance of the physical therapy council to pass upon

the qualifications of applicants for registration, continuing education requirements for reregistration, provide for and conduct all examinations following satisfactory completion of all didactic requirements, determine the applicants who successfully pass the examination, and duly register such applicants after the applicant has presented evidence satisfactory to the board that the applicant has completed a program of education or continuing education approved by the board.

Sec. 2. Minnesota Statutes 1986, section 148.73, is amended to read:

#### 148.73 [RENEWALS.]

Every registered physical therapist shall, during each January, apply to the board for an extension of registration and pay a fee in the amount set by the board. ~~Registration that is not so extended on or before January 31 each year, shall automatically lapse on said date. The board, in its discretion, may revive and extend a lapsed registration on the payment of the required fees. Registrants shall likewise pay the annual registration fee for the balance of the first year of their registration.~~ The extension of registration is contingent upon demonstration that the continuing education requirements set by the board under section 148.709 have been satisfied.

Sec. 3. Minnesota Statutes 1986, section 148.74, is amended to read:

#### 148.74 [RULES.]

The board is authorized to adopt rules as may be necessary to carry out the purposes of sections 148.65 to 148.78. The secretary of the board shall keep a record of proceedings under these sections and a register of all persons registered under it. The register shall show the name, address, date and number of registration, and the renewal thereof. Any other interested person in the state may obtain a copy of such list on request to the board upon payment of an amount as may be fixed by the board, which shall not exceed the cost of the list so furnished. The board shall provide blanks, books, certificates, and stationery and assistance as is necessary for the transaction of the business of the board and the physical therapy council hereunder, and all money received by the board under sections 148.65 to 148.78 shall be paid into the state treasury as provided for by law. The board shall set by rule the amounts of the application fee and the annual registration fee. The fees collected by the board must be sufficient to cover the costs of administering sections 148.65 to 148.78.

Sec. 4. Minnesota Statutes 1986, section 148.75, is amended to read:



148.75 [CERTIFICATES; DENIAL, SUSPENSION, REVOCATION.]

The state board of medical examiners may refuse to grant registration to any physical therapist, or may suspend or revoke the registration of any physical therapist for any of the following grounds:

(a) using drugs or intoxicating liquors to an extent which affects professional competence;

(b) been convicted of a felony;

(c) conviction for violating any state or federal narcotic law;

(d) procuring, aiding or abetting a criminal abortion;

(e) registration or attempted registration by fraud or deception;

(f) conduct unbecoming a person registered as a physical therapist or conduct detrimental to the best interests of the public;

(g) gross negligence in the practice of physical therapy as a physical therapist;

(h) treating human ailments by physical therapy treatment after an initial 30-day period of patient admittance to treatment has lapsed, except by the order or referral of a person licensed in this state to practice medicine as defined in section 147.10, the practice of chiropractic as defined in section 148.01, the practice of podiatry as defined in section 153.01, or the practice of dentistry as defined in section 150A.05 and whose license is in good standing; or when a previous diagnosis exists indicating an ongoing condition warranting physical therapy treatment, subject to periodic review defined by board of medical examiners rule;

(i) treating human ailments without referral by physical therapy treatment without first having practiced one year under a physician's orders as verified by the board's records;

(j) failure to consult with the patient's health care provider who prescribed the physical therapy treatment if the treatment is altered by the physical therapist from the original written order. The provision does not include written orders specifying orders to "evaluate and treat";

(k) treating human ailments other than by physical therapy unless duly licensed or registered to do so under the laws of this state;

(j) (l) inappropriate delegation to a physical therapist assistant or inappropriate task assignment to an aide or inadequate supervision of either level of supportive personnel;

(k) (m) treating human ailments other than by performing physical therapy procedures unless duly licensed or registered to do so under the laws of this state;

(l) (n) practicing as a physical therapist performing medical diagnosis, the practice of medicine as defined in section 147.10, or the practice of chiropractic as defined in section 148.01;

(m) (o) failure to comply with a reasonable request to obtain appropriate clearance for mental or physical conditions which would interfere with the ability to practice physical therapy, and which may be potentially harmful to patients; and

(n) (p) dividing fees with, or paying or promising to pay a commission or part of the fee to, any person who contacts the physical therapist for consultation or sends patients to the physical therapist for treatment;

(q) engaging in an incentive payment arrangement, other than that prohibited by clause (p), that tends to promote physical therapy over-utilization, whereby the referring person or person who controls the availability of physical therapy services to a client profits unreasonably as a result of patient treatment;

(r) practicing physical therapy and failing to refer to a licensed health care professional any patient whose medical condition at the time of evaluation has been determined by the physical therapist to be beyond the scope of practice of a physical therapist; and

(s) failure to report to the board other registered physical therapists who violate this section.

A certificate of registration to practice as a physical therapist is suspended if (1) a guardian of the person of the physical therapist is appointed by order of a probate court pursuant to sections 525.54 to 525.612, for reasons other than the minority of the physical therapist; or (2) the physical therapist is committed by order of a probate court pursuant to 253B or sections 526.09 to 526.11. The certificate of registration remains suspended until the physical therapist is restored to capacity by a court and, upon petition by the physical therapist, the suspension is terminated by the board of medical examiners after a hearing.

Sec. 5. Minnesota Statutes 1986, section 148.76, subdivision 2, is amended to read:

Subd. 2. No physical therapist shall:

(a) treat human ailments by physical therapy treatment after an initial 30-day period of patient admittance to treatment has lapsed, except by the order or referral of a person licensed in this state to practice medicine as defined in section 147.10, the practice of chiropractic as defined in section 148.01, the practice of podiatry as defined in section 153.01, or the practice of dentistry as defined in section 150A.05 and whose license is in good standing; or when a previous diagnosis exists indicating an ongoing condition warranting physical therapy treatment, subject to periodic review defined by board of medical examiners rule;

(b) treat human ailments by physical therapy treatment without first having practiced one year under a physician's orders as verified by the board's records;

(c) utilize any chiropractic manipulative technique whose end is the chiropractic adjustment of an abnormal articulation of the body; and

(d) treat human ailments other than by physical therapy unless duly licensed or registered to do so under the laws of this state."

Delete the title and insert:

"A bill for an act relating to occupations and professions; regulating continuing education for physical therapists; specifying the amounts of certain fees; specifying certain grounds for disciplinary action; prohibiting certain business relationships in the practice of physical therapy; regulating physical therapy treatment without referral by a physician; amending Minnesota Statutes 1986, sections 148.70; 148.73; 148.74; 148.75; and 148.76, subdivision 2."

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. 1164, A bill for an act relating to employment; requiring notification of certain exposures to infectious diseases; providing workers' compensation to coverage for certain infectious diseases; amending Minnesota Statutes 1986, section 176.011, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 176.011, subdivision 15, is amended to read:

Subd. 15. [OCCUPATIONAL DISEASE.] “Occupational disease” means a disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment. If immediately preceding the date of disablement or death, an employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota state patrol, conservation officer service, state crime bureau, as a forest officer by the department of natural resources, or sheriff or full time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota state patrol, conservation officer service, state crime bureau, department of natural resources, or sheriff’s department of any county, which examination and report negated any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. If immediately preceding the date of disablement or death, any individual who by nature of their position provides emergency medical care, or an employee who was employed as a licensed police officer under section 626.84, subdivision 1, firefighter, paramedic, emergency medical technician, or licensed nurse, and contracts an infectious or communicable disease to which the employee was exposed in the course of employment outside of a hospital to an individual diagnosed as having the infection or communicable disease, then the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment

and the presumption may be rebutted by substantial factors brought by the employer or insurer."

Delete the title and insert:

"A bill for an act relating to workers' compensation; defining "occupational disease" as including certain diseases received in providing emergency medical care; amending Minnesota Statutes 1986, section 176.011, subdivision 15."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1403, A bill for an act relating to firefighters; requiring payment of death, disability, and survivor benefits to firefighters suffering from occupationally related cancer.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 176.011, subdivision 15, is amended to read:

Subd. 15. [OCCUPATIONAL DISEASE.] (a) "Occupational disease" means a disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment.

(b) If immediately preceding the date of disablement or death, an

employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota state patrol, conservation officer service, state crime bureau, as a forest officer by the department of natural resources, or sheriff or full time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota state patrol, conservation officer service, state crime bureau, department of natural resources, or sheriff's department of any county, which examination and report negatived any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment.

(c) A firefighter on active duty with an organized fire department who is unable to perform duties in the department by reason of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter who enters the service after August 1, 1988, is examined by a physician prior to being hired and the examination discloses the existence of a cancer of a type described in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer."

Delete the title and insert:

"A bill for an act relating to workers' compensation; providing a presumption for finding an occupational disease in the case of firefighters having a disabling cancer; amending Minnesota Statutes 1986, section 176.011, subdivision 15."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1821, A bill for an act relating to telephones; combining local telephone service surcharges for emergency telephone service, telephone access for hearing impaired, and the telephone assistance plan into one surcharge; requiring the department of administration to separate the surcharges and administer the three separate accounts; adding low-income disabled persons to those eligible for

the telephone assistance plan; clarifying eligibility for telephone assistance; clarifying administrative functions of and reimbursements to state agencies and telephone companies; amending Minnesota Statutes 1987 Supplement, sections 237.69, subdivision 6, and by adding subdivisions; and 237.70, subdivisions 3, 4, and 7; Laws 1987, chapter 340, section 17; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1987 Supplement, section 237.72.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [237.49] [COMBINED LOCAL ACCESS SURCHARGE.]

Each local telephone company shall collect from each subscriber an amount or amounts representing the total of the surcharges required under sections 237.52, 237.70, and 403.11. Amounts collected must be remitted to the department of administration in the manner prescribed in section 403.11. The department of administration shall divide the amounts received proportional to the individual surcharges, deposit them in the appropriate accounts, and administer payments from the accounts authorized by sections 237.69 to 237.71, and 403.01 to 403.12.

Sec. 2. Minnesota Statutes 1987 Supplement, section 237.69, is amended by adding a subdivision to read:

Subd. 3a. [DISABLED.] “Disabled” has the meaning given it in section 363.01, subdivision 25.

Sec. 3. Minnesota Statutes 1987 Supplement, section 237.69, subdivision 6, is amended to read:

Subd. 6. [FEDERAL MATCHING PLAN.] “Federal matching plan” means the any telephone assistance plan formulated by the Federal Communications Commission that provides federal assistance to local telephone subscribers.

Sec. 4. Minnesota Statutes 1987 Supplement, section 237.69, is amended by adding a subdivision to read:

Subd. 6a. [FUND.] “Fund” means the telephone assistance fund established in section 9.

Sec. 5. Minnesota Statutes 1987 Supplement, section 237.70, subdivision 3, is amended to read:

Subd. 3. [FEDERAL MATCHING PLAN.] The telephone assistance plan must contain adequate provisions to enable telephone companies to qualify for assistance under waiver of the federal interstate access charge and to enable eligible subscribers to take advantage of the federal matching plan.

Sec. 6. Minnesota Statutes 1987 Supplement, section 237.70, is amended by adding a subdivision to read:

Subd. 4a. [HOUSEHOLDS ELIGIBLE FOR CREDITS.] The telephone assistance plan must provide telephone assistance credit for a residential household in Minnesota that meets each of the following criteria:

(1) has a household member who:

(i) subscribes to local exchange service; and

(ii) is either disabled or 65 years of age or older;

(2) whose household income is 150 percent or less of federal poverty guidelines or is currently eligible for:

(i) aid to families with dependent children;

(ii) medical assistance;

(iii) general assistance;

(iv) Minnesota supplemental aid;

(v) food stamps;

(vi) refugee cash assistance or refugee medical assistance;

(vii) energy assistance; or

(viii) supplemental security income; and

(3) who has been certified as eligible for telephone assistance plan credits.

Sec. 7. Minnesota Statutes 1987 Supplement, section 237.70, subdivision 6, is amended to read:

Subd. 6. [FUNDING.] The commission shall provide for the funding of the telephone assistance plan by assessing a uniform recurring monthly surcharge, not to exceed ten cents per access line, applicable to all classes and grades of access lines provided by each



telephone company in the state. The revenue generated by the surcharge must not exceed \$2,500,000 on a statewide basis. This statewide \$2,500,000 limitation must be apportioned between telephone companies based on their relative number of access lines.

Sec. 8. Minnesota Statutes 1987 Supplement, section 237.70, subdivision 7, is amended to read:

Subd. 7. [ADMINISTRATION.] The telephone assistance plan must be administered jointly by the commission, the department of human services, the department of administration, and the telephone companies in accordance with the following guidelines:

(a) The commission and the department of human services shall develop eligibility certification forms an application form that must be completed at least annually by the subscriber residing in a household for the purposes purpose of certifying eligibility for telephone assistance plan credits to the telephone companies. Each telephone company shall annually mail a notice of the availability of the telephone assistance plan to each residential subscriber in a regular billing and shall mail the application form to customers when requested.

The notice must state the following:

YOU MAY BE ELIGIBLE FOR ASSISTANCE IN PAYING YOUR TELEPHONE BILL IF YOU MEET CERTAIN HOUSEHOLD INCOME LIMITS, AND YOU ARE 65 YEARS OF AGE OR OLDER OR ARE DISABLED. FOR MORE INFORMATION OR AN APPLICATION FORM PLEASE CONTACT .....

(b) The department of human services, through its various offices and agencies, shall determine the eligibility for telephone assistance plan credits on an annual basis at least annually according to the criteria contained in subdivision 4, based upon consideration of documentation made available to the department of human services by the subscriber, and shall provide the necessary certification forms to eligible households for provision by the households to the telephone company 4a.

(c) The Each telephone company shall provide telephone assistance plan credits against monthly charges in the earliest possible month following receipt of an eligibility certification application form and shall continue to provide credits for 12 months after, unless notified that eligibility has terminated earlier the subscriber is ineligible. At the end of every 12-month period, telephone assistance plan credits cease unless the telephone company has been provided with a new eligibility certification form. The company shall cease granting credits at the earliest possible billing cycle when notified by the department of human services that the subscriber is ineligible.

(d) The commission shall serve as the administrator coordinator of a statewide surcharge revenue pool the telephone assistance plan and be reimbursed for its administrative expenses from the surcharge revenue pool. As the administrator coordinator, the commission shall:

(1) establish a uniform statewide surcharge in accordance with subdivision 6;

(2) establish a uniform statewide level of telephone assistance plan credit that each telephone company shall extend to each eligible household in its service area;

(3) require each telephone company to account to the commission and the department of administration on a periodic basis for surcharge revenues collected by the company, expenses incurred by the company, not to include expenses of collecting surcharges, and credits extended by the company under the telephone assistance plan;

(4) require each telephone company to remit excess surcharge revenues to the commission department of administration for administration as part of the pool, deposit in the fund; and

(5) authorize the department of administration to remit to each telephone company from the surcharge revenue pool the amount necessary to compensate the company for expenses, not including expenses of collecting the surcharges, and telephone assistance plan credits that are not covered by the surcharge revenue collected by the company. When it appears that the revenue generated by the maximum surcharge permitted under subdivision 6 will be inadequate to fund any particular established level of telephone assistance plan credits, the commission shall reduce the credits to a level that can be adequately funded by the maximum surcharge. Similarly, the commission may increase the level of the telephone assistance plan credit that is available or reduce the surcharge to a level and for a period of time that will prevent an unreasonable overcollection of surcharge revenues.

(e) Each telephone company shall maintain adequate records of surcharge revenues, expenses, and credits related to the telephone assistance plan and shall, as part of its annual report or separately, provide the commission, the department of administration, and the department of public service with a financial report of its experience under the telephone assistance plan for the previous year. That report must also be adequate to satisfy the reporting requirements of the federal matching plan.

(f) The department of public service shall investigate complaints against telephone companies with regard to the telephone assis-

tance plan and shall report the results of its investigation to the commission.

(g) The department of administration shall collect the surcharges and administer the fund pursuant to sections 1 and 8.

Sec. 9. [237.701] [TELEPHONE ASSISTANCE FUND; APPROPRIATION.]

Subdivision 1. [TELEPHONE ASSISTANCE FUND.] The telephone assistance fund is created as a separate account in the state treasury to consist of amounts received by the department of administration representing the surcharge authorized by section 237.70, subdivision 6, and amounts earned on the fund assets. Money in the fund may be used only for:

(1) reimbursement to telephone companies for expenses and credits allowed in section 237.70, subdivision 7, paragraph (d), clause (5);

(2) reimbursement of the administrative expenses of the department of human services from January 1, 1988, to June 30, 1989, to implement sections 237.69 to 237.71 not to exceed \$90,000;

(3) reimbursement of the administrative expenses of the commission not to exceed \$25,000 annually; and

(4) reimbursement of the administrative expenses of the department of administration not to exceed \$10,000 annually.

Subd. 2. [APPROPRIATION.] Money in the fund is appropriated to the department of administration to be disbursed on authorization of the commission under section 237.70, subdivision 7.

Sec. 10. Laws 1987, chapter 340, section 17, is amended to read:

Sec. 17. [LEGISLATIVE REPORT.]

By January 1, 1989, the commission shall submit a report to the legislature with regard to the implementation, administration, and effectiveness of the telephone assistance plan and shall make any recommendations the commission believes are appropriate with regard to eligibility, funding, and administration of the telephone assistance plan for changes in the plan.

Sec. 11. [237.711] [RULES.]

The commission may adopt emergency and permanent rules to implement sections 2 to 10.

## Sec. 12. [REPEALER.]

Minnesota Statutes 1987 Supplement, sections 237.70, subdivision 4, and 237.72, are repealed.

## Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to telephones; combining local telephone service surcharges for emergency telephone service, telephone access for hearing impaired, and the telephone assistance plan into one surcharge at the option of each company; requiring the department of administration to separate the surcharges into three separate accounts; adding low-income disabled persons to those eligible for the telephone assistance plan; clarifying eligibility for telephone assistance; clarifying administrative functions of and reimbursements to state agencies and telephone companies; amending Minnesota Statutes 1987 Supplement, sections 237.69, subdivision 6, and by adding subdivisions; and 237.70, subdivisions 3, 6, 7, and by adding a subdivision; Laws 1987, chapter 340, section 17; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1987 Supplement, sections 237.70, subdivision 4, and 237.72."

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. 1890, A bill for an act relating to health; requiring a review organization to report certain information to the board of medical examiners; exempting certain disciplinary actions from publication; expanding the grounds for disciplinary action; providing for temporary permit to practice physical therapy; allowing dissemination of data to other states; amending Minnesota Statutes 1986, sections 145.64; 147.02, subdivision 6; 147.091, subdivision 1; 148.71; 214.10, subdivision 8; and proposing coding for new law in Minnesota Statutes, chapter 145.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 147.02, is amended by adding a subdivision to read:

Subd. 6a. [EXCEPTION TO PUBLICATION REQUIREMENT.] The publication requirement does not apply to disciplinary measures by the board which are based exclusively upon grounds listed in section 147.091, subdivision 1, clause (l) or (r).

Sec. 2. Minnesota Statutes 1986, section 147.091, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS LISTED.] The board may refuse to grant a license or may impose disciplinary action as described in section 147.141 against any physician. The following conduct is prohibited and is grounds for disciplinary action:

(a) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board. The burden of proof shall be upon the applicant to demonstrate such qualifications or satisfaction of such requirements.

(b) Obtaining a license by fraud or cheating, or attempting to subvert the licensing examination process. Conduct which subverts or attempts to subvert the licensing examination process includes, but is not limited to: (1) conduct which violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (2) conduct which violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers; permitting another examinee to copy one's answers, or possessing unauthorized materials; or (3) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(c) Conviction, during the previous five years, of a felony reasonably related to the practice of medicine or osteopathy. Conviction as used in this subdivision shall include a conviction of an offense which if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon.

(d) Revocation, suspension, restriction, limitation, or other disciplinary action against the person's medical license in another state or jurisdiction, failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction, or having been refused a license by any other state or jurisdiction.

(e) Advertising which is false or misleading, which violates any rule of the board, or which claims without substantiation the positive cure of any disease, or professional superiority to or greater skill than that possessed by another physician.

(f) Violating a rule promulgated by the board or an order of the board, a state, or federal law which relates to the practice of medicine, or in part regulates the practice of medicine including without limitation sections 148A.02, 609.344, and 609.345, or a state or federal narcotics or controlled substance law.

(g) Engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare or safety of a patient; or medical practice which is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(h) Failure to supervise a physician's assistant or failure to supervise a physician under any agreement with the board.

(i) Aiding or abetting an unlicensed person in the practice of medicine, except that it is not a violation of this paragraph for a physician to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of that person's license or registration or delegated authority.

(j) Adjudication as mentally incompetent, mentally ill or mentally retarded, or as a chemically dependent person, a person dangerous to the public, or a person who has a psychopathic personality by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise.

(k) Engaging in unprofessional conduct. Unprofessional conduct shall include any departure from or the failure to conform to the minimal standards of acceptable and prevailing medical practice in which proceeding actual injury to a patient need not be established.

(l) Inability to practice medicine with reasonable skill and safety to patients by reason of illness, drunkenness, use of drugs, narcotics, chemicals or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills.

(m) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(n) Failure by a doctor of osteopathy to identify the school of healing in the professional use of the doctor's name by one of the following terms: osteopathic physician and surgeon, doctor of osteopathy, or D.O.

(o) Improper management of medical records, including failure to maintain adequate medical records, to comply with a patient's request made pursuant to section 144.335 or to furnish a medical record or report required by law.

(p) Splitting fees, or promising to pay a portion of a fee or a commission, or accepting a rebate. Fee splitting, including without limitation:

(1) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, or remuneration, directly or indirectly, primarily for the referral of patients or the prescription of drugs or devices;

(2) dividing fees with another physician or a professional corporation, unless the division is in proportion to the services provided and the responsibility assumed by each professional and the physician has disclosed the terms of the division;

(3) referring a patient to any health care provider as defined in section 144.335 in which the referring physician has a significant financial interest unless the physician has disclosed the physician's own financial interest; and

(4) dispensing for profit any drug or device, unless the physician has disclosed the physician's own profit interest.

The physician must make the disclosures required in this clause in advance and in writing to the patient and must include in the disclosure a statement that the patient is free to choose a different health care provider. This clause does not apply to the distribution of revenues from a partnership, group practice, nonprofit corporation, or professional corporation to its partners, shareholders, members, or employees if the revenues consist only of fees for services performed by the physician or under a physician's direct supervision, or to the division or distribution of prepaid or capitated health care premiums, or fee-for-service withhold amounts paid under contracts established under other state law.

(q) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(r) Becoming addicted or habituated to a drug or intoxicant.

(s) Prescribing a drug or device for other than medically accepted therapeutic or experimental or investigative purposes authorized by a state or federal agency or referring a patient to any health care provider as defined in section 144.335 for services or tests not medically indicated at the time of referral.

(t) Engaging in conduct with a patient which is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior which is seductive or sexually demeaning to a patient.

(u) Failure to make reports as required by section 147.111 or to cooperate with an investigation of the board as required by section 147.131.

Sec. 3. Minnesota Statutes 1986, section 147.111, subdivision 2, is amended to read:

Subd. 2. [INSTITUTIONS.] Any hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state shall report to the board any action taken by the institution or organization or any of its administrators or medical or other committees to revoke, suspend, restrict, or condition a physician's privilege to practice or treat patients in the institution, or as part of the organization, any denial of privileges, or any other disciplinary action. The institution or organization shall also report the resignation of any physicians prior to the conclusion of any disciplinary proceeding, or prior to the commencement of formal charges but after the physician had knowledge that formal charges were contemplated or in preparation. Each report made under this subdivision must state the nature of the action taken, state in detail the reasons for the action, and identify the specific patient medical records upon which the action was based. No report shall be required of a physician voluntarily limiting the practice of the physician at a hospital provided that the physician notifies all hospitals at which the physician has privileges of the voluntary limitation and the reasons for it.

Sec. 4. Minnesota Statutes 1986, section 148.71, is amended to read:

#### 148.71 [REGISTRATION.]

Subdivision 1. [QUALIFIED APPLICANT.] The state board of medical examiners shall register as a physical therapist and shall furnish a certificate of registration to each applicant who successfully passes an examination provided for in sections 148.65 to 148.78 for registration as a physical therapist and who is otherwise qualified as required herein.

Subd. 2. [TEMPORARY PERMIT.] The board may, upon payment



of a fee set by the board, issue a temporary permit to practice physical therapy under supervision to a physical therapist who is a graduate of an approved school of physical therapy and qualified for admission to examination for registration as a physical therapist. A temporary permit to practice physical therapy under supervision may be issued only once and cannot be renewed. It expires 90 days after the next examination for registration given by the board or on the date on which the board, after examination of the applicant, grants or denies the applicant a registration to practice, whichever occurs first. A temporary permit expires on the first day the board begins its next examination for registration after the permit is issued if the holder does not submit to examination on that date. The holder of a temporary permit to practice physical therapy under supervision may practice physical therapy as defined in section 148.65 if the entire practice is under the supervision of a person holding a valid registration to practice physical therapy in this state. The supervision shall be direct, immediate, and on premises.

Sec. 5. Minnesota Statutes 1986, section 214.10, subdivision 8, is amended to read:

Subd. 8. [SPECIAL REQUIREMENTS FOR HEALTH-RELATED LICENSING BOARDS.] In addition to the provisions of this section that apply to all examining and licensing boards, the requirements in this subdivision apply to all health-related licensing boards, except the board of veterinary medicine.

(a) If the executive director or consulted board member determines that a communication received alleges a violation of statute or rule that involves sexual contact with a patient or client, the communication shall be forwarded to the designee of the attorney general for an investigation of the facts alleged in the communication. If, after an investigation it is the opinion of the executive director or consulted board member that there is sufficient evidence to justify disciplinary action, the board shall conduct a disciplinary conference or hearing. If, after a hearing or disciplinary conference the board determines that misconduct involving sexual contact with a patient or client occurred, the board shall take disciplinary action. Notwithstanding subdivision 2, a board may not attempt to correct improper activities or redress grievances through education, conciliation, and persuasion, unless in the opinion of the executive director or consulted board member there is insufficient evidence to justify disciplinary action. The board may settle a case by stipulation prior to, or during, a hearing if the stipulation provides for disciplinary action.

(b) In addition to the information required under section 214.07, subdivision 1, each board shall include in its reports to the legislature summaries of each individual case that involved possible sexual contact with a patient or client. The summary must include a description of the alleged misconduct; the general results of the

investigation; the nature of board activities relating to that case; the disposition of the case; and the reasons for board decisions concerning the disposition of the case. The information disclosed under this section must not include the name or specific identifying information about any person, agency, or organization.

(c) A board member who has a direct current or former financial connection or professional relationship to a person who is the subject of board disciplinary activities must not participate in board activities relating to that case.

(d) Each health-related licensing board shall establish procedures for exchanging information with other Minnesota state boards, agencies, and departments responsible for licensing health-related occupations, facilities, and programs, and for coordinating investigations involving matters within the jurisdiction of more than one licensing body. The procedures must provide for the forwarding to other licensing bodies of all information and evidence, including the results of investigations, that are relevant to matters within that licensing body's regulatory jurisdiction. Each health-related licensing board shall have access to any data of the department of human services relating to a person subject to the jurisdiction of the licensing board. The data shall have the same classification under sections 13.01 to 13.88, the Minnesota government data practices act, in the hands of the agency receiving the data as it had in the hands of the department of human services.

(e) Each health-related licensing board shall establish procedures for exchanging information with other states regarding disciplinary actions against licensees. The procedures must provide for the collection of information from other states about disciplinary actions taken against persons who are licensed to practice in Minnesota or who have applied to be licensed in this state and the dissemination of information to other states regarding disciplinary actions taken in Minnesota. In addition to any authority in chapter 13 permitting the dissemination of data, the board may, in its discretion, disseminate data to other states regardless of its classification under chapter 13. Before transferring any data that is not public, the board shall obtain reasonable assurances from the receiving state that the data will not be made public.

Sec. 6. [REPEALER.]

Section 1 is repealed effective August 1, 1990.

Delete the title and insert:

"A bill for an act relating to health; exempting certain disciplinary actions from publication; expanding the grounds for disciplinary action; providing for temporary permit to practice physical therapy; allowing dissemination of data to other states; amending Minnesota

Statutes 1986, sections 147.02, by adding a subdivision; 147.091, subdivision 1; 147.111, subdivision 2; 148.71; and 214.10, subdivision 8.”

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. 1953, A bill for an act relating to the metropolitan area; authorizing coordinated erosion and sediment control programs by water management organizations and the Association of Metropolitan Soil and Water Conservation Districts.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [LEGISLATIVE FINDINGS.]

The legislature finds that the lands and waters of Ramsey county are great natural resources; that as a result of erosion of lands and sediment deposition in waters of the region, waters are being polluted and despoiled to a degree that fish, aquatic life, recreation, and other uses of lands and waters are being adversely affected; that the rapid shift in land use from agricultural to nonagricultural uses has accelerated the processes of soil erosion and sedimentation. Implementation of the metropolitan surface water planning act in Ramsey county requires a coordinated effort in that county, and the state of Minnesota may benefit from a pilot program within that county. The legislature further finds it is necessary to establish and implement through the soil and water conservation district in cooperation with water management organizations, cities, towns, and other public and private entities in that county, a county-wide coordinated erosion and sediment control pilot program to conserve and to protect the land, water, and other natural resources of Ramsey county.

Sec. 2. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 4.

Subd. 2. [CONSERVATION SPECIFICATIONS.] “Conservation specifications” means the management procedures, techniques, and methods to control soil erosion and sedimentation as officially adopted by the district board.

Subd. 3. [DISTRICT.] “District” means the soil and water conservation district operating under Minnesota Statutes, chapter 40.

Subd. 4. [DISTRICT PROGRAM.] “District program” means the erosion and sediment control program adopted by the district consisting of conservation specifications to minimize erosion and sedimentation and a model ordinance for adoption by the district.

Subd. 5. [LAND DISTURBANCE ACTIVITY.] “Land disturbance activity” means land change that may result in soil erosion from water or wind and the movement of sediments into or upon waters or lands of Ramsey county, including clearing, grading, excavating, transporting, and filling of land. Land disturbance activity does not mean:

(1) minor land disturbance activities such as home gardens and individual home landscaping, repairs, and maintenance work;

(2) construction, installation, maintenance of electric and telephone utility lines or individual service connection to the utility lines;

(3) septic tank lines or drainage fields unless included in an overall plan for a land disturbance activity relating to construction of a building to be served by the septic tank system;

(4) tilling, planting, or harvesting of agricultural, horticultural, or silvicultural crops;

(5) preparation for single-family residences separately built, unless in conjunction with multiple construction in subdivision development;

(6) disturbed land areas for commercial or noncommercial uses of less than 10,000 square feet in size, except that the governing body of the statutory or home rule charter city, town, or organization may reduce this exception to a smaller area of disturbed land or qualify the conditions under which this exception applies;

(7) installation of fence, sign, telephone, and electric poles and other kinds of posts or poles; and

(8) emergency work to protect life, limb, or property and emergency repairs, except if the land disturbing activity would have required an approved erosion and sediment control plan except for the emergency, then the land area disturbed shall be shaped and stabilized in accordance with the requirement of the local plan-approving authority or the district when applicable.

Subd. 6. [ORGANIZATION.] “Organization” means a watershed

district established under Minnesota Statutes, chapter 112, or a joint powers entity under Minnesota Statutes, section 471.59, within Ramsey county that has the characteristics and the authority specified in Minnesota Statutes, section 473.877, and has more than 25 percent of its area within Ramsey county. Lake improvement or conservation districts are not watershed management organizations.

Subd. 7. [ORGANIZATION SOIL EROSION AND SEDIMENT CONTROL PROGRAM.] "Organization soil erosion and sediment control program" means the soil erosion and sediment control program of the organization. The program must set forth the elements or methods to be employed by a watershed management organization to regulate land disturbance activities to minimize erosion and sedimentation in compliance with the program.

Sec. 3. [EROSION AND SEDIMENT CONTROL PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The district shall develop a pilot program that contains a model ordinance and conservation specifications for the effective control of soil erosion and sediment deposition that must be met in an organization soil erosion and sediment control program. To assist in the development of the pilot program, the district shall seek the advice of appropriate state and federal agencies, local units of government, and representatives of interests such as residential development and nonresidential development.

Subd. 2. [PROGRAM CONTENTS.] The district pilot program shall contain:

(1) relevant physical and developmental information concerning the region, including data relating to land use, soils, hydrology, geology, size of land area being disturbed, proximate water bodies and their characteristics, transportation, and public facilities and services;

(2) a model ordinance;

(3) principles for protecting existing vegetation, adequate revegetation schedules, and run-off control measures; and

(4) conservation specifications and alternative methods for the control of erosion and sediment resulting from land disturbance activities.

Subd. 3. [PROGRAM IMPLEMENTATION.] To implement the district pilot program, the district shall develop and adopt by January 1989 a model ordinance and conservation specifications for soil erosion and sediment control. The district may revise its pilot

program as necessary. The district shall give due notice and conduct at least one public hearing on the proposed pilot program before addition or revision.

Subd. 4. [INSPECTION OF PROGRAM.] The program shall be made available for public inspection at the office of the district.

Sec. 4. [ORGANIZATION SOIL EROSION AND SEDIMENT CONTROL PROGRAMS.]

Subdivision 1. [ADOPTION.] Each organization in the district must, within nine months after the adoption of the district program, develop and adopt an organization soil erosion and sediment control program consistent with the district program. Upon written request of an organization, the district shall assist in the preparation of the organization program. The organization shall adopt an organization soil erosion and sediment control program as approved by the district.

Subd. 2. [FAILURE TO ADOPT AN ORGANIZATION PROGRAM.] If an organization fails to adopt an organization soil erosion and sediment control program within the required period, the board of water and soil resources may not approve the watershed plan prepared under Minnesota Statutes, chapter 473. For currently approved plans, an amendment shall be submitted to the board of water and soil resources within one year for approval. If the amendment is not submitted, plan approval must be withdrawn.

Subd. 3. [HEARING REQUIREMENT.] (a) Notwithstanding any other provision of sections 1 to 4, organizations that have adopted local erosion and sediment control programs are not required to conduct public hearings to amend their local programs to conform with the district program except as provided in paragraph (b).

(b) Organizations that choose to adopt conservation specifications or an ordinance that are more stringent than the district program must conduct a public hearing after due notice.

Sec. 5. [RULES.]

Any rules promulgated by the board of water and soil resources pursuant to statute shall supersede any plans, rules, or ordinances enacted pursuant to this section to the extent they may be in conflict.

Sec. 6. [APPLICABILITY.]

This act applies in Ramsey county and is effective upon approval by the Ramsey county board and soil and water conservation district as provided in Minnesota Statutes, section 645.02."

Delete the title and insert:

"A bill for an act relating to Ramsey County; authorizing a coordinated erosion and sediment control pilot program."

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

The report was adopted.

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

H. F. No. 1960, A bill for an act relating to libraries; dedicating the Warren E. Burger Library chamber to the citizens of Minnesota; 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.

Pursuant to House Rule 9.3, H. F. No. 1960 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 2151, A bill for an act relating to retirement; state university and community college faculty; establishing a Minnesota individual retirement plan; proposing coding for new law as Minnesota Statutes, chapters 354B, and 356A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 354.05, is amended by adding a subdivision to read:

Subd. 2a. [EXCEPTIONS.] Notwithstanding subdivision 2, a person who is employed as a teacher in the state university system or the state community college system after June 30, 1989, is not a member of the fund unless the person is covered by section 4, subdivision 2, and has exercised an option under that paragraph to remain a member of the fund.

Sec. 2. Minnesota Statutes 1986, section 354.50, subdivision 1, is amended to read:

Subdivision 1. When any a member accepts a refund provided in section 354.49 or when a member with less than five years of allowable service credit elects to transfer to the individual retirement account plan established by sections 3 to 8, all existing service credits to which the member was entitled prior to before the acceptance of such the refund shall or the transfer terminate and shall. For a member who accepted a refund, service credits may not again be restored until the former member acquires not less than two years allowable service credit subsequent to taking the last refund. In that event the former member may repay such the refund. If more than one refund has been taken, all refunds must be repaid.

Sec. 3. [354B.01] [DEFINITIONS.]

Subdivision 1. [PLAN.] "Plan" means the individual retirement account plan established by sections 3 to 8.

Subd. 2. [COVERED EMPLOYMENT, STATE UNIVERSITIES.] "Covered employment," with respect to employment by the state university system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2, other than that of an administrator covered by or eligible for coverage in the Minnesota state retirement system unclassified employees retirement plan.

Subd. 3. [COVERED EMPLOYMENT, COMMUNITY COLLEGES.] "Covered employment," with respect to employment by the community college system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2.

Sec. 4. [354B.02] [COVERED PERSONS.]

Subdivision 1. [PLAN PARTICIPANTS.] The following persons shall participate in the plan:

(1) a person, other than a person covered by subdivision 2, who was first employed in covered employment after June 30, 1989; or

(2) a person who was first employed in covered employment before July 1, 1989, and who transferred retirement coverage to the plan under section 5.

Subd. 2. [PERSONS WITH CERTAIN PRIOR SERVICE.] A person with prior service as a member of the teachers retirement association other than in covered employment under section 3, subdivision 2 or 3, who is first employed in covered employment



after June 30, 1989, may, at the person's option remain a member of the teachers retirement association or participate in the plan.

Sec. 5. [354B.03] [COVERAGE TRANSFER.]

(a) A person with less than five years of allowable service credit who was first employed in covered employment before July 1, 1989, or a person covered by section 4, subdivision 2, may elect to transfer retirement coverage to the plan.

(b) If a person described in paragraph (a) elects a transfer, the executive director of the teachers retirement association shall transfer from the teachers retirement fund to the plan the person's member contributions plus interest compounded annually at five percent a year. The transfer must be made within 90 days from the date that the executive director receives notification of the election. The employer contribution transfer may not include any amount representing an employer additional contribution, nor may it include any money representing the repayment of a refund received by the association after the date of enactment of this act.

(c) A person with more than five years of allowable service credit who was first employed in covered employment before July 1, 1989, may elect coverage by the plan. If coverage is elected, accumulated employer and employee contributions and allowable service credit shall remain with the teachers retirement fund and that person shall remain eligible for a deferred annuity from that fund. The deferred annuity must be calculated as provided in section 354.55, subdivision 11, except that the rate of interest for augmentation must be five percent per year, compounded annually. Future contributions only shall be made to the plan.

(d) A transfer to the plan under this section is a transfer to the nonprofit corporation that will administer the account of the person electing the transfer, and must be made through the governing board of the system in which the person is employed in covered employment. No amount may be distributed to the person electing the transfer.

Sec. 6. [354B.04] [CONTRIBUTIONS.]

Subdivision 1. [MEMBER CONTRIBUTIONS.] Persons in covered employment shall make a member contribution in an amount equal to the amount prescribed by section 354.42, subdivision 2. The contribution must be made by payroll deduction each pay period.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make an employer contribution in an amount equal to the amount prescribed by section 354.42, subdivision 3, and shall continue to make an additional employer

contribution to the teachers retirement association in an amount equal to the amount prescribed by section 354.42, subdivision 5.

Subd. 3. [MANNER OF EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make employer contributions from any available revenue sources. The employer contribution must be made each pay period.

Sec. 7. [354B.05] [ADMINISTRATION.]

Subdivision 1. [GOVERNING BOARDS.] The state university board shall administer the plan for persons in covered employment under section 3, subdivision 2. The community college board shall administer the plan for persons in covered employment under section 3, subdivision 3.

Subd. 2. [PURCHASE OF CONTRACTS.] The state university board and the community college board shall arrange for the purchase of annuity contracts, fixed, variable, or a combination of fixed and variable, or custodial accounts to provide retirement and death benefits to members of the plan. The contracts or accounts must be purchased with money transferred to the plan under section 5, contributions under section 6, or money or assets otherwise provided by law or by authority of the state university board or community college board and acceptable by the financial institutions from which the contracts or accounts are purchased.

Subd. 3. [SELECTION OF NONPROFIT CORPORATIONS.] The state university board and the community college board shall select nonprofit insurance and annuity corporations to provide annuity contracts or custodial accounts. Any nonprofit corporation selected shall be experienced in providing retirement plans to publicly supported institutions of higher education in at least 25 states. Investment programs offered by the corporation must meet the requirements of section 401(a) or 403(b) of the Internal Revenue Code of 1986, as amended.

Subd. 4. [BENEFITS OWNED BY MEMBERS.] The retirement and death benefits provided by the annuity contracts or custodial accounts are owned by the members of the plan and must be paid in accordance with the provisions of the annuity contracts or custodial accounts.

Sec. 8. [TRANSFER LIMITATION.]

The coverage transfer election authorized by section 5 may first be exercised on July 1, 1989, and must be exercised before June 30, 1991.

Sec. 9. Minnesota Statutes 1986, section 356.24, is amended to read:

**356.24 [SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.]**

It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan ~~which~~ that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than to a supplemental pension plan ~~which~~ that was established, maintained, and operated ~~prior to before~~ May 6, 1971, to any a plan which that provides solely for group health, hospital, disability, or death benefits, to the individual retirement account plan established by sections 3 to 8, or to any a plan which that provides solely for severance pay as authorized pursuant to by section 465.72 to a retiring or terminating employee. No change in benefits or employer contributions in any plan to which this section applies after May 6, 1971 ~~shall be,~~ is effective without prior legislative authorization.

**Sec. 10. [EFFECTIVE DATE.]**

Sections 1 to 9 are effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to retirement; state university and community college faculty; establishing an individual retirement account plan; amending Minnesota Statutes 1986, sections 354.05, by adding a subdivision; 354.50, subdivision 1; and 356.24; proposing coding for new law as Minnesota Statutes, chapter 354B."

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. 2238, A bill for an act relating to agriculture; regulating veterinary drug distribution; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 156.

Reported the same back with the following amendments:

Page 1, line 13, delete "dispensing" and insert "administration"

Page 2, line 22, after "pharmacist" insert ", a person registered by the board of pharmacy to dispense, or another licensed veterinarian"

Page 3, line 12, delete everything after the period

Page 3, delete lines 13 to 16

Page 3, line 23, delete "an article" and insert "a substance"

Page 3, line 26, delete "an article" and insert "a substance"

Page 3, line 28, delete "an article" and insert "a substance"

Page 3, line 30, delete "an article" and insert "a substance"

Page 3, line 30, delete the second "an" and insert "a substance"

Page 3, line 31, delete "article"

Page 3, line 36, delete "the dispensing of" and insert "a person registered by the board of pharmacy or a licensed pharmacist to dispense"

Page 4, line 1, delete "or the extra-label use of a"

Page 4, line 2, delete "veterinary drug by"

Page 4, line 2, after the period insert "However,"

Page 4, line 2, delete "or other veterinary"

Page 4, line 3, delete "authorization"

Page 4, line 3, delete ", however,"

Page 4, line 4, delete "the veterinarian's" and insert "an"

Page 4, line 4, after "agent" insert "of the veterinarian"

Page 4, line 6, after the period insert:

"(b)"

Page 4, line 9, delete "(b)" and insert "(c)"

Page 4, line 16, delete "(c)" and insert "(d)"

Page 4, line 27, after the first comma insert "owner and"

Amend the title as follows:

Page 1, line 3, delete "imposing a penalty;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2245, A bill for an act relating to education; providing aids for education and the distribution of tax revenues; increasing the basic formula allowance; setting the general education levy; modifying the transportation aid and levy formulas; creating an American Indian education council; requiring a study of Indian education; requiring the development of a new model for secondary vocational instruction; modifying the community education formulas; offering free admission to secondary school to eligible persons at least 21 years of age; creating education district revenue; encouraging integrated learning environments; providing for the sale of permanent school fund lands; requiring the signing of an education statement; requiring certain changes in the state high school league; creating a task force on school district reorganization; changing the capital expenditure formulas; appropriating money; amending Minnesota Statutes 1986, sections 92.06, subdivision 4; 92.14, by adding a subdivision; 92.67, subdivision 5; 120.06, by adding a subdivision; 120.075, subdivisions 1a, 3, and by adding a subdivision; 120.0751, subdivision 1, and by adding a subdivision; 120.0752, subdivision 1, and by adding a subdivision; 120.74, subdivision 1; 121.11, subdivision 12; 121.15, subdivisions 6, 7, and by adding a subdivision; 121.612, by adding a subdivision; 121.88, by adding subdivisions; 123.35, subdivision 8; 123.3514, by adding a subdivision; 124.17, by adding a subdivision; 124.18, subdivision 2; 124.214, subdivision 2; 124.225, by adding a subdivision; 124.245, by adding a subdivision; 124.271, by adding subdivisions; 124.2711, by adding a subdivision; 124A.036, subdivision 2; 126.151; 126.56, subdivision 2; 129.121, subdivision 2, and by adding subdivisions; 260.015, subdivision 19; 275.125, by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 92.46, subdivision 1; 92.67, subdivisions 1, 3, and 4; 120.0752, subdivision 3; 120.101, subdivisions 5 and 9; 120.17, subdivision 1; 121.612, subdivision 3; 121.87, subdivision 1a; 123.3515, subdivisions 1, 2, 3, 5, 6, 9, and by adding a subdivision; 124.214, subdivision 3; 124.223; 124.225, subdivision 4b; 124.26, subdivision 1b; 124.271, subdivision 2b; 124.2711, subdivision 1; 124.573, subdivision 2b, and by adding subdivisions; 124A.036, subdivision 5; 124A.22, subdivisions 2, 3, and 6; 124A.23, subdivisions 1, 2, 3, and by adding subdivisions; 124A.24; 124A.25, subdivisions 2, 4, and by adding a subdivision; 125.185, subdivision 4; 126.22, subdivisions 2, 3, 4, and by adding a subdivision; 126.666, by

adding a subdivision; 126.70, subdivision 2a; 129.121, subdivision 1; 129B.11, subdivision 1, and by adding a subdivision; 275.125, subdivisions 5 and 8; Laws 1987, chapter 398, article 1, section 27, subdivision 3; article 2, section 13, subdivision 2; article 3, section 39, subdivision 8; article 5, section 2, subdivision 12; article 6, section 19, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 122; 124; 124A; 126; 129B; 145; repealing Minnesota Statutes 1986, section 124.245, subdivision 4; Minnesota Statutes 1987 Supplement, sections 121.11, subdivision 16; 124.244; 124.245, subdivisions 3, 3a, and 3b; 124A.27, subdivision 10; and 275.125, subdivisions 6e and 11c.

Reported the same back with the following amendments:

Page 2, line 34, delete "\$54,411,300" and insert "\$54,418,800" and delete "\$54,423,300" and insert "\$54,430,800"

Page 35, line 33, delete "12" and insert "14"

Page 43, after line 10, insert:

"Sec. 12. Minnesota Statutes 1987 Supplement, section 124.494, subdivision 5, is amended to read:

Subd. 5. [REFERENDUM; BOND ISSUE.] Within 90 days after being awarded a grant under subdivision 4, the joint powers board shall submit the question of authorizing the borrowing of funds for the secondary facility to the voters of the joint powers district at a special election, which may be held in conjunction with the annual election of the school board members of the member districts. The question submitted shall state the total amount of funding needed from all sources. A majority of those voting in the affirmative on the question is sufficient to authorize the joint powers board to issue the bonds on public sale in accordance with chapter 475. The clerk of the joint powers board must certify the vote of the bond election to the commissioner of education. If the bonds are authorized by the voters, the commissioner shall notify the county auditor of each county in which the joint powers district is located that the grant amount certified under subdivision 4 is available and appropriated for payment of principal and interest on the bonds issued under this subdivision, and the auditor shall reduce the joint powers district's debt service levies accordingly under this subdivision. If a majority of those voting on the question do not vote in the affirmative, the grant must be canceled.

Sec. 13. Minnesota Statutes 1987 Supplement, section 124.494, subdivision 6, is amended to read:

Subd. 6. [CONTRACT.] Each grant must be evidenced by a contract between the joint powers board and the state acting through

the commissioner. It The contract obligates the state to pay to the joint powers board an amount computed according to subdivision 4, upon receipt by the commissioner of a certified resolution of the joint powers board verifying that contracts have been entered into for construction or remodeling of the facilities for which the grant is awarded and that bonds of the joint powers district have been issued and sold in the amount necessary to pay all project costs in excess of the amount of the grant, and estimating the costs and according to a schedule, and terms and conditions acceptable to the commissioner of finance."

Page 45, line 7, delete "TASK FORCE;"

Page 45, line 8, delete "GRANTS"

Page 46, after line 32, insert:

"Sec. 19. [RULEMAKING; TEACHER PREPARATION TIME.]

By March 1, 1989, the state board of education shall adopt a rule under Minnesota Statutes, chapter 14 establishing preparation time requirements for elementary school staff that are comparable to the preparation time requirements for secondary school staff established in Minnesota Rules, part 3500.3700, subpart 3. In establishing any rule, the state board shall consider the length and structure of the elementary day and, if appropriate, permit preparation time to be scheduled at more than one time during the school day. The rule must be effective for the 1989-1990 school year. The state board shall establish a process and criteria for granting one year variances from the rule for districts that are unable to comply for the 1989-1990 school year.

Sec. 20. [BIENNIAL BUDGET PREPARATION.]

In preparing the 1989-1991 biennial budget according to Minnesota Statutes, section 121.14, the state board shall consider the cost to school districts of implementing the rule adopted according to section 19."

Page 48, line 11, delete "14" and insert "16"

Page 49, after line 2, insert:

"Subd. 6. For costs associated with the adopting of rules under chapter 14 for an elementary preparation rule, there is appropriated:

\$7,500 . . . . . 1989.

Subd. 7. [AIDS PREVENTION.] For AIDS prevention and risk reduction programs according to section 11, there is appropriated:

\$831,000 . . . . 1989.

Of this amount \$701,000 is for aid to school districts, \$50,000 is for an independent evaluation; and \$80,000 is for leadership activities.

The department of education general fund complement is increased by 2.0 positions to administer the AIDS prevention and risk reduction program.

Subd. 8. [STAFF TRAINING AND DEVELOPMENT.] For training and professional development on health related issues according to section 5, there is appropriated:

\$418,000 . . . . 1989."

Page 49, line 7, delete "17" and insert "21"

Renumber the sections in article 6 in sequence

Correct internal cross references

Amend the title as follows:

Page 1, line 13, after the semicolon insert "making technical corrections to the cooperative secondary facilities grant act;"

Page 1, line 45, after the second semicolon insert "124.494, subdivisions 5 and 6;"

With the recommendation that when so amended the bill pass:

The report was adopted.

Voss from the Committee on Taxes to which was referred:

H. F. No. 2306, A bill for an act relating to bonds; authorizing the Minnesota public facilities authority to issue revenue bonds and make loans to or purchase the bonds of municipalities for wastewater treatment and water supply systems; amending Minnesota Statutes 1986, section 475.58, subdivision 1; Minnesota Statutes 1987 Supplement, sections 446A.03, by adding a subdivision; 446A.04, by adding subdivisions; 446A.05, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 446A.

Reported the same back with the following amendments:



Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 446A.04, is amended by adding a subdivision to read:

Subd. 6. [PROPERTY.] The authority may acquire, encumber, hold, and convey through lease, purchase, gift, or otherwise, any real or personal property.

Sec. 2. Minnesota Statutes 1987 Supplement, section 446A.04, is amended by adding a subdivision to read:

Subd. 7. [IN GENERAL.] The authority has all the powers necessary and convenient to carry out its duties under sections 3 to 13.

Sec. 3. Minnesota Statutes 1987 Supplement, section 446A.05, subdivision 1, is amended to read:

Subdivision 1. [LOANS AND LOAN PURCHASES.] The authority may make and contract to make loans to governmental units to finance projects that the governmental unit may construct or acquire or may acquire or contract to acquire notes and bonds issued by governmental units to finance those projects. A loan may not be used to pay current expenses or obligations, except for temporary financing. A loan made by the authority must be secured by notes or bonds of the borrowing governmental unit.

Sec. 4. [446A.051] [PROJECT FINANCIAL ASSISTANCE.]

The authority shall assist eligible governmental units in determining what grants or loans under sections 446A.06 and 446A.07 to apply for to finance projects and the manner in which the governmental unit will pay for its portion of the project cost. The authority shall review the proposed financing for each project certified by the agency to ascertain whether or not: (1) total financing of a project is assured; and (2) the governmental unit's financial plan to pay for its portion of the project cost is feasible.

Sec. 5. [446A.12] [ISSUANCE OF BONDS.]

Subdivision 1. [BONDING AUTHORITY.] The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers. Bonds of the authority

may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$100,000,000.

Subd. 2. [REFUNDING OF BONDS.] The authority may issue bonds to refund outstanding bonds of the authority, to pay any redemption premiums on those bonds, and to pay interest accrued or to accrue to the redemption date next succeeding the date of delivery of the refunding bonds. The authority may apply the proceeds of any refunding bonds to the purchase or payment at maturity of the bonds to be refunded, or to the redemption of outstanding bonds on the redemption date next succeeding the date of delivery of the refunding bonds and may, pending the application, place the proceeds in escrow to be applied to the purchase, retirement, or redemption. Pending use, escrowed proceeds may be invested and reinvested in obligations issued or guaranteed by the state or the United States or by any agency or instrumentality of the state or the United States, or in certificates of deposit or time deposits secured in a manner determined by the authority, maturing at a time appropriate to assure the prompt payment of the principal and interest and redemption premiums, if any, on the bonds to be refunded. The income realized on any investment may also be applied to the payment of the bonds to be refunded. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the authority for use by it in any lawful manner. All refunding bonds issued under this subdivision must be issued and secured in the manner provided by resolution of the authority.

Subd. 3. [KIND OF BONDS.] Bonds issued under this section must be negotiable investment securities within the meaning and for all purposes of the uniform commercial code, subject only to the provisions of the bonds for registration. The bonds issued may be either general obligations of the authority, secured by its full faith and credit and payable out of any money, assets, or revenues of the authority, subject to the provisions of resolutions or indenture pledging and appropriating particular money, assets, or revenues to particular bonds, or limited obligations of the authority not secured by its full faith and credit and payable solely from specified sources or assets.

Subd. 4. [RESOLUTION AND TERMS OF SALE.] The bonds of the authority must be authorized by a resolution or resolutions adopted by the authority. The bonds must bear the date or dates, mature at the time or times, bear interest at a fixed or variable rate, including a rate varying periodically at the time or times and on the terms determined by the authority, or any combination of fixed and variable rates, be in the denominations, be in the form, carry the registration privileges, be executed in the manner, be payable in lawful money of the United States, at the place or places within or without the state, and be subject to the terms of redemption or

purchase before maturity as the resolutions or certificates provide. If, for any reason existing at the date of issue of the bonds or existing at the date of making or purchasing any loan or securities from the proceeds or after that date, the interest on the bonds is or becomes subject to federal income taxation, this fact does not affect the validity or the provisions made for the security of the bonds. The authority may make covenants and take or have taken actions that are in its judgment necessary or desirable to comply with conditions established by federal law or regulations for the exemption of interest on its obligations. The authority may refrain from compliance with those conditions if in its judgment this would serve the purposes and policies set forth in this chapter with respect to any particular issue of bonds, unless this would violate covenants made by the authority. The maximum maturity of a bond, whether or not issued for the purpose of refunding, must be 30 years from its date. The bonds of the authority may be sold at public or private sale, at a price or prices determined by the authority; provided that (i) the aggregate price at which an issue of bonds is initially offered by underwriters to investors, as stated in the authority's official statement with respect to the offering, must not exceed by more than three percent the aggregate price paid by the underwriters to the authority at the time of delivery; (ii) the commission paid by the authority to an underwriter for placing an issue of bonds with investors must not exceed three percent of the aggregate price at which the issue is offered to investors as stated in the authority's offering statement; and (iii) the spread or commission must be an amount determined by the authority to be reasonable in the light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters.

Sec. 6. [446A.13] [TENDER OPTION.]

An obligation may be issued giving its owner the right to tender or the authority to demand tender of the obligation to the authority or another person designated by it, for purchase at a specified time or times, if the authority has first entered into an agreement with a suitable financial institution obligating the financial institution to provide funds on a timely basis for purchase of bonds tendered. The obligation is not considered to mature on any tender date and the purchase of a tendered obligation is not considered a payment or discharge of the obligation by the authority. Obligations tendered for purchase may be remarketed by or on behalf of the authority or another purchaser. The authority may enter into agreements it considers appropriate to provide for the purchase and remarketing of tendered obligations, including:

(1) provisions under which undelivered obligations may be considered tendered for purchase and new obligations may be substituted for them;

(2) provisions for the payment of charges of tender agents,

remarketing agents, and financial institutions extending lines of credit or letters of credit assuring repurchase; and

(3) provisions for reimbursement of advances under letters of credit that may be paid from the proceeds of the obligations or from tax and other revenues appropriated for the payment and security of the obligations and similar or related provisions.

Sec. 7. [446A.14] [INTEREST EXCHANGES.]

The authority may enter into an agreement with a third party for an exchange of interest rates under this subdivision. With respect to outstanding obligations bearing interest at a variable rate, the authority may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations, in exchange for an agreement by the third party to pay sums equal to interest on a similar amount at a variable rate determined according to a formula set out in the agreement. With respect to outstanding obligations bearing interest at a fixed rate or rates, the authority may agree to pay sums equal to interest at a variable rate determined according to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations in exchange for an agreement by the third party to pay sums equal to interest on a similar amount at a fixed rate or rates set out in the agreement. Subject to any applicable bonds covenants, payments required to be made by the municipality under the swap agreement may be made from amounts secured to pay debt service on the obligations with respect to which the swap agreement was made from any other available source of the authority.

Sec. 8. [446A.15] [BOND FUND.]

Subdivision 1. [CREATION AND CONTENTS.] The authority may establish a special fund or funds for the security of one or more or all series of its bonds. The funds must be known as debt service reserve funds. The authority may pay into each debt service reserve fund:

(1) any money appropriated by the state only for the purposes of the fund;

(2) the proceeds of sale of bonds to the extent provided in the resolution or indenture authorizing the issuance of them;

(3) funds directed to be transferred by the authority to the debt service reserve fund; and

(4) other money made available to the authority from any other source only for the purpose of the fund.

Subd. 2. [USE OF FUNDS.] Except as provided in this section, the money credited to each debt service reserve fund must be used only for the payment of the principal of bonds of the authority as they mature, the purchase of the bonds, the payment of interest on them, or the payment of any premium required when the bonds are redeemed before maturity. Money in a debt service reserve fund must not be withdrawn at a time and in an amount that reduces the amount of the fund to less than the amount the authority determines to be reasonably necessary for the purposes of the fund. However, money may be withdrawn to pay principal or interest due on bonds secured by the fund if other money of the authority is not available.

Subd. 3. [INVESTMENT.] Money in a debt service reserve fund not required for immediate use may be invested in accordance with section 446A.11, subdivision 9, paragraph (b).

Subd. 4. [MINIMUM AMOUNT OF RESERVE AT ISSUANCE.] If the authority establishes a debt service reserve fund for the security of any series of bonds, it shall not issue additional bonds that are similarly secured if the amount of any of the debt service reserve funds at the time of issuance does not equal or exceed the minimum amount required by the resolution creating the fund, unless the authority deposits in each fund at the time of issuance, from the proceeds of the bonds, or otherwise, an amount that when added together with the amount then in the fund will be at least the minimum amount required.

Subd. 5. [TRANSFER OF EXCESS.] To the extent consistent with the resolutions and indentures securing outstanding bonds, the authority may at the close of a fiscal year transfer to any other fund or account from any debt service reserve fund any excess in that reserve fund over the amount determined by the authority to be reasonably necessary for the purpose of the reserve fund.

Subd. 6. [CERTIFICATION AND BUDGET REQUEST.] To assure the payment of the principal of and interest on bonds of the authority and the continued maintenance of all debt service reserve funds created and established for that payment, the authority shall annually determine and certify to the governor, on or before December 1, the following amounts:

(1) the amount then needed to restore each debt service reserve fund to the minimum amount required by the resolution or indenture establishing the fund, but not exceeding the maximum amount of principal and interest to become due and payable in any later year on all bonds that are then outstanding and secured by the fund; and

(2) the amount determined by the authority to be needed in the immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all then outstanding bonds secured by a debt service reserve fund the amount of which is then less than the minimum amount agreed.

The governor shall include in the proposed biennial budget for the following fiscal year, or in a supplemental budget if the biennial budget has previously been approved, the amounts certified by the authority in accordance with this subdivision.

Sec. 9. [446A.16] [MONEY OF THE AUTHORITY.]

Subdivision 1. [FUNCTIONS OF STATE TREASURER.] Except as otherwise provided in this section, money of the authority must be paid to the state treasurer as agent of the authority and the treasurer shall not commingle the money with other money. The money in the accounts of the authority must be paid out only on warrants drawn by the commissioner of finance on requisition of the chair of the authority or of another officer or employee as the authority authorizes. Deposits of the authority's money must, if required by the state treasurer or the authority, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for the deposits.

Subd. 2. [CONTRACTS AND SECURITY.] Notwithstanding the provisions of this section, the authority may, with the approval of the state treasurer, contract with the holders of any of its bonds as to the custody, collection, securing, investment, and payment of money of the authority or money held in trust or otherwise for the payment of bonds, and to carry out the contract. Money held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of the money may be secured in the same manner as money of the authority, and all banks and trust companies are authorized to give security for the deposits. All money paid to the state treasurer as agent of the authority is appropriated to the authority.

Subd. 3. [SYSTEM OF ACCOUNTS.] Subject to agreements with bondholders, the commissioner of finance shall prescribe a system of accounts.

Sec. 10. [446A.17] [NONLIABILITY.]

Subdivision 1. [NONLIABILITY OF INDIVIDUALS.] No member of the authority or other person executing the bonds is liable personally on the bonds or is subject to any personal liability or accountability by reason of their issuance.

Subd. 2. [NONLIABILITY OF STATE.] The state is not liable on bonds of the authority issued under this chapter and those bonds are not a debt of the state. The bonds must contain on their face a statement to that effect.

Sec. 11. [446A.18] [PURCHASE AND CANCELLATION BY AUTHORITY.]

Subject to agreements with bondholders that may then exist, the authority may purchase out of funds available for the purpose, bonds of the authority which shall then be canceled, at a price not exceeding the following amounts:

(1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date of the bonds; or

(2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Sec. 12. [446A.19] [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

The state pledges and agrees with the holders of bonds issued under sections 4 to 13 that the state will not limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the bondholders or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The authority may include this pledge and agreement of the state in any agreement with the holders of bonds issued under sections 4 to 13.

Sec. 13. [446A.20] [RESERVES; FUNDS; ACCOUNTS.]

The authority may establish reserves, funds, or accounts necessary to carry out the purposes of the authority or to comply with any agreement made by or any resolution passed by the authority.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, delete everything after "amending"

Page 1, line 7, delete "subdivision 1;"

Page 1, line 8, delete "446A.03, by adding a subdivision;"

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. 2362, A bill for an act relating to veterans; providing for state veterans' cemeteries; requiring land donated to state for use as veterans' cemetery in Morrison county to be returned to donors if not used as veterans' cemetery; amending Minnesota Statutes 1986, section 197.235.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION.]

\$15,000 is appropriated from the general fund to the commissioner of veterans affairs to study the anticipated cost of site development and ongoing operational costs of an additional state veterans' cemetery. The feasibility of utilizing Minnesota granite wherever possible shall also be included in the study.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to veterans; providing an appropriation to study the feasibility of an additional state veterans' cemetery."

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. 2400, A bill for an act relating to Gillette children's hospital; authorizing the hospital board to affiliate with Minneapolis children's medical center and its parent corporation; authorizing the delegation of powers and functions to the parent corporation;



amending Minnesota Statutes, 1986, section 250.05, subdivisions 1, 3, 3a, 4, 5, and 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 1 to 3, the following terms have the meanings given them in this section.

Subd. 2. [BOARD.] “Board” means the Gillette children’s hospital board established by Minnesota Statutes, section 250.05, subdivision 1.

Subd. 3. [NONPROFIT CORPORATION.] “Nonprofit corporation” means the entity formed in accordance with section 2, subdivision 1.

Sec. 2. [INCORPORATION AS NONPROFIT CORPORATION.]

Subdivision 1. [INCORPORATION.] The board may incorporate as a nonprofit corporation under Minnesota Statutes, chapter 317. Upon incorporating in accordance with this subdivision, the resulting nonprofit corporation ceases to be a public corporation in the executive branch of state government.

Subd. 2. [EMPLOYEES.] (a) Employees of the nonprofit corporation are not state or other public employees. Coverage of board employees under the Minnesota state retirement system ceases, for purposes of future services, at the time of incorporation under subdivision 1.

(b) A person who on the day immediately preceding incorporation under subdivision 1 is an employee of the board and a member of the Minnesota state retirement system is entitled to disability benefits or to a retirement annuity, whichever is applicable, notwithstanding any years of allowable service requirements in Minnesota Statutes, chapter 352 or 356, upon meeting other requirements for these benefits or annuities. For a person with less than five years of allowable service, the benefit or annuity shall be calculated based on the average salary for the person’s entire period of allowable service.

(c) Notwithstanding any law to the contrary, for an employee covered by this subdivision who elects to leave accumulated contributions in the Minnesota state retirement system and be entitled to a deferred retirement annuity, the deferred annuity must be calculated as provided in Minnesota Statutes, section 352.72, subdivision

2, except that the rate of interest for augmentation must be five percent per year, compounded annually.

Subd. 3. [PROPERTY.] Personal property of the board other than fixtures becomes property of the nonprofit corporation upon incorporation in accordance with subdivision 1. The board's interest in the buildings constituting St. Paul Ramsey hospital under the agreement among the board, the city of St. Paul, and Ramsey county made on February 19, 1975, is transferred upon incorporation to the city and the county in proportion to their current interests.

Subd. 4. [LEASEHOLD INTEREST.] Notwithstanding subdivision 3, the city of St. Paul and Ramsey county shall grant the nonprofit corporation a leasehold interest in the areas of buildings owned by the board under article 2 of the February 19, 1975, agreement. Except as otherwise provided in this act or agreed to by the nonprofit corporation, the city, and the county, the terms of the lease must be no less favorable to the nonprofit corporation than the terms of the board's occupancy. The lease must be for a term of 30 years, but is terminable by the nonprofit corporation if the nonprofit corporation vacates those areas entirely or partially, by the nonprofit corporation or the city and county if the nonprofit corporation ceases to provide services and training in medical and surgical care of children with handicaps or disabilities in the leased areas, or upon mutual agreement of the parties. Unless agreed to by the city and the county, the leasehold interest under this subdivision may be transferred by the nonprofit corporation only to a successor nonprofit corporation into which the nonprofit corporation may merge, of which it may become a subsidiary, or that may be formed by the nonprofit corporation and another nonprofit corporation. The leasehold interest may also be transferred to the city of St. Paul and Ramsey county without limitation as to use.

### Sec. 3. [AFFILIATION.]

Along with the other powers of a nonprofit corporation, the nonprofit corporation may agree to affiliate with Minneapolis children's medical center or its parent corporation, Minneapolis Child-Care, to improve the coordination and efficiency of the two institutions in providing comprehensive health care to children. The nonprofit corporation may become subsidiary of, and delegate management powers and functions to, Minneapolis ChildCare.

### Sec. 4. [REPEALER.]

Minnesota Statutes 1986, section 250.05, subdivisions 1, 2a, 3, 4, 5, and 6, are repealed. Minnesota Statutes 1987 Supplement, section 250.05, subdivisions 2 and 7, are repealed.

### Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. Section 4 is effective upon the filing of the articles of incorporation with the secretary of state effecting an incorporation under section 2, subdivision 1.

Delete the title and insert:

"A bill for an act relating to Gillette children's hospital; authorizing the hospital board to incorporate as a nonprofit corporation; terminating its status as a public corporation; transferring its ownership of hospital property to the city of St. Paul; repealing Minnesota Statutes 1986, section 250.05, subdivisions 1, 2a, 3, 4, 5, and 6; Minnesota Statutes 1987 Supplement, section 250.05, subdivisions 2 and 7."

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. 2429, A bill for an act relating to state contracts; prohibiting the state from requiring Indian tribes or bands to deny their sovereignty to contract with the state; amending Minnesota Statutes 1986, section 16B.06, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 15, insert:

"Sec. 2. [REPEALER.]

Section 1 is repealed August 1, 1989.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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. 2603, A bill for an act relating to agriculture; appropriating money to collect and disseminate materials on soil and water stewardship for use in primary and secondary school curricula.

Reported the same back with the following amendments:

Page 1, line 10, delete "legislative advisory commission" and insert "commissioner of agriculture"

Page 1, line 11, delete "to make a grant to an organization" and insert "for the Minnesota agriculture in the classroom program"

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. 2605, A bill for an act relating to financial institutions; authorizing certain investments for banks; amending Minnesota Statutes 1986, sections 48.152, subdivision 10; 48.24, subdivision 5; and 48.61, by adding a subdivision.

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. 2625, A bill for an act relating to education; appropriating money to the higher education coordinating board, University of Minnesota, and state board of vocational technical education.

Reported the same back with the following amendments:

Page 1, after line 14, insert:

"Subd. 2. [FOUR-YEAR ELIGIBILITY.] \$1,800,000 is appropriated for fiscal year 1989 from the general fund to the higher education coordinating board for the purpose of funding four full years of financial aid eligibility as provided in Minnesota Statutes, section 136A.121, subdivision 10."

Page 1, line 15, delete "2" and insert "3"

Page 1, line 19, delete "3" and insert "4"

Page 2, line 9, delete "4" and insert "5"

Page 2, line 17, delete "5" and insert "6"

Page 2, line 23, delete "6" and insert "7"

Pages 2 and 3, delete section 2 and insert:

"Sec. 2. [APPROPRIATIONS; POST-SECONDARY SYSTEMS.]

\$13,500,000 is appropriated for fiscal year 1989 from the general fund to the University of Minnesota, state university system, community college system, and technical institutes to fund, to the extent possible, the unfunded students."

Page 3, after line 21, insert:

"Sec. 4. [FUNDING FORMULA FOR HIGHER EDUCATION.]

A formula shall be developed to recognize increased enrollment and shall be implemented in the 1988-1989 academic year."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "post-secondary; requiring a formula for increased enrollment;"

Page 1, line 2, delete "to the" and insert "for post-secondary education."

Page 1, delete lines 3 to 5

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

The report was adopted.

Pursuant to House Rule 9.3, H. F. No. 2625 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 2667, A bill for an act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.

Reported the same back with the following amendments:

Page 1, line 13, after the period insert “At least two of the members appointed by the speaker and two of the members appointed by the majority leader must be from the minority caucus.”

Page 2, line 12, delete “January 1” and insert “January 15”

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. 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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 47.208, subdivision 1, is amended to read:

Subdivision 1. [DELIVERY REQUIRED.] Upon written request, a good and valid satisfaction of mortgage in recordable form shall be delivered to any party paying the full and final balance of a mortgage indebtedness that is secured by Minnesota real estate; such delivery shall be in hand or by certified mail postmarked within 45 days of the receipt of the written request to the holder of any interest of record in said mortgage and within 45 days of the payment of all sums due thereon. Within 45 days of this payment, the lender must personally deliver the satisfaction of mortgage to this party or send it to the party by certified mail. If certified mail is used, the lender has complied with this subdivision if it is postmarked within the 45-day period.

Sec. 2. [57.01] [SHORT TITLE.]

This chapter may be cited as the mortgage banker and mortgage broker act.

Sec. 3. [57.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the terms in this section have the meanings given them unless the context requires a different meaning.

Subd. 2. [AGRICULTURAL PROPERTY.] "Agricultural property" has the meaning given the term in section 583.22.

Subd. 3. [BORROWER.] "Borrower" means a natural person who has submitted an application for a loan to a mortgage banker.

Subd. 4. [BUSINESS.] "Business" means a commercial or industrial enterprise that is carried on for the purpose of active or passive investment or profit.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 6. [AGREEMENT OR INTEREST RATE OR DISCOUNT POINT AGREEMENT.] "Agreement" or "interest rate or discount point agreement" means a contract between a mortgage banker and a borrower under which the mortgage banker agrees, subject to the mortgage banker's underwriting and approval requirements, to make a loan at a specified interest rate or number of discount points, or both, and the borrower agrees to make a loan on those terms. The term also includes an offer by a mortgage banker that is accepted by a borrower under which the mortgage banker promises to guarantee or lock in an interest rate or number of discount points, or both, for a specific period of time.

Subd. 7. [GENERAL MORTGAGE BROKER.] "General mortgage broker" means a person who directly or indirectly brokers, places, assists in placement, or finds mortgage loans for others or offers to broker, place, assist in placement, or find mortgage loans for others.

Subd. 8. [INDIVIDUAL MORTGAGE BROKER.] "Individual mortgage broker" means one who acts on behalf of a general mortgage loan broker with respect to brokering, placing, assisting in placement, or finding mortgage loans for others or offering or attempting to broker, place, assist in placement, or find mortgage loans for others.

Subd. 9. [MORTGAGE BANKER.] "Mortgage banker" means a person making a mortgage loan.

Subd. 10. [LOAN OFFICER.] (a) "Loan officer" means a person who acts or attempts to act on behalf of a mortgage banker with respect to soliciting or negotiating a mortgage loan with a borrower.

(b) The term includes (1) an officer or employee of a mortgage banker who is authorized to solicit or negotiate loans and who

regularly solicits or negotiates loans, and (2) a person who is responsible for the day to day management of a branch office or offices of a mortgage banker.

Subd. 11. [MORTGAGE LOAN OR LOAN.] "Mortgage loan" or "loan" means a loan or advance of credit to individuals secured by a mortgage or other encumbrance upon real property containing one to four residential units or upon which at the time the loan is made it is intended that one to four residential units are to be constructed.

The term includes operating or real estate loans secured by agricultural property.

The term does not include a loan or advance of credit that is made primarily for a business or commercial purpose.

Subd. 12. [PERSON.] "Person" means an individual, firm, corporation, partnership, association, trust, or legal or commercial entity or group of individuals however organized.

Subd. 13. [PRINCIPAL STOCKHOLDER.] "Principal stockholder" means a person owning 20 percent or more of the outstanding stock of a general mortgage broker or mortgage banker.

Subd. 14. [REFERRAL FEE.] "Referral fee" means any thing of value including, but not limited to, a payment, advance, fund, loan, commission, gift, or similar consideration offered or received in return for the referral of a mortgage loan application or escrow account administration opportunity.

#### Sec. 4. [57.03] [LICENSE REQUIREMENT.]

Subdivision 1. [GENERALLY.] No person shall engage in business as a mortgage banker, loan officer, general mortgage broker, or individual mortgage broker, unless the person has first obtained a license under this chapter.

Subd. 2. [EXEMPTIONS.] The following persons are exempt from the licensing requirements of this chapter:

(1) a person whose primary responsibility is to process loan applications unless the person is authorized to solicit or negotiate loans;

(2) persons making or negotiating ten or fewer mortgage loans in a period of 12 consecutive months;

(3) banks, savings banks, savings associations, and credit unions organized under the laws of this state, and banks, savings banks, savings associations, and credit unions organized under the laws of



the United States that have offices in this state from which deposits are accepted pursuant to the laws of this state or the United States, and their employees, provided, however, that subsidiaries and service corporations of these institutions are not exempt from the requirements of this chapter;

(4) regulated lenders licensed under chapter 56, and industrial loan and thrift companies licensed under chapter 53;

(5) charitable corporations making mortgage loans to promote home ownership or improvements for the disadvantaged;

(6) agencies of the federal government, or a state government, or a quasi-governmental agency making mortgage loans under the specific authority of the laws of a state or the United States;

(7) persons acting as fiduciaries with respect to an employee pension benefit plan qualified under the Internal Revenue Code who make mortgage loans solely to plan participants from plan assets;

(8) persons licensed by the state of Minnesota as real estate brokers or salespersons who, in the course of representing a purchaser or seller of real estate, incidentally assist the purchaser or seller in obtaining financing for the real property in question if the licensee does not receive a separate commission, fee, or other valuable consideration including a referral fee for this service;

(9) an attorney authorized to practice law in this state, who incidentally acts as a mortgage broker in negotiating or placing a first mortgage loan in the normal course of legal practice if the attorney does not receive a separate commission, fee, or other valuable consideration for the service including a referral fee;

(10) persons acting in a fiduciary capacity conferred by authority of a court;

(11) employees of a mortgage banker who only solicit refinance loans, through the mail or by use of the telephone, from mortgagors whose loans the mortgage banker is servicing at the time of the solicitation if the persons making the solicitations are not residents of this state, and if the solicitations originate from outside this state; and

(12) a person who only negotiates assumptions, work outs, or conversions of existing loans.

Sec. 5. [57.04] [APPLICATIONS FOR MORTGAGE BANKER AND GENERAL MORTGAGE BROKER LICENSE.]

Subdivision 1. [FORM.] An application for a license under this

section must be made in writing, and on a form approved by the commissioner.

Subd. 2. [CONTENTS.] The application for a mortgage banker and general mortgage broker must set forth:

(1) the name and address of the applicant;

(2) if the applicant is a firm or partnership, the name and address of each member of the firm or partnership;

(3) if the applicant is a corporation, the name and address of each officer, director, registered agent, and each principal stockholder;

(4) the addresses of all offices in Minnesota where business will be conducted by the applicant; and

(5) other information concerning the financial responsibility, background, experience, and activities of the applicant and its officers, directors, employees, and principal stockholders as the commissioner requires.

Subd. 3. [FINANCIAL RESPONSIBILITY FOR MORTGAGE BANKERS.] An applicant for a mortgage banker license shall:

(1) demonstrate evidence of approval or certification by the United States secretary of housing and urban development, other than as a loan correspondent mortgagee, or approval or certification of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association;

(2) certify to the commissioner a bond in the amount of \$100,000, issued by an insurer authorized to transact business in this state, with the state of Minnesota as obligee, conditioned for the prompt payment to a person entitled to it, other than an officer, partner, or employee of the licensee, from loss resulting from fraud, dishonesty, forgery, or theft in connection with a residential mortgage loan transaction by the licensee or an officer, agent, or employee; provided, however, that the aggregate liability of the surety to all persons for all losses must in no event exceed the amount of the bond. The bond must remain operative for a period of time as long as the period for which the license is sought; or

(3) provide evidence of, and continuously maintain, a line of credit for the funding of mortgage loans, in an amount of not less than \$250,000 with: (i) a licensed mortgage banker; (ii) a lending institution whose deposits are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation; or (iii) a person who is otherwise acceptable to the commissioner.

The requirement of a line of credit may be waived by the commissioner if all loans originated by the applicant are either: (i) closed in the name of a licensed mortgage banker or other financial institution or entity approved by the commissioner pursuant to an agreement between the mortgage banker or other financial institution and the applicant; or (ii) assigned, pursuant to an agreement, to a licensed mortgage banker or other financial institution or entity approved by the commissioner, simultaneous with the closing.

The applicant shall provide the commissioner with a copy of the agreement, which must state the circumstances under which the mortgage banker or financial institution shall be obligated to fund closings or purchase loans from the applicant. The licensee shall notify the commissioner of any modifications to the agreement.

Subd. 4. [EXPERIENCE.] An applicant for a mortgage banker license shall have at least one corporate officer with two years of mortgage origination experience within the previous four years. The experience requirement may be waived if the applicant is, in the opinion of the commissioner, otherwise qualified by reason of education or practical experience.

**Sec. 6. [57.05] [APPLICATIONS FOR LOAN OFFICER AND INDIVIDUAL MORTGAGE BROKER LICENSE.]**

The application for a loan officer and individual mortgage broker license must set forth: (1) the name and address of the applicant; and (2) other information concerning the financial responsibility, background, experience, and activities of the applicant as the commissioner requires.

**Sec. 7. [57.06] [FEES.]**

An application must be accompanied by the payment of the following fees:

(1) \$150 for each mortgage banker and general mortgage broker license, and \$30 for each annual renewal;

(2) \$50 for each loan officer and individual mortgage broker license, and \$15 for each annual renewal;

(3) \$10 for each transfer;

(4) \$25 for a corporation or partnership name change;

(5) \$5 for a name change;

(6) \$10 for a license history; and

(7) \$5 for a duplicate license.

All fees shall be retained by the commissioner and are nonreturnable, except that an overpayment of a fee shall be refunded upon proper application.

Sec. 8. [57.07] [EXAMINATIONS.]

Subdivision 1. [LOAN OFFICER AND INDIVIDUAL MORTGAGE BROKER.] (a) An applicant for a loan officer and individual mortgage broker license must pass an examination conducted by the commissioner. The examination must be of sufficient scope to establish the competence of the applicant to act as a loan officer or individual mortgage broker.

(b) The examination shall be conducted by the commissioner two months after a testing service has been certified by the commissioner, but not later than October 1, 1989.

Subd. 2. [EXAMINATION FREQUENCY.] The commissioner shall not be required to hold examinations more frequently than once every 120 days. The examination may be held more frequently upon demand and as the commissioner considers reasonable.

Subd. 3. [INSTRUCTION; NEW LICENSES.] (a) An applicant for a loan officer and individual mortgage broker license shall be required to successfully complete a course of study in the mortgage banking field consisting of 45 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. A loan officer and individual mortgage broker shall, within one year of licensure, be required to successfully complete an additional course of study in the mortgage lending field consisting of 45 hours of instruction approved by the commissioner.

(b) A person applying for a loan officer or individual mortgage broker license on or before October 1, 1989, who was employed by a mortgage banker or general mortgage broker on or before February 1, 1988, in a capacity that would require a loan officer license or individual mortgage broker license, shall not be required to satisfy the educational requirements of paragraph (a). If the person applying for a license fails the examination, the person is unlicensed. The commissioner may allow the person to continue to conduct business for 60 days from the date of the examination. If during the 60-day period the person reapplies for a license and passes the examination, the person may be licensed upon payment of the license fee.

(c) The commissioner may approve courses of study offered in educational institutions of higher learning in this state, including degree programs, or courses of study developed by and offered under the auspices of national or state trade associations or private

schools. The commissioner shall not approve any course offered by, sponsored by, or affiliated with any person or company otherwise licensed by the commissioner.

(d) The commissioner may waive the educational requirements of paragraph (a) for a person applying for a loan officer or individual mortgage broker license who can demonstrate proficiency in mortgage banking.

Subd. 4. [CONTINUING EDUCATION.] (a) All loan officers and individual mortgage brokers shall be required to successfully complete 15 hours of education each renewal year, either as a student or a lecturer, in courses of study approved by the commissioner.

(b) A person applying for a loan officer or individual mortgage broker license who was not employed by a mortgage banker or general mortgage broker on or before February 1, 1988, is not required to satisfy the educational requirements of paragraph (a) until the second year after licensure.

Sec. 9. [57.08] [LICENSE DURATION; TRANSFER RESTRICTIONS.]

(a) Every license is issued annually under this chapter and expires on September 30 next following its issuance.

(b) A loan officer or individual mortgage broker shall be licensed to act on behalf of a licensed mortgage banker or general mortgage broker respectively and may not be licensed to act on behalf of more than one mortgage banker or general mortgage broker in this state during the same period of time.

The commissioner shall establish the procedure for the transfer of a mortgage banker or general mortgage broker license because of a merger or acquisition.

(c) When an individual mortgage broker or loan officer terminates activity on behalf of a general mortgage broker or mortgage banker in order to begin association immediately with another general mortgage broker or mortgage banker, the commissioner shall automatically transfer that person's license. The transfer is effective either upon the mailing of the required fee and the executed documents by mail or upon personal delivery of the fee and documents to the commissioner's office.

(d) A person who becomes unlicensed for reasons other than a revocation or suspension of a license may have the license reinstated without complying with the educational requirements of section 8, subdivision 3, if the person has been unlicensed for less than 24

months and reports 15 hours of continuing education credit for each year.

Sec. 10. [57.09] [RENEWALS.]

(a) Persons whose renewal applications have been properly and timely filed and who have not received notice of denial or a renewed license may continue to transact business whether or not the renewed license has been received on or before October 1. Application for renewal of a license is considered to have been timely filed if received by the commissioner, or mailed with proper postage and postmarked, by September 15 in each year. Applications for renewal are considered properly filed if made upon forms duly executed and containing information the commissioner requires.

(b) The commissioner may require a licensee to file an annual report with the commissioner that sets forth the information and is in the form the commissioner requires regarding the business conducted by the licensee during the preceding calendar year.

Sec. 11. [57.10] [RETENTION OF BOOKS, ACCOUNTS, AND RECORDS.]

(a) Any person, whether or not licensed under this chapter, while making or brokering a loan or administering an escrow account shall maintain in its offices any books, accounts, and records the commissioner reasonably requires in order to determine whether the person is in compliance with this chapter and the rules adopted under it. The books, accounts, and records must be maintained separately from other business in which the mortgage banker, general mortgage broker, or escrow administrator is involved.

(b) Any person, whether or not licensed under this chapter, while making a mortgage loan shall retain for at least two years after settlement on a mortgage loan, copies of the note, settlement statement, truth-in-lending disclosure, and other papers or records relating to the loan as may be required by rule. Any person, whether or not licensed under this chapter, while brokering a mortgage loan shall retain for at least two years after a mortgage loan is made the original contract for the individual mortgage broker's compensation, a copy of the settlement statement, and an account of fees received in connection with the loan, and other papers or records as may be required by rule.

Sec. 12. [57.12] [PROHIBITED PRACTICES.]

Subdivision 1. [GENERALLY.] No person, whether or not licensed under this chapter, while making or brokering a mortgage loan or administering an escrow account shall:

(1) fill in or change the interest rate or number of discount points, or both, contained in an interest rate or discount point agreement after the interest rate or discount point agreement is executed by the parties;

(2) fail to reply within ten business days of receipt to all communications from a borrower about the borrower's loan that reasonably indicate that a response is requested or needed;

(3) if acting as a mortgage banker or loan officer, fail to require the person closing the mortgage loan to provide to the borrower prior to closing of the mortgage loan (i) a settlement statement, and (ii) a disclosure that conforms to that required by United States Code, title 15, section 1604, and Regulation Z, Code of Federal Regulations, title 12, part 226;

(4) in the conduct of affairs under the license, engage in deceptive, fraudulent, incompetent, or dishonest practices;

(5) charge an unreasonable fee;

(6) pay a referral fee;

(7) if directly or indirectly administering an escrow account:

(a) increase the amount of funds held in escrow by an amount that exceeds ten percent of the prior year's disbursements from the escrow account without having first provided the borrower with a written explanation specifically identifying the reasons for the increase;

(b) fail or cause a failure to make a payment for either or both insurance and taxes by the required due date. If the mortgage banker or escrow administrator fails to make or causes a failure to make the payments by the due date, that person is liable to the mortgagor for actual damages caused by the failure to pay the amounts when due. In addition, that person is liable for \$500 per occurrence if the failure to make, or the action causing the failure to make, the payments by the due date was due to the mortgage banker's or escrow administrator's failure to exercise reasonable care;

(c) fail to provide a borrower with an annual written analysis of an escrow account that is maintained by the mortgage banker for the payment of real property taxes or hazard insurance, including notice that the escrow account has a surplus or a shortage if one exists;

(8) advise, encourage, or induce a borrower or a third party to misrepresent information that is the subject of a loan application or to violate the terms of the agreement;

(9) require a borrower to purchase or renew any insurance policy from a designated carrier, agent, or agency, provided that a mortgage banker is not prohibited from: (i) disapproving an insurer or policy of insurance where there are reasonable grounds to believe that the insurer is insolvent or that the insurance is unsatisfactory as to placement with an unauthorized insurer, adequacy of the coverage, adequacy of the insurer to assume the risk to be insured, the assessment features to which the policy is subject, or other grounds that are based on the nature of the coverage and that are not arbitrary, unreasonable, or discriminatory; (ii) requiring that a policy of insurance or renewal thereof be in conformance with standards of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation; or (iii) securing insurance or a renewal thereof at the request of a borrower or because of the failure of the borrower to furnish the necessary insurance or renewal thereof;

(10) require a borrower to obtain a policy of insurance covering the mortgaged property that exceeds the replacement cost of the buildings on the mortgaged property, provided that a mortgage banker is not prohibited from requiring that a policy of insurance or renewal thereof be in conformance with the standards of the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

(11) misrepresent the terms and conditions of the loan agreement;

(12) fail to notify the commissioner, in writing, of a change of information contained in the license application on file with the commissioner within ten business days of the change;

(13) in the application form, fail to disclose funds received or to be received, including but not limited to application fees, deposits, or charges made at the time of deposit, or the funds disbursed or to be disbursed and the purposes of the disbursement;

(14) fail to disburse funds in accordance with any agreement connected with a mortgage loan, taking into account any applicable right of rescission;

(15) refuse to permit an investigation or examination by the commissioner or fail to comply with any order of the commissioner;

(16) fail to pay any fee, fine, or assessment imposed by the commissioner;

(17) use or cause to be published any advertisement that contains any false, misleading, or deceptive statement or representation;

(18) use or cause to be published any advertisement which



contains any reference to the fact that the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker is regulated or supervised by the commissioner;

(19) use or cause to be published any advertisement that identifies the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker by any name other than the name on the license issued by the commissioner;

(20) fail reasonably to supervise licensees or employees to assure their compliance with this chapter;

(21) fail to make available or mail to a borrower, within three business days of a request from the borrower, an appraisal for which payment has been received by the mortgage banker or loan officer, in the event the borrower's loan application has failed to meet the mortgage banker's requirements for approval;

(22) upon receipt of an application for a mortgage loan, fail to provide to the borrower an itemized list of the fees the borrower must pay at the time of application, and a statement of which fees will or will not be refunded if the application is withdrawn or denied. If there is more than one borrower, the information may be provided to one of them; or

(23) refuse to honor a provision of a written real estate purchase agreement between a borrower and a seller relating to which party to the purchase agreement may execute a written interest rate or discount point agreement. The acceptance, whether by the borrower or the seller, must be in writing pursuant to section 47.206, subdivision 3.

Subd. 2. [GENERAL OR INDIVIDUAL MORTGAGE BROKERS.] No person, whether or not licensed under this chapter, while brokering a mortgage loan shall:

(1) except for documented out-of-pocket expenses paid or to be paid to third parties and which are necessary to obtain a loan commitment, receive compensation from a borrower until a written commitment to make a mortgage loan is given to the borrower by a mortgage banker or loan officer;

(2) fail to deposit in a trust account, within 48 hours of receipt, all fees received prior to the time a loan is actually funded. The trust account must be in a depository financial institution located within Minnesota;

(3) receive compensation from a borrower in connection with any mortgage loan transaction in which the general mortgage broker or individual mortgage broker is the mortgage banker, loan officer, or

a principal stockholder, partner, trustee, director, or officer of the mortgage banker;

(4) receive compensation from the borrower other than that specified in a written agreement signed by the borrower; or

(5) receive compensation from the borrower for acting as a general mortgage broker or individual mortgage broker without first entering into a written contract with the borrower that:

(i) identifies the trust account into which the fees or consideration will be deposited;

(ii) sets forth the circumstances under which the general and individual mortgage broker will be entitled to disbursement from the trust account;

(iii) sets forth the circumstances under which the borrower will be entitled to a refund of all or part of the fee;

(iv) specifically describes the services to be provided by the general and individual mortgage broker and the dates by which the services will be performed;

(v) states the maximum rate of interest to be charged on any loan obtained;

(vi) discloses, with respect to the 12-month period ending ten business days prior to the date of the contract in question, the percentage of the general mortgage broker's customers for whom loans have actually been funded as a result of the mortgage broker's services (this disclosure need not be made for any period before the effective date of this statute); and

(vii) discloses the cancellation rights and procedures in section 13.

#### Sec. 13. [57.13] [CANCELLATION.]

A customer of a general or individual mortgage broker who pays a fee before the time the loan is actually funded has an unconditioned right to rescind the contract for mortgage brokerage services at any time until midnight of the third business day after the day on which the contract is signed. Cancellation is evidenced by the customer giving written notice of cancellation to the general mortgage broker at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox properly addressed to the general mortgage broker with postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the customer not to be bound by the contract. No act of

a customer of a general or individual mortgage broker is effective to waive the right to rescind as provided in this section.

Sec. 14. [57.14] [DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.]

In addition to the powers granted in section 45.027, subdivision 7, the commissioner may deny, suspend, or revoke any mortgage banker's, general mortgage broker's, loan officer's, or individual mortgage broker's license issued under this chapter for:

(1) conviction of a felony or misdemeanor involving fraud, misrepresentation, or deceit;

(2) entry of a judgment against the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker involving fraud, misrepresentation, or deceit;

(3) entry of a federal or state administrative order against the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker for violation of any law or any regulation applicable to the conduct of the licensed business.

For the purposes of this section and section 45.027, acts of an officer, employee, director, partner, or principal stockholder are considered to be acts of the mortgage banker or mortgage broker.

Sec. 15. [57.15] [RIGHT TO USE THE TERM MORTGAGE BANKER OR GENERAL MORTGAGE BROKER.]

Subdivision 1. [RESTRICTION.] No persons making or brokering a mortgage loan or administering an escrow account, including persons exempt from the licensing requirements of this chapter, may advertise or represent themselves to be a mortgage banker or general mortgage broker unless licensed as provided in this chapter or unless the person elects licensure for employees who perform the functions defined in section 3, subdivisions 8 and 10, pursuant to section 16.

Subd. 2. [PENALTY.] A person who willfully violates this section is guilty of a misdemeanor and may be fined not more than \$700 or imprisoned not more than 90 days, or both. Each act in violation of this section constitutes a separate offense and a prosecution or conviction for any violation of this section does not bar prosecution or conviction for another violation under this section.

Sec. 16. [57.16] [RIGHT OF FINANCIAL INSTITUTION TO ELECT LOAN OFFICER AND INDIVIDUAL MORTGAGE BROKER LICENSURE.]

(a) Notwithstanding the exemption provided in section 4, an exempt financial institution may elect licensing for its employees if each employee who performs the functions defined in section 3, subdivisions 8 and 10 holds a loan officer or individual mortgage broker license. Employees of exempt institutions who hold a loan officer's or individual mortgage broker's license shall comply with the requirements of this chapter as if they were licensed to a mortgage banker or general mortgage broker.

(b) A financial institution that elects licensing for its employees does not forfeit its right to the exemption provided in section 4 by virtue of the election.

**Sec. 17. [57.17] [MORTGAGE BANKER AND GENERAL MORTGAGE BROKER; REPORT OF VIOLATIONS TO COMMISSIONER.]**

A person, whether or not licensed under this chapter, while making or brokering a mortgage loan or administering an escrow account shall report a violation of this chapter by an employee to the commissioner. The report shall be made within a reasonable time after that person has knowledge of the violation. The commissioner shall prescribe the manner and form of the report. The making of a report of a violation to the commissioner shall not provide grounds for any action for libel, slander, or defamation by an employee against an employer, unless the employer knows that the report is false or acts with reckless disregard for the truth or falsity of the report.

A person who fails to report a violation is guilty of a misdemeanor and may be fined not more than \$700 or imprisoned not more than 90 days, or both. Each act in violation of this section constitutes a separate offense and a prosecution or conviction for any violation of this section does not bar prosecution or conviction for another violation under this section.

**Sec. 18. [57.18] [RULES.]**

The commissioner may adopt rules the commissioner considers appropriate to administer this chapter.

Sec. 19. Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4, is amended to read:

Subd. 4. "Real estate broker" or "broker" means any person who:

(a) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase

or rental of an interest or estate in real estate, or advertises or holds out as engaged in these activities;

(b) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly negotiates or offers or attempts to negotiate a loan, secured or to be secured by a mortgage or other encumbrance on real estate;

(e) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys, rents, manages, offers or attempts to negotiate a sale, option, exchange, purchase or rental of any business opportunity or business, or its good will, inventory, or fixtures, or any interest therein;

(d) (c) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly offers, sells or attempts to negotiate the sale of property that is subject to the registration requirements of chapter 83, concerning subdivided land;

(d) (d) engages in the business of charging an advance fee or contracting for collection of a fee in connection with any contract whereby the person undertakes to promote the sale of real estate through its listing in a publication issued primarily for this purpose;

(e) (e) engages wholly or in part in the business of selling real estate to the extent that a pattern of real estate sales is established, whether or not the real estate is owned by the person. A person shall be presumed to be engaged in the business of selling real estate if the person engages as principal in five or more transactions during any 12-month period, unless the person is represented by a licensed real estate broker or salesperson;

(g) offers or makes more than five loans secured by real estate during any 12-month period and who is not a bank, savings bank, mutual savings bank, building and loan association, or savings and loan association organized under the laws of this state or the United States, trust company, trust company acting as a fiduciary, or other financial institution subject to the supervision of the commissioner of commerce, or mortgagee or lender approved or certified by the secretary of housing and urban development or approved or certified by the administrator of veterans affairs, or approved or certified by the administrator of the Farmers Home Administration, or approved or certified by the Federal Home Loan Mortgage Corporation, or approved or certified by the Federal National Mortgage Association.

Sec. 20. Minnesota Statutes 1986, section 82.18, is amended to read:

**82.18 [EXCEPTIONS.]**

Unless a person is licensed or otherwise required to be licensed under this chapter, the term real estate broker does not include:

(a) a licensed practicing attorney acting solely as an incident to the practice of law if the attorney complies in all respects with the trust account provisions of this chapter;

(b) a receiver, trustee, administrator, guardian, executor, or other person appointed by or acting under the judgment or order of any court;

(c) any person owning and operating a cemetery and selling lots therein solely for use as burial plots;

(d) any custodian, janitor, or employee of the owner or manager of a residential building who leases residential units in the building;

(e) any bank, trust company, savings and loan association, industrial loan and thrift company, regulated lender under chapter 56, public utility, or land mortgage or farm loan association organized under the laws of this state or the United States, when engaged in the transaction of business within the scope of its corporate powers as provided by law;

(f) public officers while performing their official duties;

(g) employees of persons enumerated in clauses (b), (e) and (f), when engaged in the specific performance of their duties;

(h) any person who acts as an auctioneer bonded in conformity with section 330.02, when that person is engaged in the specific performance of duties as an auctioneer, and when that person has been employed to auction real estate by a person licensed under this chapter or when the auctioneer has engaged a licensed attorney to supervise the real estate transaction;

(i) any person who acquires real estate for the purpose of engaging in and does engage in, or who is engaged in the business of constructing residential, commercial or industrial buildings for the purpose of resale if no more than 25 such transactions occur in any 12-month period and the person complies with section 82.24;

(j) any person who offers to sell or sells an interest or estate in real estate which is a security registered pursuant to chapter 80A, when acting solely as an incident to the sale of these securities;

(k) any person who offers to sell or sells a business opportunity

which is a franchise registered pursuant to chapter 80C, when acting solely to sell the franchise;

(l) any person who contracts with or solicits on behalf of a provider a contract with a resident or prospective resident to provide continuing care in a facility, pursuant to the Continuing Care Facility Disclosure and Rehabilitation Act (chapter 80D), when acting solely as incident to the contract;

(m) any broker-dealer or agent of a broker-dealer when participating in a transaction in which all or part of a business opportunity or business, including any interest therein, is conveyed or acquired pursuant to an asset purchase, merger, exchange of securities or other business combination, if the agent or broker-dealer is licensed pursuant to chapter 80A; and

(n) any mortgage banker, loan officer, or mortgage broker or individual mortgage broker licensed under sections 2 to 18 while engaged in the activities for which the license is required.

Sec. 21. Minnesota Statutes 1987 Supplement, section 580.23, subdivision 3, is amended to read:

Subd. 3. [AFFIDAVIT OF AGRICULTURAL USE.] An affidavit signed by the mortgagor and a certificate signed by the county assessor where the land is located stating that the mortgaged premises as legally described in the affidavit and certificate are not in agricultural use as defined in section 40A.02, subdivision 3, may be recorded in the office of the county recorder or registrar of titles where the property is located and are prima facie evidence of the facts contained in the affidavit and certificate.

A mortgagor signing the affidavit, and the mortgagor's personal representatives or assigns, shall be precluded, with respect to a foreclosure against the mortgaged premises, from denying the facts contained in the affidavit.

Sec. 22. [COMMERCE DEPARTMENT REPORT.]

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

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

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

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

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

Sec. 23. [APPROPRIATION.]

\$100,000 is appropriated from the general fund to the commissioner of commerce for the purposes of administering sections 2 to 18 and is available until June 30, 1989. The approved complement of the department of commerce is increased by three positions.

Sec. 24. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 82.175, is repealed.

Sec. 25. [EFFECTIVE DATE; APPLICABILITY.]

Sections 1 to 24 are effective the day following final enactment. Nothing in those sections requires a mortgage banker or general mortgage broker to be licensed before October 1, 1988, or a loan officer or individual mortgage broker to be licensed sooner than they would otherwise be required under section 8, subdivision 1, paragraph (b)."

Delete the title and insert:

"A bill for an act relating to financial institutions; regulating the delivery of satisfactions of mortgages; regulating the business of mortgage bankers, loan officers, general mortgage brokers, and individual mortgage brokers; establishing licensing requirements; detailing the supervising powers of the commissioner; prohibiting certain practices; regulating affidavits of agriculture use; requiring a report; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, section 82.18; Minnesota Statutes 1987 Supplement, sections 47.208, subdivision 1; 82.17, subdivision 4; and 580.23, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1987 Supplement, section 82.175."

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. 2761, A bill for an act relating to workers' compensation; regulating workers' compensation insurance; regulating costs for medical and rehabilitation services; limiting attorney fees; providing for the future repeal of certain benefits; appropriating money; amending Minnesota Statutes 1986, sections 62I.07; 62I.21; 79.01, subdivision 1; 79.074, by adding subdivisions; 176.081, subdivisions 1 and 3; and 176.136, subdivisions 1, 5, and by adding subdivisions; 176.83, by adding a subdivision; 176A.03, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 62I.02, subdivision 1; 176.081, subdivision 2; 176.102, subdivisions 2, 4, and 6; and 176.194, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62I and 79; repealing Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 176.011, subdivisions 3, 4, 5, 8, 9a, 10, 11, 11a, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 176.021, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, and 9; 176.031; 176.041, subdivisions 2, 3, 5a, and 6; 176.051; 176.061; 176.071; 176.095; 176.101; 176.102, subdivisions 1, 1a, 5, 9, 11, and 11a; 176.104; 176.1041; 176.105; 176.111, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 9a, 10, 12, 14, 16, 18, and 20; 176.121; 176.132; 176.1321; 176.137; 176.165; 176.181, subdivisions 1, 2, 2a, 4, 5, 6, and 7; 176.183, subdivisions 1, 3, and 4; 176.185, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, and 10; 176.186; 176.201; 176.205; 176.211; 176.215; 176.645; and 176.66; Minnesota Statutes 1987 Supplement, sections 176.011, subdivisions 2 and 9; 176.041, subdivisions 1, 1a, and 4; 176.1011; 176.102, subdivisions 4 and 8; 176.111, subdivisions 15, 17, and 21; 176.135, subdivision 1a; 176.181, subdivision 3; 176.182; 176.183, subdivisions 1a and 2; 176.184; and 176.185, subdivision 5a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

### INSURANCE REGULATIONS

Section 1. Minnesota Statutes 1987 Supplement, section 62I.02, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The Minnesota joint underwriting association is created to provide insurance coverage to any person or entity unable to obtain insurance through ordinary methods if the insurance is required by statute, ordinance, or otherwise required by law, or is necessary to earn a livelihood or conduct a business and

serves a public purpose. Prudent business practice or mere desire to have insurance coverage is not a sufficient standard for the association to offer insurance coverage to a person or entity. For purposes of this subdivision, directors' and officers' liability insurance is considered to be a business necessity and not merely a prudent business practice. The association shall be specifically authorized to provide insurance coverage to day care providers, foster parents, foster homes, developmental achievement centers, group homes, and sheltered workshops for mentally, emotionally, or physically handicapped persons, ~~and~~ citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383, and surety bonds required by Minnesota Rules, part 2780.2700, for workers' compensation group self-insurers made up of truckers subject to licensing by the department of transportation. Because the activities of certain persons or entities present a risk that is so great, the association shall not offer insurance coverage to any person or entity the board of directors of the association determines is outside the intended scope and purpose of the association because of the gravity of the risk of offering insurance coverage. The association shall not offer environmental impairment liability or product liability insurance. The association shall not offer coverage for activities that are conducted substantially outside the state of Minnesota unless the insurance is required by statute, ordinance, or otherwise required by law. Every insurer authorized to write property and casualty insurance in this state shall be a member of the association as a condition to obtaining and retaining a license to write insurance in this state.

## Sec. 2. [62I.065] [TRUCKERS' SURETY BOND.]

Subdivision 1. [JOINT AND SEVERAL LIABILITY REQUIRED.] Surety bonds may not be issued to workers' compensation group self-insurers made up of truckers licensed by the department of transportation if the members do not have joint and several liability.

Subd. 2. [RATE.] The rate for surety bonds which comply with subdivision 1 shall be 120 percent of the average rate for the surety bonds of all other workers' compensation group self-insurers.

Sec. 3. Minnesota Statutes 1986, section 62I.07, is amended to read:

## 62I.07 [MEMBERSHIP ASSESSMENTS.]

(a) Each member of the association shall participate in its losses and expenses in the proportion that the direct written premiums of the member bears to the total aggregate direct written premiums written in this state by all members. The members' participation in the association shall be determined annually on the direct written premiums written during the preceding calendar year as reported on

the annual statements and other reports filed by the member with the commissioner.

(b) Losses resulting from surety bonds for truckers groups that self-insure for workers' compensation shall be paid by the special compensation fund. The special compensation fund shall seek appropriations in each biennium for any amounts paid pursuant to this subdivision.

Sec. 4. [62I.166] [REINSURANCE ASSOCIATION TO ASSIST.]

The workers' compensation reinsurance association shall assist the association in any manner requested by the association in regard to surety bonds issued to trucker group self-insurers. This assistance may consist of the provision of data, the use of computer programs, or similar aid needed by the association in regard to the bonds. The workers' compensation reinsurance association must provide these services without cost to the association.

Sec. 5. Minnesota Statutes 1986, section 62I.21, is amended to read:

62I.21 [ACTIVATION OF MARKET ASSISTANCE PLAN AND JOINT UNDERWRITING ASSOCIATION.]

At any time the commissioner of commerce deems it necessary to provide assistance with respect to the placement of general liability insurance coverage, including bonds, on Minnesota risks for a class of business, the commissioner shall by notice in the State Register activate the market assistance plan and the joint underwriting association. The plan and association are activated for a period of 180 days from publication of the notice. At the same time the notice is published, the commissioner shall prepare a written petition requesting that a hearing be held to determine whether activation of the market assistance plan and the joint underwriting association is necessary beyond the 180-day period. The hearing must be held in accordance with section 62I.22. The commissioner by order shall deactivate a market assistance program and the joint underwriting association at any time the commissioner finds that the market assistance program and the joint underwriting association are not necessary.

Sec. 6. Minnesota Statutes 1986, section 79.01, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] Unless the language or context clearly indicates that a different meaning is intended, the following terms, for the purposes of sections 79.01 to ~~79.23~~ 36, shall have the meanings ascribed to them.

Sec. 7. Minnesota Statutes 1986, section 79.074, is amended by adding a subdivision to read:

Subd. 3. [RATES.] One rate is unfairly discriminatory in relation to another if it clearly fails to reflect equitably the differences in expected losses, expenses, and the degree of risk. Rates are not unfairly discriminatory because different premiums result for policyholders with like loss exposures but different expense factors, or like expense factors but different loss exposures, so long as the rates reflect the differences with reasonable accuracy.

Sec. 8. Minnesota Statutes 1986, section 79.074, is amended by adding a subdivision to read:

Subd. 4. [FLEXIBLE RANGE OF RATES.] An insurer may write insurance at rates that are lower than the rates approved by the commissioner provided the rates are not unfairly discriminatory.

Sec. 9. [79.253] [PRIOR RATES.]

Subdivision 1. Rates and rating plans that have been filed with the commissioner prior to January 1, 1988, pursuant to section 79.56 by insurers are conclusively presumed to satisfy the requirements of this act until the initial schedule of rates has been approved by order of the commissioner.

Subd. 2. If a rate was not filed by an insurer prior to January 1, 1988, then an insurer may file a rate for any classification for which a rate was not previously filed. This rate shall not be used until it is approved by the commissioner. The commissioner may approve a rate up to the rate level approved for use by the assigned risk plan for that rate class. These rates may remain in force until the commissioner has approved an initial schedule of rates pursuant to section 10, subdivision 4. If the commissioner disapproves of any rate or rating plan pursuant to authority granted in this subdivision, the disapproval shall not be subject to chapter 14 and the decision shall be final.

Subd. 3. Until the commissioner issues a rate order approving a schedule of rates pursuant to section 10, subdivision 4, an insurer may not, through the use of any rating plan charge a rate higher than the rates applicable to the insurer pursuant to subdivision 1 or 2. This subdivision does not prohibit the use of approved experience rate plans or retrospective rating plans which have been adopted in the filed rates by insurers, the assigned risk plan, or filed by a data service organization.

Sec. 10. [79.71] [RATES; HEARINGS.]

Subdivision 1. [ADOPTION OF INITIAL RATE SCHEDULE.]

The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state after June 30, 1989, for each classification under which business is written. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. The adoption of the initial schedule of rates shall be by hearing held pursuant to the contested case procedures in chapter 14. In adopting a schedule of rates, the commissioner may act on the written petition of the association, the department of labor and industry, or any other interested party requesting that a hearing be held for modification of the schedule of rates.

Subd. 2. [PETITION FOR RATE HEARING.] Upon receipt of a petition requesting a hearing for modification of an existing schedule of rates, the commissioner shall determine whether the petition sufficiently sets forth facts that show that the existing schedule of rates is excessive, inadequate, unfairly discriminatory, or otherwise in need of modification so as to indicate the need to hold a hearing. If the association is a petitioner, the commissioner may decline to grant a hearing if the association has failed to provide information requested by previous orders modifying the schedule of rates, provided that the request was not unreasonable. The commissioner may accept or reject the petition for a hearing and shall give notice of a determination to the petitioning party within 90 days of receipt of the petition. If the commissioner rejects the petition, the commissioner shall notify the petitioning party of the reasons for the rejection. If the commissioner of labor and industry petitions the commissioner for a hearing pursuant to this section or section 13, the commissioner must hold a hearing if the commissioner of labor and industry certifies that the hearing is necessary because a decision of the supreme court, enactment of a statute or other circumstance has effected a substantial change in the basis upon which the existing schedule of rates was adopted. Upon such certification by the commissioner of labor and industry, the commissioner may, by order, modify the existing schedule of rates to reflect the supreme court's decision, enactment of statute, or other circumstance. The order modifying the schedule of rates is not subject to chapter 14 and shall remain in effect until the commissioner has made a final determination as required by subdivisions 4 and 5.

Subd. 3. [HEARING.] The commissioner shall determine, within 90 days of receipt of the petition whether to accept or reject the petition. If the commissioner accepts the petition for hearing, the commissioner shall order a hearing on matters set forth in the petition. The hearing shall be held pursuant to the contested case procedures in chapter 14. The burden of proof is on the petitioning party. The commissioner shall forward a copy of the order for hearing to the chief administrative law judge. The chief administrative law judge must, within 30 days of the receipt of the order, set a hearing date, assign an administrative law judge to hear the matter, and notify the commissioner of the hearing date and the

administrative law judge assigned to hear the matter. The report of the administrative law judge must be issued within 180 days from the date of receipt of the order by the chief administrative law judge. The commissioner shall publish notice of the hearing in the State Register at least 20 days before the hearing date. The administrative law judge must admit documentary and statistical evidence accepted and relied upon by an expert whose expertise is related to workers' compensation rate matters, without the traditional evidentiary foundation. Approval of the notice prior to publication by the administrative law judge is not required. Within 60 days of the completion of the hearing, the administrative law judge must submit a report to the commissioner. The parties or the administrative law judge, if the parties cannot agree, shall adjust all time requirements under the contested case procedures to conform with the the time requirements set forth in this subdivision. After the close of the hearing record, the administrative law judge shall transmit to the commissioner the entire record of the hearing, including the transcript, exhibits, and all other material properly accepted into evidence, together with the finding of facts, conclusions, and recommended order made by the administrative law judge. The time for filing the report may be extended by the chief administrative law judge for good cause.

Subd. 4. [HEARING DETERMINATION.] The commissioner may accept, reject, or modify, in whole or in part, matters raised in the petition for modifications of the schedule of rates or matters raised in the findings and recommendations of the administrative law judge. The commissioner's determination shall be based upon substantial evidence.

Subd. 5. [DEADLINE FOR DETERMINATION.] The commissioner shall make a final determination with respect to adoption of a schedule of rates within 90 days after receipt of the administrative law judge's report. If the commissioner fails to act within the 90-day period, the findings, conclusions, and recommended order of the administrative law judge become the final order of the commissioner on the 91st day.

Subd. 6. [CONSULTANTS; COMMISSIONER OF COMMERCE.] The commissioner of commerce may hire consultants, including a consulting actuary and other experts, deemed necessary to assist in the establishment or modification of the schedule of rates. A sum sufficient to pay the costs of conducting the hearing provided under subdivision 3, appeals therefrom, or the establishment or modification of the schedule of rates, including the costs of consultants, staff, and related costs, and the costs of the attorney general's office, is appropriated from the special compensation fund to the commissioner of commerce and assessed against the rating association and its members by the special compensation fund.

Subd. 7. [CONSULTANTS; COMMISSIONER OF LABOR AND

INDUSTRY.] The commissioner of labor and industry may hire consultants, including a consulting actuary and other experts, deemed necessary to assist the commissioner of labor and industry in the hearing for modification of the schedule of rates and appeals therefrom. A sum sufficient to pay the costs of the commissioner of labor and industry in regard to the hearing provided under subdivision 3 and appeals therefrom, including the costs of consultants, staff, and related costs, and the costs of the attorney general's office, is appropriated from the special compensation fund to the commissioner of labor and industry and assessed against the rating association and its members by the special compensation fund.

Subd. 8. [CONSULTANTS, ADMINISTRATIVE JUDGES.] The office of administrative hearings, upon approval of the chief administrative law judge, may hire consultants necessary to assist the administrative law judge assigned to a workers' compensation rate proceeding.

Subd. 9. [COMMISSIONER OF LABOR AND INDUSTRY AS A PARTY.] The commissioner of labor and industry must be a party to all proceedings under this chapter and shall act to assure that the public interest is represented and protected. The commissioner of labor and industry may: (1) inspect at all reasonable times, and copy the books, records, memoranda, and correspondence or other documents and records of any person relating to any regulated business; and (2) cause the deposition to be taken of any person concerning the business and affairs of any business regulated by the department. Information sought through said deposition shall be for a lawfully authorized purpose and shall be relevant and material to the investigation or hearing before the commissioner. Information obtained from said deposition shall be used by the department only for a lawfully authorized purpose and pursuant to powers and responsibilities conferred upon the department. Said deposition is to be taken in the manner prescribed by law for taking depositions in civil actions in the district court. The commissioner of labor and industry may, on the commissioner's own initiative, investigate any matter subject to the jurisdiction of the department of labor and industry. The costs of the commissioner of labor and industry in discharging this obligation shall be paid by the special compensation fund and assessed against the rating association and its members by the special compensation fund.

Subd. 10. [APPOINTMENT OF ACTUARY.] The commissioner of labor and industry shall employ the services of a casualty actuary experienced in workers' compensation whose duties shall include but not be limited to investigation of complaints by insured parties relative to rates, rate classifications, or discriminatory practices of an insurer. The salary of the actuary employed pursuant to this section is not subject to the provisions of section 43A.17, subdivision 1.

**Sec. 11. [79.72] [PETITION FOR REHEARING.]**

Subdivision 1. [PETITION CONTENTS.] Any interested party may petition the commissioner for rehearing and reconsideration of a determination made pursuant to section 10. The petition for rehearing and reconsideration shall be served on the commissioner and all parties to the rate hearing within 30 days after service of the commissioner's final order. The petition shall set forth factual grounds in support of its petition. An interested party adversely affected by a petition for review and reconsideration has 15 days to respond to factual matters alleged in the petition.

Subd. 2. [GRANT OF REHEARING.] The commissioner may grant a rehearing upon the filing of a petition under subdivision 1. On rehearing, the commissioner may limit the scope of factual matters that are subject to rehearing and reconsideration. The rehearing is subject to the provisions of section 10.

Subd. 3. [MODIFICATION OF ORDER.] Following rehearing, the commissioner may modify the terms of the initial order adopting a change in the schedule of rates upon a determination that adequate factual grounds exist to support modification. Adequate factual grounds include, but are not limited to, erroneous testimony by any witness or party to the hearing, material change in Minnesota loss or expense data occurring after a petition for modification of the schedule of rates has been filed, or any other mistake of fact that has a substantial effect upon the schedule of rates adopted in the initial order of the commissioner.

**Sec. 12. [79.731] [JUDICIAL REVIEW.]**

Final orders of the commissioner pursuant to sections 10 and 11 are subject to judicial review pursuant to sections 14.63 to 14.69 but shall remain in effect during the pendency of any appeal.

**Sec. 13. [79.711] [INTERIM SCHEDULE OF RATES.]**

The rating association, the commissioner of labor and industry, or any other interested party may file a petition for an adjustment in the schedule of rates when there has been a law change in the benefit payable under chapter 176. "Law change" means only statutory changes by the legislature or supreme court decisions. When a petition for a change in the schedule of rates due to a law change is received by the commissioner, the commissioner shall review any petition for up to 30 days to determine if it presents facts which warrant a hearing. If the commissioner accepts a petition for hearing it shall be conducted pursuant to the contested case procedures found in chapter 14. The chief administrative law judge shall assign an administrative law judge to hear a petition for a change in the schedule of rates within 30 days. The administrative law judge shall conclude the hearing within 60 days of assignment by the chief



administrative law judge and file findings of fact, conclusions of law, and a proposed order with the commissioner within 30 days of concluding the hearing. The administrative law judge shall, after the close of the record, file a report with recommendations in the same manner as in section 10, subdivision 4. The time for holding the hearing and filing the report with the commissioner may be expanded by the chief administrative law judge upon a showing of good cause for an additional 30 days. The commissioner's order may affirm, reverse, or modify the findings and order of the administrative law judge. The petitioning party shall have the burden of proof in any hearing held pursuant to this subdivision. Interim rate hearings are only for changes in the schedule of workers' compensation rates resulting from law changes. All other evidentiary, procedural, and review standards in section 10 shall apply to interim rate hearings except for the time requirements in this subdivision. Interim rate hearings are subject to judicial review pursuant to chapter 14 except that the commissioner's interim rate order shall remain in effect during the pendency of any appeal by any party. The commissioner is an interested party if the commissioner's decision is appealed pursuant to chapter 14. Interim rate hearings may only be held after an initial schedule of rates has been approved by the commissioner unless requested by the commissioner of labor and industry.

Sec. 14. [79.74] [AUTOMATIC ADJUSTMENT OF RATES.]

The commissioner shall adopt a rule to automatically adjust a schedule of rates to reflect benefit changes mandated by operation of law after the most recent change in the statewide schedule of rates. This adjustment shall also reflect the annual change in the maximum weekly compensation made pursuant to section 176.101, an adjustment in the assessment rate for the special fund, and the annual adjustment made pursuant to section 176.645, any adjustment in the assessment for the assigned risk plan pursuant to section 79.251, subdivision 5, any adjustment in the assessment for the Minnesota insurance guarantee association pursuant to section 60C.05, or any other assessment required by law. The initial rule to automatically adjust the schedule of rates and any amendments made pursuant to this subdivision is effective on October 1, 1988, or as soon thereafter as possible and is not subject to chapter 14, except the commissioner of commerce shall comply with section 14.38, subdivision 7.

At each rate hearing held pursuant to section 10 or rehearing pursuant to section 11, following an automatic adjustment, the commissioner shall review the rate adjustment to assure that the schedule of rates adopted subsequent to the adjustment are not excessive, inadequate, or unfairly discriminatory. If the commissioner finds that the schedule of rates adopted subsequent to the adjustment are excessive, inadequate, or unfairly discriminatory, the commissioner shall order appropriate remedial action.

## Sec. 15. [79.75] [RATE REVISION ORDER; EFFECT.]

Subdivision 1. [POLICIES.] A revised schedule of rates, adopted under section 10 or 11, applies to new and renewal policies issued after the effective date of the commissioner's final order.

Subd. 2. [INSUREDS.] The revised schedule of rates applies to all insureds and prospective insureds under the workers' compensation rating manual adopted by the association and approved by the commissioner.

## Sec. 16. [79.76] [COMMISSIONER MAY REQUIRE SURVEY.]

Following a complaint, the commissioner may require the association to conduct a survey and report. The commissioner may withdraw approval of any rate or classification upon ten days' notice to the parties interested.

## Sec. 17. [79.77] [CLASSIFICATION OF WORKERS' COMPENSATION INSURANCE.]

No classification for compensation insurance purposes shall be effective until approved by the commissioner. No rule or regulation with reference to compensation risks filed by any insurer, or by the association, shall be effective until approved by the commissioner. No type of insurance covering any part of the liability of an employer allowed to self-insure as provided in section 176.181, is effective in this state unless approved by the commissioner. If it appears at any time that reasonable doubt on the part of the commissioner as to the proper classification or rate for any risk exists, such risk may be bound for insurance subject to establishing a rate and classification.

## Sec. 18. [79.78] [INSURERS SHALL BE MEMBERS OF ASSOCIATION.]

Every insurer issuing workers' compensation insurance in this state shall be a member of the association organized under section 19, to be maintained in this state for the following purposes:

(1) to separate the industries of this state that are subject to workers' compensation insurance into proper classes for compensation insurance purposes; to inspect compensation risks and establish the merit and experience rating system approved for use in this state; to establish charges and credits under the system; and to report all facts affecting compensation insurance risks and those necessary for approving policies of compensation insurance as conforming with classifications and rates previously promulgated by the association and approved by the commissioner; and

(2) to assist the commissioner and insurers in approving rates, determining hazards and other material facts in connection with compensation risks, and to assist in promoting safety in the industries.

Sec. 19. [79.79] [ORGANIZATION OF ASSOCIATION.]

The association shall adopt articles of incorporation, bylaws, and a plan of operation. These articles, bylaws, and plan of operation and all amendments thereto shall be filed with and approved by the commissioner and shall not be effective until so filed and approved. The association shall admit to membership any insurer authorized to transact workers' compensation insurance in this state. The charges and service of the association shall be fixed in the articles or bylaws and shall be equitable and nondiscriminatory as between members. The initial articles, bylaws, and plan of operation shall be filed with the commissioner no later than June 15, 1988. If the initial articles, bylaws, and plan of operation are not filed by June 15, 1988, the commissioner shall adopt the initial articles, bylaws, and plan of operation.

Sec. 20. [79.80] [EXPENSE, HOW PAID.]

Each member of the association shall pay an equitable and nondiscriminatory share of the cost of operating the association. If the members of the association cannot agree upon an apportionment of cost, any member may in writing petition the commissioner to establish a basis for apportioning the cost. If any member is aggrieved by an apportionment made by the association, it may in writing petition the commissioner for a review of the apportionment. The commissioner shall, upon not less than five days notice to each member of the association, hold a hearing upon any such petition at which all members are entitled to be present and be heard. The commissioner shall determine the matter and mail a copy of the determination to each member of the association. The decision of the commissioner shall be final and binding upon all members of the association.

Sec. 21. [79.81] [BOARD OF DIRECTORS.]

A board of directors of the rating association is created and is responsible for the operation of the rating association consistent with the plan of operation and sections 10 to 36. The board consists of seven directors. Four directors shall represent insurers and the commissioner of commerce shall appoint the remaining directors. Each director is entitled to one vote. Terms of the directors shall be two years. The board shall select a chair and other officers it deems appropriate.

A majority of the directors currently holding office constitutes a

quorum. Action may be taken by a majority vote of the directors present.

The board shall take reasonable and prudent action regarding the management of the rating association including but not limited to the management of the daily affairs of the rating association.

Sec. 22. [79.82] [PLAN OF OPERATION.]

Subdivision 1. [PROVISIONS.] The plan of operation shall provide for all of the following:

(a) the establishment of necessary facilities;

(b) the management and operation of the rating association;

(c) a preliminary assessment, payable by each member in proportion to its total premium in the year preceding the inauguration of the rating association, for initial expenses necessary to commence operation of the rating association;

(d) procedures governing the actual payment of assessments to the rating association;

(e) reimbursement of each member of the board by the rating association for actual and necessary expenses incurred on rating association business; and

(f) any other matters required by or necessary to effectively implement sections 10 to 36.

Subd. 2. [AMENDMENTS.] (a) The plan of operation shall be subject to approval by the commissioner after consultation with the members of the association, representatives of the public and other affected individuals and organizations. If the commissioner disapproves all or any part of the proposed plan of operation, the directors shall within 15 days submit for review an appropriate revised plan of operation or part thereof. If a revised plan is not submitted within 15 days, the commissioner shall promulgate a plan of operation or part thereof, as the case may be. The plan of operation approved or promulgated by the commissioner shall become effective and operational upon order of the commissioner.

(b) Amendments to the plan of operation may be made by the commissioner or by the directors of the association, subject to the approval of the commissioner.

Sec. 23. [79.83] [APPLICABILITY OF CHAPTER 79.]

Subdivision 1. [EXAMINATION BY COMMISSIONER.] The rating association is subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the rating association at any time and examine, audit, or evaluate the rating association's operations, records and practices. For purposes of this section, "authorized representative of the commissioner" includes employees of the departments of commerce or labor and industry or other parties retained by the commissioner.

Subd. 2. [COSTS AND EXPENSES.] The commissioner may order and the rating association shall pay the costs and expenses of any examination, audit, or evaluation conducted pursuant to subdivision 1. A sum sufficient to pay these costs and expenses is appropriated from the special compensation fund to the commissioner of commerce.

Sec. 24. [79.84] [MANUALS.]

Subdivision 1. [FILING REQUIRED.] On or before July 1, 1988, the association must file with the commissioner all underwriting and rating manuals which are used in the classification of risks and the calculation of rating plans, rates, and fees. The association must provide the commissioner with at least six copies of each manual. A copy of each manual filed shall also be provided to the commissioner of labor and industry.

The commissioner shall review the manuals and on or before October 1, 1988, approve or disapprove the manuals or any part thereof. Until the commissioner has approved or disapproved the manuals, they shall remain in force. As to any manual or part thereof that is not approved, a hearing pursuant to the contested case procedures of chapter 14 shall be held.

Until the conclusion of the contested case proceeding, the portions of the manuals that were not approved shall remain in force.

Subd. 2. [AMENDMENTS.] If the association amends a manual, the amendment shall not be effective until approved by the commissioner. The commissioner shall approve or disapprove any amendment within 90 days of filing. Any amendment not approved within 90 days shall be deemed to be disapproved. As to a disapproved amendment, the association may contest the disapproval pursuant to the contested case procedures of chapter 14.

Subd. 3. [BURDEN OF PROOF.] The burden of proof in a proceeding under this section shall be upon the party requesting the adoption of a manual or an amendment of a manual.

Subd 4. [COSTS.] The costs of the commissioner and the commissioner of labor and industry in regard to a contested case proceeding

under this section, including the costs of consultants, staff, and related costs, and costs billed by the attorney general's office shall be paid by the special compensation fund and assessed to the association and its members by the special compensation fund.

Subd. 5. [PUBLIC ACCESS.] Copies of all approved manuals must be made available to the public for inspection during regular business hours at the office of the association. Proposed manuals and amendments to manuals must be made available in the same manner.

Sec. 25. [79.85] [EXEMPTION.]

The rating association is not subject to sections 15.0597 and 471.705 and chapter 13 nor any other law or rule that pertains to a public body. For purposes of Minnesota law or rule, the association is not a public body.

Sec. 26. [79.86] [LICENSE; FEE.]

The association shall procure annually from the commissioner a license to carry on its business. The license shall run from July 1 to the last day of June. An annual license fee of \$100 must be paid at the time of filing application for license.

Sec. 27. [79.861] [ANNUAL STATEMENT.]

The association on or before March 1 each year shall file with the commissioner a statement covering its activities for the year ending on the preceding December 31. This report shall cover its financial transactions and other matters connected with its operation, including employee compensation and other specific expenditures as required by the commissioner. The commissioner shall prescribe the form of the report. The association and its members are subject to supervision and examination by the commissioner or any examiner authorized by the commissioner on such matters as the commissioner deems appropriate. Examination may be made as often as the commissioner deems necessary. A sum sufficient to pay the cost of all examinations is appropriated from the special compensation fund to the commissioner of commerce.

Sec. 28. [79.862] [ASSOCIATION SHALL MAKE CLASSIFICATION.]

The association shall, on behalf of its members, assign each compensation risk and subdivision thereof in this state to its proper classification. The determination as to the proper classification by the association shall be subject to the approval of the commissioner as provided in this chapter. The association shall, on behalf of all members thereof, inspect and make a written survey of each risk to

which the system of merit rating approved for use in this state is applicable. It shall, on behalf of all the members thereof, file with the commissioner its classification of risks and keep on file at the office of the association the written surveys of all risks inspected by it, which survey shall show the location and description of all items producing charges and credits, if any, and such other facts as are material in the writing of insurance thereon. It shall file any subsequent proposed classification or later survey and all rules and regulations which do or may affect the writing of these risks. The association classification shall be binding upon all insurers. The commissioner and the association and its representatives shall give all information as to classifications, rates, surveys, and other facts collected and intended for the common use of insurers subject to sections 10 to 36 to all these insurers at the same time. A copy of the complete survey by the association, with the approved classification and rates based thereon and the effective date thereof, shall be furnished to the insurer of record as soon as approved. The approved classification and rates upon a specific risk shall be furnished upon request to any other insurer upon the payment of a reasonable charge for the service. Every insurer shall promptly file with the association a copy of each payroll audit, which shall be checked by the association for correctness of classification and rate. The commissioner may require the association to file any such copy and may verify any payroll audit by a reaudit of the books of the employer or in such other manner as may appear most expedient. Upon written complaint stating facts sufficient to warrant action by it, the commissioner shall verify any payroll audit reported to the commissioner.

Sec. 29. [79.863] [INFORMATION.]

In addition to other information that the commissioner requests pursuant to section 10, the rating association shall: (a) separate the incurred but not reported losses of its members; (b) separate paid and outstanding losses of its members; (c) provide information indicating cases in which its members have established a reserve in excess of \$50,000; (d) provide information on the income on invested reserves of its members; and (e) provide information as to policies written at other than the filed rates. The rating association shall file information based solely on Minnesota premium income of its members concerning investment income, legal expenses, subrogation recoveries, administrative expenses, and commission expenses. The rating association shall file information based solely on Minnesota data concerning its members reserving practices, premium income, indemnity and medical benefit paid and lobbying expenses of its members. The rating association shall file an itemized breakdown of its lobbying expenses.

The commissioner shall consider this information in an appropriate manner in adopting a schedule of rates and shall decline to grant

a hearing pursuant to section 10 for purposes of considering a rate increase if the association fails to provide the information.

Sec. 30. [79.864] [RECORD; ASSOCIATION SHALL FURNISH INFORMATION.]

The association shall keep a careful record of its proceedings. It shall furnish, upon demand, to any employer whose workers' compensation risk has been surveyed, full information as to the survey, including the method of the computation and a detailed description and location of all items producing charges or credits. The association shall provide a means, approved by the commissioner for hearing any member or employer whose risk has been inspected, either in person or by a representative, before the governing or rating committee or other proper representatives with reference to any matter affecting the risk. Any insurer or employer may appeal from a decision of the association to the commissioner. The association shall make rules governing appeals, to be filed with and approved by the commissioner. The commissioner may require the association to file any information connected with its activities.

Sec. 31. [79.865] [INSURERS SHALL NOT DISCRIMINATE.]

No insurer shall make or charge any rate for workers' compensation insurance in this state which discriminates unfairly between risks or classes, or which discriminates unfairly between risks in the application of like charges and credits in the plan of merit or experience rating in use.

Sec. 32. [79.867] [RATES SHALL BE FILED.]

Every insurer writing workers' compensation insurance in this state, except as ordered by the commissioner, must file with the commissioner its rates for this compensation insurance and all additions or changes. All rates so filed must comply with the requirements of law and are not effective until approved by the commissioner. A rate which is filed and approved cannot be changed until 15 days after the substituted rate is filed and after approval by the commissioner.

Sec. 33. [79.868] [RATES TO BE UNIFORM; EXCEPTIONS.]

No insurer may write insurance at a rate above that established by the association and approved as reasonable by the commissioner. The association may reduce or increase a rate by the application to individual risks of the system of merit or experience rating which has been approved by the commissioner. This reduction or increase shall be set forth in the policy or by endorsement thereon. Upon written request, an insurer shall furnish a written explanation to the insured of how and why the individual rate was adjusted by



application of a system of merit or experience rating. This explanation shall be mailed to the insured within 30 days of the request.

Sec. 34. [79.869] [DUTIES OF COMMISSIONER.]

The commissioner of commerce shall require compensation insurers, or their agents, to file such reports as may be necessary for the purposes of sections 10 to 36 for use by the commissioner.

Sec. 35. [79.87] [VIOLATIONS; PENALTIES.]

In addition to any other penalties prescribed by law, any insurer, rating association, agent, or other representative or employee of any insurer or rating association that fails to comply with, violates any of the provisions of sections 10 to 36, or any order or ruling of the commissioner, shall be punished by a fine of not less than \$50 nor more than \$5,000. In addition, the license of any insurer, agent, or broker guilty of such violation may be revoked or suspended by the commissioner.

Sec. 36. [79.88] [RULEMAKING.]

Until July 1, 1989, the commissioner shall be exempt from the rulemaking provisions of chapter 14. The commissioner must comply with section 14.38, subdivision 7, when adopting rules to carry out the commissioner's duties assigned by this section. Any rules adopted pursuant to this exemption shall be subsequently adopted by a chapter 14 rules proceeding commencing no later than July 1, 1990.

Sec. 37. [OLD ASSOCIATION.]

Subdivision 1. [RECORDS DEPOSITED WITH THE COMMISSIONER.] All records of the rating association authorized by sections 79.61 and 79.62 or its predecessors pertaining to proceedings before the department of commerce or its predecessors regarding rates or classifications shall be deposited with the commissioner no later than the effective date of the repeal of sections 79.61 and 79.62.

Subd. 2. [ASSOCIATION ASSETS.] All assets of the rating association authorized by section 79.61 or 79.62 or its predecessors shall be transferred to the rating association established under section 19.

Sec. 38. [TRANSITION PROVISIONS; EMPLOYEES.]

Until January 1, 1989, initial appointment to the professional positions authorized by section 41 shall be deemed to be provisional or exceptional appointments as defined by section 43A.15, subdivisions 4 and 8, and the commissioner of employee relations must

authorize those appointments as requested by the commissioner of commerce or labor and industry. Upon request of the commissioner of commerce or labor and industry, the appointments under this section shall be considered an unusual employment condition as defined by section 43A.17, subdivision 3 and salaries may be set accordingly.

Sec. 39. [RULE SUPERSEDED.]

The security or bonding requirements of Minnesota Rules, part 2780.2700, shall continue in force but without any dollar limitations. The commissioner shall amend the rule as soon as possible to conform with this section. The amendment of the rule is not subject to chapter 14, except that the commissioner shall comply with section 14.38, subdivision 7.

Sec. 40. [LEGISLATIVE INTENT.]

It is the intent of the legislature in enacting Article 1 to reinstate the prior state law regarding rate regulation which was repealed effective January 1, 1984. Judicial and administrative decisions regarding the prior law shall be deemed to be applicable to Article 1 in the same manner as to the prior law.

Sec. 41. [APPROPRIATION.]

Subdivision 1. \$510,000 is appropriated from the special compensation fund to the department of commerce for the purpose of sections 10 to 38. The complement of the department of commerce is increased by nine positions.

Subd. 2. \$600,000 is appropriated from the special compensation fund to the department of labor and industry for the purpose of sections 10 to 38. The complement of the department of labor and industry is increased by ten positions.

Subd. 3. \$120,000 is appropriated from the special compensation fund to the attorney general for the purpose of sections 10 to 38. The complement of the attorney general is increased by three positions.

Sec. 42. [REPEALER.]

Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; and 79.62, are repealed.

Sec. 43. [EFFECTIVE DATE.]

Article 1 is effective the day following final enactment.

## ARTICLE 2

## MISCELLANEOUS

Section 1. Minnesota Statutes 1986, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, provided that the weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed ~~66 2/3~~ 80 percent of the ~~product of the daily wage times the number of days normally worked of the employee's spendable weekly earnings~~, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 2. Minnesota Statutes 1986, section 176.011, is amended by adding a subdivision to read:

Subd. 28. [SPENDABLE WEEKLY EARNINGS.] (a) "Spendable weekly earnings" means the employee's weekly wage, as defined by subdivision 18, reduced by both of the following:

(1) an amount equal to a prorated weekly amount which would have been withheld under state law and under the Internal Revenue Code of 1954, as amended, using the number of exemptions allowed for the employee and for actual dependents, old age, and blindness, to which the employee is entitled on the date of injury; and

(2) an amount equal to the weekly amount required to be withheld under the Social Security Act of 1935, as amended, from the earnings of the employee at the time of the injury as if the earnings were earned at the beginning of the calendar year in which the employee was injured.

(b) Each September 1, the commissioner of the department of labor and industry shall publish uniform tables of spendable weekly earnings, as defined in paragraph (a), using applicable state and federal tax laws in effect the preceding July 1. This table shall take effect October 1 and shall be conclusive for the purpose of converting a weekly wage into spendable weekly earnings during the following 12 months. The adoption of this table is exempt from the administrative rulemaking provisions of chapter 14.

Sec. 3. Minnesota Statutes 1986, section 176.081, subdivision 1, is amended to read:

Subdivision 1. (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent of the next \$27,500 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in clause (b). If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. Fees for administrative conferences under ~~section 176.242, 176.2421, 176.243, or 176.244~~ sections 176.106 and 176.239 shall be determined on an hourly basis, according to the criteria in subdivision 5.

(b) An attorney who is claiming legal fees ~~under this section~~ for a workers' compensation matter shall file a statement of attorney's fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee, employer, and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner, shall report the number of hours spent on the case, and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee.

If a timely objection is filed, or the fee is determined on an hourly basis, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5.

If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

(c) Attorneys representing employers and insurers may charge no more than \$6,500 per case, unless an additional fee is approved under subdivision 2. No fee shall be paid by the employer or insurer until a statement of attorney fees reporting the number of hours spent on the case and the amount of the fee being claimed has been filed with the commissioner.

Sec. 4. Minnesota Statutes 1987 Supplement, section 176.081, subdivision 2, is amended to read:

Subd. 2. An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by the commissioner, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested and the basis for the request and whether or not a hearing is requested. The application, with affidavit of service upon the employee parties, including the employer, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 5. Minnesota Statutes 1986, section 176.081, subdivision 3, is amended to read:

Subd. 3. ~~An employee who~~ Any party that is dissatisfied with attorney fees, may file an application for review by the workers' compensation court of appeals. Such application shall state the basis for the need of review and whether or not a hearing is requested. A copy of such application shall be served upon the attorney for the employee by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. ~~The attorney for the employee shall be served with a notice of the hearing.~~ The workers' compensation court of appeals shall have the authority to raise the question of the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 6. Minnesota Statutes 1986, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, the compensation is ~~66 $\frac{2}{3}$~~  80 percent of the spendable weekly wage earnings at the time of injury:

(1) provided that during the year commencing on October 1, 1979, and each year thereafter, commencing on October 1, the maximum weekly compensation payable is 130 percent of the statewide average weekly wage for the period ending December 31, of the preceding year.

(2) The minimum weekly compensation benefits for temporary total disability shall be not less than ~~50~~ 20 percent of the statewide average weekly wage or the injured employee's ~~actual~~ spendable weekly wage earnings, whichever is less. ~~In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

Subject to subdivisions 3a to 3u this compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be.

Sec. 7. Minnesota Statutes 1986, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] In all cases of temporary partial disability the compensation shall be ~~66 $\frac{2}{3}$~~  80 percent of the difference between the spendable weekly wage earnings of the employee at the time of injury and the wage spendable weekly earnings the employee is able to earn in the employee's partially disabled condition. This compensation shall be paid during the period of disability except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to 130 percent of the statewide average weekly wage.

Sec. 8. Minnesota Statutes 1986, section 176.101, subdivision 3a, is amended to read:

Subd. 3a. [ECONOMIC RECOVERY COMPENSATION.] If an employee is not eligible for an impairment award pursuant to subdivision 3b, then the employee shall receive economic recovery compensation for a permanent partial disability pursuant to this subdivision. The compensation shall be ~~66 $\frac{2}{3}$~~  80 percent of the spendable weekly wage earnings at the time of injury subject to a maximum equal to the statewide average weekly wage. For permanent partial disability up to the percent of the whole body in the following schedule the compensation shall be paid for the proportion

that the loss of function of the disabled part bears to the whole body multiplied by the number of weeks aligned with that percent.

Percent of disability	Weeks of compensation
0-25	600
26-30	640
31-35	680
36-40	720
41-45	760
46-50	800
51-55	880
56-60	960
61-65	1040
66-70	1120
71-100	1200

The percentage loss in all cases under this subdivision is determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. This subdivision applies to an injury which occurs on or after January 1, 1984.

Sec. 9. Minnesota Statutes 1986, section 176.101, subdivision 4, is amended to read:

Subd. 4. [PERMANENT TOTAL DISABILITY.] For permanent total disability, as defined in subdivision 5, the compensation shall be ~~66%~~ 80 percent of the daily wage spendable weekly earnings at the time of the injury, subject to a maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to the minimum weekly compensation for a temporary total disability. This compensation shall be paid during the permanent total disability of the injured employee but after a total of \$25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply to any old age and survivor insurance benefits. Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless there is wholly dependent on the employee for support some person named in section 176.111, subdivision 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though the employee were deceased.

Sec. 10. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services and may by emergency rules that shall remain in effect until September 30, 1991, establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 11. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has ~~60~~ 90 days of lost work time due to the personal injury, ~~except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury.~~ The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the ~~job~~ the employee held at the time of the injury ~~preinjury employer,~~ rehabilitation consultation shall be provided immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.

The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest.

The consultant shall also disclose to all parties any affiliation,



business referral or other arrangement between the consultant or the firm employing the consultant and any other party to the case, including any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

The employee may choose a different qualified rehabilitation consultant as follows:

(1) once during the first 60 days following the first in-person contact between the employee and the original consultant;

(2) once after the 60-day period referred to in clause (1); and

(3) subsequent requests shall be determined by the commissioner or compensation judge according to the best interests of the parties.

The employee and employer shall enter into a program if one is prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner.

(b) If the employer does not provide rehabilitation consultation as required by this section, the commissioner or compensation judge shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.

(c) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) The commissioner or compensation judge may waive rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 12. Minnesota Statutes 1987 Supplement, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. Any plan that is not completed within six months or that will cost more than \$3,600, must be specifically approved by the commissioner. This approval may not be waived by the parties.

Sec. 13. Minnesota Statutes 1986, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations, and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing, except that the medical fee rules promulgated on October 1, 1988, and based upon 1987 medical cost data, shall remain in effect until September 30, 1991. The commissioner may modify provisions of the medical fee rules other than the amount of the fees by emergency rules which shall remain in effect until September 30, 1991. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 14. Minnesota Statutes 1986, section 176.136, is amended by adding a subdivision to read:

Subd. 1a. [HOSPITAL CHARGES.] The commissioner shall by emergency rules which shall remain in effect until September 30, 1991, reasonably limit inpatient as well as outpatient hospital

charges. Hospital charges may be limited under subdivision 1 or by any other prudent, cost-effective method, or under both subdivision 1 and this subdivision.

Sec. 15. Minnesota Statutes 1986, section 176.136, is amended by adding a subdivision to read:

Subd. 1b. [CHARGES FOR INDEPENDENT MEDICAL EXAMINATIONS.] The commissioner shall adopt emergency rules that shall remain in effect until September 30, 1991, that reasonably limit amounts which may be charged for independent, adverse, or neutral medical examinations requested by any party.

Sec. 16. Minnesota Statutes 1986, section 176.136, subdivision 5, is amended to read:

Subd. 5. [PERMANENT RULES.] Where permanent rules have been adopted to implement this section, The commissioner shall annually give notice in the State Register of the 75th percentile to meet the requirements of subdivision 1. The notice shall be in lieu of the requirements of chapter 14 if the 75th percentile for the service data meets the requirements of paragraphs (a) to (e) (d).

(a) The data base includes at least three different providers of the service.

(b) The data base contains at least 20 billings for the service.

(c) The standard deviation as a percentage of the mean of billings for the service is 50 percent or less.

(d) The means of the Blue Cross and Blue Shield data base and of the department of human services data base for the service are within 20 percent of each other. The value of the 75th percentile is not greater than or equal to three times the value of the 25th percentile.

(e) The data is taken from the data base of Blue Cross and Blue Shield or the department of human services.

(d) If the commissioner identifies a problem with the data base such that the average fee does not logically reflect the usual and customary charge, then, upon consultation with the medical services review board, the commissioner may eliminate the category from the rules or adjust the rate to correct the inconsistency or error.

Sec. 17. Minnesota Statutes 1986, section 176.136, is amended by adding a subdivision to read:

Subd. 6. [LEGISLATIVE INTENT.] It is the intent of the legislature to control workers' compensation costs by limiting the amount workers' compensation insurers must pay for medical expenses. Given rapidly rising medical costs which have had a direct impact on the rise in workers' compensation costs in recent years, the legislature mandates that these costs must be controlled. Therefore, the legislature is conferring authority upon the commissioner to develop a means of limiting allowable medical and hospital charges.

Sec. 18. Minnesota Statutes 1987 Supplement, section 176.155, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER'S PHYSICIAN.] The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the department to order an examination at a location further from the petitioner's residence. The employee is entitled upon request to have a personal physician present at any such examination. Each party shall defray the cost of that party's physician. Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury, shall be made available, upon request and without charge, to the injured employee or representative of the employee. The employer shall pay reasonable travel expenses incurred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination. A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition.

No evidence relating to the examination or report shall be received or considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written extension has been granted by the commissioner or compensation judge. The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number

of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather addition information which was not included on the petition as required by section 176.291.

Sec. 19. Minnesota Statutes 1987 Supplement, section 176.194, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may, by rules adopted in accordance with chapter 14, specify additional unfair, misleading, deceptive, or fraudulent practices or conduct which are subject to the penalties under this section.

Sec. 20. Minnesota Statutes 1987 Supplement, section 176.194, is amended by adding a subdivision to read:

Subd. 6. [UNFAIR BUSINESS PRACTICES.] (a) An insurer, self-insurer, or other entity referred to in subdivision 1, causing or permitting with such frequency to indicate a general business practice any unfair, deceptive, or fraudulent act concerning any claim or complaint of an insured or claimant including, but not limited to, those practices enumerated under section 72A.20, subdivision 12, may be ordered by the commissioner to cease and desist from such practice immediately and may be assessed a civil penalty of \$2,000 for each offense.

(b) Any person who violates a cease and desist order of the commissioner under this section after it has become final, shall forfeit and pay to the special compensation fund a sum of \$10,000 for each violation. In addition, the commissioner of commerce may revoke or suspend the entity's license to write insurance or administer or adjust claims, or authority to self-insure in this state in accordance with the procedures in section 176.195.

(c) These penalties are in addition to any other penalties that may be imposed under chapter 176, or chapters 60 to 80. An order of the commissioner under this section shall become final as provided by section 72A.24.

Sec. 21. Minnesota Statutes 1986, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of appeals' review is limited to the issues raised by the parties in the notice of appeal or

by a cross-appeal. In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:

(1) grant an oral argument based on the record before the compensation judge;

(2) examine the record;

(3) substitute for the findings of fact made by the compensation judge findings based on the total evidence;

(4) sustain, reverse, make or modify an award or disallowance of compensation or other order based on the facts, findings, and law; and,

(5) summarily affirm without opinion the decision of the commissioner or compensation judge; and

(6) remand or make other appropriate order.

Sec. 22. Minnesota Statutes 1986, section 176.645, subdivision 2, is amended to read:

Subd. 2. [TIME OF FIRST ADJUSTMENT.] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 shall be deferred until the first anniversary of the date of the injury. For injuries occurring on or after October 1, 1988, the initial adjustment under subdivision 1 shall be deferred until the second anniversary of the date of injury.

Sec. 23. Minnesota Statutes 1986, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is ~~66%~~ 80 percent of the employee's spendable weekly wage earnings on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be eligible for supplementary benefits notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease if that employee's weekly compensation rate is less than the current supplementary benefit rate.

Sec. 24. Minnesota Statutes 1986, section 176.83, is amended by adding a subdivision to read:

Subd. 16. [EMERGENCY RULES EFFECTIVE DATES.] Notwithstanding sections 14.29 to 14.36, emergency rules authorized by sections 10, 13, 14, and 15, may be adopted beyond the 180-day

period referred to in section 14.29 and, once adopted, shall remain in effect until September 30, 1991.

Sec. 25. Minnesota Statutes 1986, section 176A.03, is amended by adding a subdivision to read:

Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue such coverage.

Sec. 26. [REPORTS TO THE LEGISLATURE; RECOMMENDATIONS ON MEDICAL ISSUES.]

The commissioner of labor and industry shall present a detailed report to the legislature before January 1, 1990, concerning medical cost issues in the workers' compensation system. The report shall also develop and evaluate a detailed proposal for establishing a system of neutral doctors for use in such areas as determining maximum medical improvement and rating permanent partial disabilities.

Sec. 27. [NEUTRAL QUALIFIED REHABILITATION CONSULTANTS.]

The commissioner shall develop a plan to assure neutrality of qualified rehabilitation consultants and shall consider alternative methods of selection of qualified rehabilitation consultants for injured workers. The commissioner shall report to the legislature by January 1, 1989, regarding the plan.

Sec. 28. [SUNSET OF WORKERS' COMPENSATION COVERAGE, INSURANCE, EXCLUSIVE REMEDY, AND BENEFITS.]

Minnesota Statutes 1986, sections 176.011, subdivisions 3, 4, 5, 8, 9a, 10, 11, 11a, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 176.021, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, and 9; 176.031; 176.041, subdivisions 2, 3, 5a, and 6; 176.051; 176.061; 176.071; 176.095; 176.101; 176.102, subdivisions 1, 1a, 5, 9, 11, and 11a; 176.104; 176.1041; 176.105; 176.111, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 9a, 10, 12, 14, 16, 18, and 20; 176.121; 176.132; 176.1321; 176.137; 176.165; 176.181, subdivisions 1, 2, 2a, 4, 5, 6, and 7; 176.183, subdivisions 1, 3, and 4; 176.185, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, and 10; 176.186; 176.201; 176.205; 176.211; 176.215; 176.645; and 176.66; and Minnesota Statutes 1987 Supplement, sections 176.011, subdivisions 2 and 9; 176.041, subdivisions 1, 1a, and 4; 176.1011; 176.102, subdivisions 4 and 8; 176.111, subdivisions 15, 17, and 21; 176.135, subdivisions 1 and 1a; 176.181, subdivision 3;

176.182; 176.183, subdivisions 1a and 2; 176.184; and 176.185, subdivision 5a, are repealed June 30, 1991.

Sec. 29. [EFFECTIVE DATE.]

Article 2 is effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating workers' compensation insurance; regulating costs for medical and rehabilitation services; limiting attorney fees; providing for the future repeal of certain benefits; regulating benefits; appropriating money; amending Minnesota Statutes 1986, sections 62I.07, 62I.21; 79.01, subdivision 1; 79.074, by adding subdivisions; 176.011, subdivision 18, and by adding a subdivision; 176.081, subdivisions 1 and 3; 176.101, subdivisions 1, 2, 3a, and 4; 176.136, subdivisions 1, 5, and by adding subdivisions; 176.421, subdivision 6; 176.645, subdivision 2; 176.66, subdivision 11; 176.83, by adding a subdivision; and 176A.03, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 62I.02, subdivision 1; 176.081, subdivision 2; 176.102, subdivisions 2, 4, and 6; 176.155, subdivision 1; and 176.194, subdivision 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62I and 79; repealing Minnesota Statutes 1986, sections 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 176.011, subdivisions 3, 4, 5, 8, 9a, 10, 11, 11a, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26; 176.021, subdivisions 1, 2, 3a, 4, 5, 6, 7, 8, and 9; 176.031; 176.041, subdivisions 2, 3, 5a, and 6; 176.051; 176.061; 176.071; 176.095; 176.101; 176.102, subdivisions 1, 1a, 5, 9, 11, and 11a; 176.104; 176.1041; 176.105; 176.111, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 8a, 9a, 10, 12, 14, 16, 18, and 20; 176.121; 176.132; 176.1321; 176.137; 176.165; 176.181, subdivisions 1, 2, 2a, 4, 5, 6, and 7; 176.183, subdivisions 1, 3, and 4; 176.185, subdivisions 1, 2, 3, 4, 5, 6, 7, 9, and 10; 176.186; 176.201; 176.205; 176.211; 176.215; 176.645; and 176.66; Minnesota Statutes 1987 Supplement, sections 176.011, subdivisions 2 and 9; 176.041, subdivisions 1, 1a, and 4; 176.1011; 176.102, subdivisions 4 and 8; 176.111, subdivisions 15, 17, and 21; 176.135, subdivision 1a; 176.181, subdivision 3; 176.182; 176.183, subdivisions 1a and 2; 176.184; and 176.185, subdivision 5a."

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

The report was adopted.



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

S. F. No. 63, A bill for an act relating to motor vehicles; providing that passenger automobile license plates be issued for a six-year period; providing for license, plate replacement fees; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5; repealing Minnesota Statutes 1986, section 168.12, 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 168.011, is amended by adding a subdivision to read:

Subd. 35. [LIMOUSINE.] "Limousine" means a passenger automobile for hire, other than a taxicab or a van, that is regularly engaged in the business of transporting persons and that has a rear seating capacity of not more than nine passengers.

Sec. 2. Minnesota Statutes 1986, section 168.12, subdivision 1, is amended to read:

Subdivision 1. [NUMBER PLATES; VISIBILITY, PERIODS OF ISSUANCE.] The registrar, upon the approval and payment, shall issue to the applicant the number plates required by law, bearing the state name and the number assigned. The number assigned may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned shall be in marked contrast. The plates shall be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the registrar, and when a vehicle is registered on the basis of total gross weight, the plates issued shall clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid. These number plates shall be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, these number plates, when viewed from a vehicle equipped with standard headlights, shall be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet. The registrar shall issue these number plates for the following periods:

(1) Number plates issued pursuant to sections 168.27, subdivisions 16 and 17, and 168.053 shall be for a one-year period;

(2) New number plates issued pursuant to section 168.012, subdivision 1, shall be issued to a vehicle for as long as it is owned by the

exempt agency and shall not be transferable from one vehicle to another but may be transferred with the vehicle from one tax exempt agency to another;

(3) Plates issued for passenger automobiles as defined in section 168.011, subdivision 7, ~~motorcycles, motorized bicycles, and motor scooters~~ shall be issued for a six-year period ~~starting not later than October 1986, or until the next general reissuance of plates every six years thereafter, whichever is less; and. All plates issued under this paragraph must be replaced if they are six years old or older at the time of annual registration.~~

(4) Plates for any vehicle not specified in ~~clauses~~ paragraphs (1), (2) and (3), except for trailers as hereafter provided, shall be issued for the life of the vehicle. Beginning with number plates issued for the year 1981, plates issued for trailers with a total gross weight of 3,000 pounds or less shall be issued for the life of the trailer and shall be not more than seven inches in length and four inches in width.

In a year in which plates are not issued, the registrar shall issue for each registration a tab or sticker to designate the year of registration. This tab or sticker shall show the calendar year or years for which issued, and is valid only for that period. The number plates, number tabs, or stickers issued for a motor vehicle may not be transferred to another motor vehicle during the period for which it is issued.

Notwithstanding any other provision of this subdivision, number plates issued to a vehicle which is used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The registrar shall be notified of each transfer of number plates under this paragraph, and may prescribe a form for notification.

Sec. 3. Minnesota Statutes 1986, section 168.12, subdivision 2a, is amended to read:

Subd. 2a. [PERSONALIZED LICENSE PLATES.] Personalized license plates must be issued to an applicant for registration of a passenger automobile, van, or pickup truck, motorcycle, or self-propelled recreational vehicle, upon compliance with the laws of this state relating to registration of the vehicle and upon payment of a fee of \$100 in addition to the registration tax required by law for the vehicle. In lieu of the numbers assigned as provided in subdivision 1, personalized license plates must have imprinted on them a series of not more than ~~six~~ seven numbers and letters in any combination. When an applicant has once obtained personalized plates, the applicant shall have a prior claim for similar personalized plates in the next succeeding year that plates are issued if application is made

for them at least 30 days before the first date that registration can be renewed. The commissioner of public safety shall adopt rules in the manner provided by chapter 14, regulating the issuance and transfer of personalized license plates. No words or combination of letters placed on personalized license plates may be used for commercial advertising, be of an obscene, indecent, or immoral nature, or be of a nature that would offend public morals or decency. The call signals or letters of a radio or television station are not commercial advertising for the purposes of this subdivision.

Notwithstanding the provisions of subdivision 1, personalized license plates issued under this subdivision may be transferred to another motor vehicle owned or jointly owned by the applicant, upon the payment of a fee of \$5, which must be paid into the state treasury and credited to the highway user tax distribution fund. The registrar may by rule provide a form for notification.

Notwithstanding any law to the contrary, if the personalized license plates are lost, stolen, or destroyed, the applicant may apply and shall receive duplicate license plates bearing the same combination of letters and numbers as the former personalized plates upon the payment of a \$5 fee.

~~The fee prescribed for personalized license plates must be paid only in those years in which the number plate itself is issued, and must not be payable in a year in which a year plate, tab, or sticker is issued in lieu of a number plate.~~

Fees from the sale of permanent and duplicate personalized license plates must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 4. Minnesota Statutes 1986, section 168.12, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL FEE.] In addition to any fee otherwise authorized or any tax otherwise imposed upon any motor vehicle, the payment of which is required as a condition to the issuance of any number license plate or plates, the commissioner of public safety may impose a fee of \$2 for a license plate for a motorcycle, motorized bicycle, or motorized sidecar, and ~~\$3~~ \$2 for license plates, other than license plates issued pursuant to section 168.27, subdivisions 16 and 17, for passenger automobiles; ~~provided that no fee is required for plates issued within one calendar year before a general reissuance of plates under subdivision 1.~~ Graphic design license plates shall only be issued for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

Sec. 5. [168.123] [VETERANS; SPECIAL LICENSE PLATE.]

Subdivision 1. [GENERAL REQUIREMENTS; FEES.] The registrar shall issue special license plates to an applicant who served in the active military service in a branch of the armed forces of the United States, was discharged under honorable conditions, and is an owner or joint owner of a motor vehicle included within the definition of a passenger automobile, on payment of a fee of \$10 for each set of two plates, payment of the registration tax required by law, and compliance with other laws relating to registration and licensing of motor vehicles and drivers. The additional fee of \$10 is payable for each set of plates, is payable only when the plates are issued, and is not payable in a year in which tabs or stickers are issued instead of number plates. An applicant must not be issued more than two sets of plates for vehicles owned or jointly owned by the applicant.

The veteran shall have a certified copy of the veteran's discharge papers, indicating character of discharge, at the time of application.

Subd. 2. [DESIGN.] The commissioner of veterans affairs shall design the special plates, subject to the approval of the registrar, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(c) For a veteran who served during World War I or World War II, the special plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number.

(d) For a veteran who served during the Korean Conflict, the

special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

Subd. 3. [NUMBER ESTIMATED.] The commissioner of veterans affairs shall estimate the number of special plates that will be required and submit the estimate to the registrar.

Subd. 4. [PLATE TRANSFERS.] On payment of a fee of \$5, plates issued under this section may be transferred to another motor vehicle owned or jointly owned by the person to whom the plates were issued.

Subd. 5. [FEES CREDITED.] Fees collected under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Subd. 6. [RULES.] The registrar may adopt rules under the administrative procedure act to govern the issuance and use of the special plates authorized by this section.

Sec. 6. Minnesota Statutes 1986, section 168.125, is amended to read:

168.125 [SPECIAL LICENSE PLATES FOR FORMER PRISONERS OF WAR.]

Subdivision 1. [SPECIAL PLATES; APPLICATION; FEE; TRANSFER ISSUANCE AND DESIGN.] The registrar shall issue special license plates bearing the inscription "EX-POW" to any applicant who is both a former prisoner of war and an owner or joint owner of a motor vehicle upon the applicant's compliance with all the laws of this state relating to the registration and licensing of motor vehicles and drivers. The special license plates shall be of a design and size to be determined by the commissioner. Plates bearing the "EX-POW" inscription may be issued for only one motor vehicle per applicant.

Application for issuance of these plates shall be made at the time of renewal or first application for registration. The application shall include a certification by the commissioner of veterans affairs that the applicant was a member of the military forces of the United States who was captured, separated, and incarcerated by an enemy of the United States during a period of armed conflict.

The applicant shall pay, in addition to the registration tax required by law, a fee of \$10 for the special license plates issued under this section, in an amount calculated by the commissioner to cover the cost of the license plates. The additional fee is payable only

when the plates are issued and no additional fee is payable in any year in which tabs or stickers are issued in lieu of number plates. All fees from the sale of the special license plates shall be paid into the state treasury and credited to the highway user tax distribution fund.

Notwithstanding the provisions of section 168.12, subdivision 1, the special license plates issued under this section may be transferred to another motor vehicle owned or jointly owned by the former prisoner of war upon the payment of a fee of \$5. This fee shall be paid into the state treasury and credited to the highway user tax distribution fund.

For purposes of this section, "motor vehicle" means a passenger automobile, station wagon, pickup truck, motorcycle, or recreational vehicle.

Subd. 2. [SPECIAL PLATE PLATES; EX-POW AND HANDICAPPED INSIGNIA.] The registrar shall issue special license plates bearing both the "EX-POW" and handicapped insignia to any applicant who is entitled to the special license plates provided under this section and who is also entitled to special license plates for the physically handicapped under section 168.021 upon compliance with the provisions of both sections. The special license plates shall be of a design and size to be determined by the commissioner.

Subd. 3. [RULES; COMMISSIONER OF PUBLIC SAFETY.] The commissioner of public safety may promulgate by rule, in accordance with the provisions of chapter 15 14, the procedures for issuance or transfer of the special license plates authorized under this section.

Subd. 4. [RULES; COMMISSIONER OF VETERANS AFFAIRS.] The commissioner of veterans affairs shall promulgate by rule, in accordance with the provisions of chapter 14, establish the procedure for obtaining the certification of former prisoner of war status.

Subd. 5. [SAVINGS PROVISION.] Nothing in this section shall alter the exemption for disabled war veterans provided for in section 168.031.

Sec. 7. [168.1261] [LIMOUSINE; LICENSE PLATES.]

Subdivision 1. [UNIQUE REGISTRATION CATEGORY.] A unique vehicle registration category is established for limousines as defined in section 1.

Subd. 2. [LICENSE PLATES.] The registrar shall issue limousine license plates upon the applicant's compliance with laws relating to registration and licensing of motor vehicles and drivers. The appli-

cant must provide the registrar with proof that the passenger automobile license tax and a \$10 fee have been paid for each limousine receiving limousine license plates. The limousine license plates must be designed to specifically identify the vehicle as a limousine. Limousine license plates may not be transferred upon sale of the limousine, but may be transferred to another limousine owned by the same person upon notifying the registrar and paying a \$5 transfer fee.

Subd. 3. [INSURANCE.] The application must include a certificate of insurance verifying that a valid commercial insurance policy is in effect and giving the name of the insurance company and the number of the insurance policy. The policy must provide stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is granted, of not less than \$100,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than \$300,000 because of injury to two or more persons in any one accident. The insurance company must notify the commissioner if the policy is canceled or if the policy no longer provides the coverage required by this subdivision.

Sec. 8. Minnesota Statutes 1986, section 169.71, subdivision 4, is amended to read:

Subd. 4. No person shall drive or operate any motor vehicle required to be registered in the state of Minnesota upon any street or highway under the following conditions:

(a) when the windshield is composed of, covered by, or treated with any material which has the effect of making the windshield more reflective or in any other way reducing light transmittance through the windshield;

(b) when any window on the vehicle is composed of, covered by, or treated with any material that has a highly reflective or mirrored appearance;

(c) when any side window or rear window is composed of or treated with any material so as to obstruct or substantially reduce the driver's clear view through the window or has a light transmittance of less than 50 percent plus or minus three percent in the visible light range or a luminous reflectance of more than 20 percent plus or minus three percent; or

(d) when any material has been applied after August 1, 1985, to any motor vehicle window without an accompanying permanent marking which indicates the percent of transmittance and the percent of reflectance afforded by the material. The marking must be in a manner so as not to obscure vision and be readable when installed on the vehicle.

This subdivision does not apply to glazing materials which:

(a) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in conformance with Federal Motor Vehicle Safety Standard 205;

(b) ~~were~~ are required to satisfy prescription needs of the driver of the vehicle ~~and if~~ and if the driver is in possession of ~~such~~ the prescription; or

(c) ~~were~~ are applied to:

(1) the rear windows of a pickup truck as defined in section 168.011, subdivision 29, ~~or to;~~

(2) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.011, subdivision 28, ~~or;~~

(3) the side and rear windows of any a vehicle used to transport human remains by a funeral establishments establishment holding a permit under the provisions of section 149.08; or

(4) the side and rear windows of a limousine as defined in section 1.

#### Sec. 9. [TRANSITION.]

Passenger automobile license plates issued under Minnesota Statutes, section 168.12, subdivision 1, paragraph (3), before the effective date of this section must be replaced during the sixth year after they were issued.

#### Sec. 10. [APPROPRIATION.]

\$108,500 is appropriated from the highway user tax distribution fund to the commissioner of public safety for the purpose of implementing sections 1 to 9.

#### Sec. 11. [REPEALER.]

Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4, are repealed.

#### Sec. 12. [EFFECTIVE DATE.]

Sections 2, 3, and 9 are effective January 1, 1989."



Delete the title and insert:

“A bill for an act relating to motor vehicles; providing for replacement of passenger automobile plates every six years; providing for fees for personalized license plates; providing for license plate replacement fees; authorizing special license plates for Pearl Harbor survivors and Vietnam-era veterans; providing for fees for Ex-POW license plates; providing for special license plates for limousines; appropriating money; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; 168.12, subdivisions 1, 2a, and 5; 168.125; and 169.71, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 168; repealing Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4.”

With the recommendation that when so amended the bill pass.

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 89, 926, 1164, 1403, 1821, 1890, 1953, 2151, 2238, 2245, 2306, 2400, 2429 and 2605 were read for the second time.

## **SECOND READING OF SENATE BILLS**

S. F. Nos. 2367, 2358, 2264, 1607, 2134, 1717, 1713 and 63 were read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

DeRaad introduced:

H. F. No. 2780, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 424A.

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

Olsen, S.; Anderson, R.; Burger; Ozment and Tompkins introduced:

H. F. No. 2781, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 424A.

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

Frerichs, Sviggum and Redalen introduced:

H. F. No. 2782, A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 424A.

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

Price; Carlson, L.; Haukoos; Boo and Jaros introduced:

H. F. No. 2783, A bill for an act relating to education; establishing a legislative commission on higher education; defining duties; specifying membership; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Tjornhom, Heap and Shaver introduced:

H. F. No. 2784, A bill for an act relating to elections; allowing the spouse of a voter in need of assistance to help without taking an oath of eligibility; amending Minnesota Statutes 1986, section 204C.15, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

**HOUSE ADVISORIES**

The following House Advisories were introduced:

Solberg, Orenstein, Kelly, Wagenius and Seaberg introduced:

H. A. No. 69, A proposal to study human rights complaints based on comparable worth decisions.

The advisory was referred to the Committee on Governmental Operations.

Kalis introduced:

H. A. No. 70, A proposal to study the feasibility and desirability of granting powers to counties to establish economic development authorities.

The advisory was referred to the Committee on Economic Development and Housing.

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1766, A bill for an act relating to local government; making explicit the power of towns to take certain action at a special meeting; amending Minnesota Statutes 1986, section 477A.018, subdivision 1.

H. F. No. 1816, A bill for an act relating to traffic regulations; requiring motor vehicle lessors to provide child passenger restraints on request; amending Minnesota Statutes 1987 Supplement, section 169.685, subdivision 6.

H. F. No. 1926, A bill for an act relating to emergency services; permitting political subdivisions to authorize aid under certain conditions; amending Minnesota Statutes 1986, section 12.27, by adding a subdivision.

H. F. No. 2056, A bill for an act relating to state lands; requiring corrective deed to be issued to Basilica of St. Mary of Minneapolis for state lands authorized to be conveyed to Basilica of St. Mary's, Inc.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2045, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Minne moved that the House concur in the Senate amendments to H. F. No. 2045 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2045, A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

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

The question was taken on the repassage of the bill and the roll was called. There were 119 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Battaglia	Dille	Kalis	Minne	Peterson
Bauerly	Dorn	Kelly	Morrison	Poppenhagen
Beard	Forsythe	Kinkel	Murphy	Price
Begich	Frederick	Kludt	Nelson, C.	Quinn
Bennett	Greenfield	Knickerbocker	Nelson, D.	Quist
Bertram	Gruenes	Knuth	Nelson, K.	Redalen
Bishop	Hartle	Kostohryz	O'Connor	Reding
Blatz	Haukoos	Krueger	Ogren	Rest
Boo	Heap	Larsen	Olsen, S.	Rice
Brown	Himle	Lasley	Olson, E.	Richter
Burger	Hugoson	Lieder	Olson, K.	Riveness
Carlson, L.	Jacobs	Long	Omman	Rodosovich
Carruthers	Jaros	Marsh	Onnen	Rose
Clausnitzer	Jefferson	McEachern	Orenstein	Rukavina
Cooper	Jensen	McKasy	Osthoff	Sarna
Dauner	Johnson, A.	McLaughlin	Otis	Schafer
Dawkins	Johnson, R.	McPherson	Pappas	Scheid
Dempsey	Johnson, V.	Milbert	Pauly	Schreiber
DeRaad	Kahn	Miller	Pelowski	Seaberg

Segal	Stanis	Tompkins	Vellenga	Wenzel
Simoneau	Steensma	Trimble	Voss	Winter
Skoglund	Svigum	Tunheim	Wagenius	Wynia
Solberg	Swenson	Uphus	Waltman	Spk. Vanasek
Sparby	Thiede	Valento	Welle	

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

Mr. Speaker:

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

H. F. No. 1740, A bill for an act relating to criminal sexual conduct; clarifying the definition of "consent"; amending Minnesota Statutes 1986, section 609.341, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Vellenga moved that the House concur in the Senate amendments to H. F. No. 1740 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1740, A bill for an act relating to criminal sexual conduct; clarifying the definition of "consent"; amending Minnesota Statutes 1986, section 609.341, subdivision 4.

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

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Clark	Haukoos	Kelso	McLaughlin
Battaglia	Clausnitzer	Heap	Kinkel	McPherson
Bauerly	Cooper	Himle	Kludt	Milbert
Beard	Dauner	Hugoson	Knickerbocker	Miller
Begich	Dawkins	Jacobs	Knuth	Minne
Bennett	DeBlieck	Jaros	Kostohryz	Morrison
Bertram	Dempsey	Jennings	Krueger	Munger
Bishop	DeRaad	Jensen	Larsen	Murphy
Blatz	Dille	Johnson, A.	Lasley	Nelson, C.
Boo	Dorn	Johnson, R.	Lieder	Nelson, D.
Brown	Forsythe	Johnson, V.	Long	Nelson, K.
Burger	Frederick	Kahn	Marsh	O'Connor
Carlson, L.	Gruenes	Kalis	McEachern	Ogren
Carruthers	Hartle	Kelly	McKasy	Olsen, S.

Olson, E.	Peterson	Rose	Solberg	Vellenga
Olson, K.	Poppenhagen	Rukavina	Sparby	Voss
Omann	Price	Sarna	Stanius	Wagenius
Onnen	Quinn	Schafer	Steensma	Waltman
Orenstein	Redalen	Scheid	Sviggum	Welle
Osthoff	Reding	Schreiber	Swenson	Wenzel
Otis	Rest	Seaberg	Tompkins	Winter
Ozment	Rice	Segal	Trimble	Wynia
Pappas	Richter	Shaver	Tunheim	Spk. Vanasek
Pauly	Riveness	Simoneau	Uphus	
Pelowski	Rodosovich	Skoglund	Valento	

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

### CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Voss requested immediate consideration of H. F. Nos. 1796 and 1865 and S. F. Nos. 678 and 852.

H. F. No. 1796 was reported to the House.

Bauerly, Rest, Voss, Lieder and Beard moved to amend H. F. No. 1796, the second engrossment, as follows:

Page 2, after line 8, insert:

“(c) “Commissioner” means the commissioner of trade and economic development.”

Page 2, line 9, delete “(c)” and insert “(d)”

Page 2, line 11, delete “(d)” and insert “(e)”

Page 2, line 14, delete “(e)” and insert “(f)”

Page 2, line 23, delete “(f)” and insert “(g)”

Page 3, line 35, after the period insert “The county must submit the capital improvement plan to the community development division of the department of trade and economic development. The plan is not effective if the commissioner disapproves the plan within 90 days after it was submitted. If the commissioner has not disapproved the plan within 90 days after its submission, the plan is deemed approved and effective. The commissioner shall disapprove a capital improvement plan only if the commissioner determines (1) that the planned improvements cannot be financed within the limits specified in subdivision 4, or (2) the county in preparing the plan did not consider the factors listed in subdivision 3 or failed to gather the

information necessary to evaluate the plan under the factors, or (3) the proposed improvements will result in unnecessary duplication of public facilities provided by other units of government in the region or there is insufficient demand for the facility. If the plan is disapproved by the commissioner and the county board does not withdraw the plan, the capital improvement plan must be submitted to the voters for approval. If a majority of the voters approve, the plan is approved and effective."

A roll call was requested and properly seconded.

The question was taken on the Bauerly et al amendment and the roll was called. There were 83 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jacobs	Lasley	Pappas	Stanius
Battaglia	Jaros	Lieder	Pelowski	Steenma
Bauerly	Jefferson	Long	Peterson	Swenson
Beard	Jensen	McEachern	Price	Tompkins
Begich	Johnson, A.	McKasy	Quinn	Trimble
Bertram	Johnson, R.	McLaughlin	Reding	Tunheim
Brown	Johnson, V.	Milbert	Rest	Uphus
Carlson, L.	Kahn	Minne	Rice	Vellenga
Carruthers	Kalis	Munger	Riveness	Voss
Clark	Kelly	Murphy	Rodosovich	Wagenius
Cooper	Kelso	Nelson, C.	Rukavina	Welle
Dauner	Kinkel	Nelson, D.	Sarna	Wenzel
Dawkins	Kludt	Nelson, K.	Seaberg	Winter
DeBlick	Knuth	Ogren	Segal	Wynia
Dorn	Kostohryz	Olson, K.	Simoneau	Spk. Vanasek
Greenfield	Krueger	Orenstein	Skoglund	
Gruenes	Larsen	Otis	Sparby	

Those who voted in the negative were:

Anderson, R.	Dille	Knickerbocker	Omann	Schafer
Bennett	Frederick	Marsh	Onnen	Scheid
Bishop	Frerichs	McDonald	Osthoff	Schreiber
Blatz	Gutknecht	McPherson	Pauly	Shaver
Boo	Haukoos	Miller	Poppenhagen	Solberg
Burger	Heap	Neuenschwander	Quist	Sviggunn
Clausnitzer	Himle	O'Connor	Redalen	Thiede
Dempsey	Hugoson	Olsen, S.	Richter	Tjornhom
DeRaad	Jennings	Olson, E.	Rose	Valento
				Waltman

The motion prevailed and the amendment was adopted.

Thiede moved to amend H. F. No. 1796, the second engrossment, as amended, as follows:

Page 2, line 29, delete "three-fifths of the members"

Page 2, delete line 30

Page 2, line 31, delete “bonds must be approved by vote of at least”

A roll call was requested and properly seconded.

The question was taken on the Thiede amendment and the roll was called. There were 44 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Hugoson	Onnen	Seaberg
Bennett	Frederick	Jennings	Ozment	Shaver
Bishop	Frerichs	Knickerbocker	Pauly	Stanius
Blatz	Gruenes	Marsh	Poppenhagen	Sviggum
Boo	Gutknecht	McDonald	Quist	Swenson
Burger	Hartle	McKasy	Redalen	Thiede
Dempsey	Haukoos	McPherson	Rose	Tjornhom
DeRaad	Heap	Olsen, S.	Schafer	Valento
Dille	Himle	Omann	Schreiber	

Those who voted in the negative were:

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

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

Knickerbocker and Tjornhom moved to amend H. F. No. 1796, the second engrossment, as amended, as follows:

Page 2, line 8, after “qualify.” insert ““Capital improvement” does not include light rail transit or any activity related to it.”

A roll call was requested and properly seconded.

The question was taken on the Knickerbocker and Tjornhom amendment and the roll was called. There were 73 yeas and 48 nays as follows:

Those who voted in the affirmative were:



Anderson, R.	Forsythe	Kludt	O'Connor	Seaberg
Battaglia	Frederick	Knickerbocker	Omann	Shaver
Bennett	Frerichs	Kostohryz	Onnen	Stanius
Bishop	Gruenes	Krueger	Ozment	Steensma
Blatz	Gutknecht	Long	Pauly	Sviggum
Boo	Hartle	Marsh	Poppenhagen	Swenson
Burger	Haukoos	McDonald	Price	Thiede
Carlson, L.	Heap	McEachern	Quist	Tjornhom
Clausnitzer	Himle	McKasy	Redalen	Tompkins
Cooper	Hugoson	McPherson	Reding	Uphus
Dawkins	Jennings	Miller	Rest	Valento
Dempsey	Johnson, A.	Morrison	Richter	Waltman
DeRaad	Johnson, R.	Murphy	Rose	Wenzel
Dille	Kahn	Nelson, C.	Schafer	
Dorn	Kelso	Neuenschwander	Schreiber	

Those who voted in the negative were:

Bauerly	Johnson, V.	Minne	Pelowski	Trimble
Beard	Kalis	Nelson, D.	Peterson	Tunheim
Begich	Kelly	Nelson, K.	Quinn	Vellenga
Bertram	Kinkel	Olsen, S.	Sarna	Voss
Brown	Knuth	Olson, E.	Scheid	Welle
Carruthers	Larsen	Olson, K.	Segal	Winter
Dauner	Lasley	Orenstein	Simoneau	Wynia
DeBleck	Lieder	Osthoff	Skoglund	Spk. Vanasek
Jacobs	McLaughlin	Otis	Solberg	
Jefferson	Milbert	Pappas	Sparby	

The motion prevailed and the amendment was adopted.

H. F. No. 1796, A bill for an act relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies; amending Minnesota Statutes 1986, sections 373.25, subdivision 1; 475.52, subdivision 3; and 475.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 373.

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 88 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Battaglia	Dorn	Kelly	McLaughlin	Omann
Bauerly	Greenfield	Kelso	Milbert	Orenstein
Beard	Gruenes	Kinkel	Minne	Otis
Begich	Hugoson	Kludt	Morrison	Ozment
Bertram	Jacobs	Knuth	Munger	Pappas
Brown	Jaros	Kostohryz	Murphy	Peterson
Carlson, L.	Jefferson	Krueger	Nelson, C.	Price
Carruthers	Jensen	Larsen	Nelson, D.	Quinn
Cooper	Johnson, A.	Lasley	Nelson, K.	Reding
Dauner	Johnson, R.	Lieder	Neuenschwander	Rest
Dawkins	Johnson, V.	Long	O'Connor	Rice
DeBleck	Kahn	McEachern	Ogner	Riveness
Dille	Kalis	McKasy	Olson, E.	Rodosovich

Rukavina	Simoneau	Swenson	Vellenga	Winter
Sarna	Skoglund	Tompkins	Voss	Wynia
Seaberg	Solberg	Trimble	Wagenius	Spk. Vanasek
Segal	Sparby	Tunheim	Welle	
Shaver	Steensma	Uphus	Wenzel	

Those who voted in the negative were:

Anderson, R.	Forsythe	Knickerbocker	Pauly	Stanius
Bennett	Frederick	Marsh	Pelowski	Sviggum
Bishop	Frerichs	McDonald	Poppenhagen	Thiede
Blatz	Gutknecht	McPherson	Quist	Tjornhom
Boo	Hartle	Miller	Redalen	Valento
Burger	Haukoos	Olsen, S.	Richter	Waltman
Clausnitzer	Heap	Olson, K.	Rose	
Dempsey	Himle	Onnen	Scheid	
DeRaad	Jennings	Osthoff	Schreiber	

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

H. F. No. 1865, A bill for an act relating to the town of White Bear; authorizing the town of White Bear to establish an economic development authority; giving the town of White Bear the powers of a city with respect to the authority.

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

The bill was passed and its title agreed to.

S. F. No. 678, A bill for an act relating to natural resources; authorizing Rice Creek watershed district to increase the administrative fund amount.

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

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Osthoff	Scheid	Schreiber	Valento
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The bill was passed and its title agreed to.

S. F. No. 852, A bill for an act relating to taxes; exempting from gasoline excise tax propane fuel for vehicles operating under permit; amending Minnesota Statutes 1986, sections 296.01, subdivision 25; 296.02, subdivision 1a; 296.025, subdivision 1a; 296.026; and 296.028.

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	Onnen	Segal
Anderson, R.	Greenfield	Larsen	Orenstein	Shaver
Battaglia	Gruenes	Lasley	Osthoff	Simoneau
Bauerly	Gutknecht	Lieder	Ozment	Skoglund
Beard	Hartle	Long	Pappas	Solberg
Begich	Haukoos	Marsh	Pauly	Sparby
Bennett	Heap	McDonald	Pelowski	Stanius
Bertram	Himle	McEachern	Peterson	Steensma
Bishop	Hugoson	McKasy	Poppenhagen	Sviggum
Blatz	Jacobs	McLaughlin	Price	Swenson
Boo	Jaros	McPherson	Quinn	Thiede
Brown	Jefferson	Milbert	Quist	Tjornhom
Burger	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	Nelson, D.	Rodosovich	Voss
Dawkins	Kelly	Nelson, K.	Rose	Wagenius
DeBlieck	Kelso	Neuenschwander	Rukavina	Waltman
Dempsey	Kinkel	O'Connor	Sarna	Welle
DeRaad	Kludt	Ogren	Schafer	Wenzel
Dille	Knickerbocker	Olsen, S.	Scheid	Winter
Dorn	Knuth	Olsen, K.	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Omamm	Seaberg	

The bill was passed and its title agreed to.

#### MOTIONS FOR RECONSIDERATION

O'Connor moved that the vote whereby H. F. No. 453 was passed on Thursday, March 17, 1988, be now reconsidered. The motion prevailed.

O'Connor moved that the action whereby H. F. No. 453 was given its third reading on Thursday, March 17, 1988, be now reconsidered. The motion prevailed.

H. F. No. 453 was reported to the House.

Simoneau moved to amend H. F. No. 453, the second engrossment, as follows:

Page 2, after line 36, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 352.116, is amended by adding a subdivision to read:

Subd. 2a. [NORMAL RETIREMENT UNDER THE RULE OF 90.]

Any person whose attained age plus credited allowable service totals 90 years shall be entitled upon termination of active service and application to a normal retirement annuity provided in section 352.115, without any reduction in the amount of the annuity by reason of the early retirement.

Sec. 3. Minnesota Statutes 1986, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (1) The formula retirement annuity hereunder shall be computed in accordance with the applicable provisions of the formula stated in clause (2) hereof on the basis of each member's average salary for the period of the member's formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used will be those percentages in each formula as continued for the respective years of service from one formula to the next.

For all years of formula service credit "average salary" for the purpose of determining the member's retirement annuity means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511 for the highest five successive years of formula service credit provided however that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments.

(2) The average salary as defined in clause (1), multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

(3) Except as provided in clause (4), where any member retires prior to age 65 under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in this subdivision and subdivision 7, reduced by one-half of one percent for each month that the member is under age 65 to and including age 60 and reduced by one-fourth of one percent for each month under age 60 at the time of retirement except that for any member who has 30 or more years of allowable service credit,

the reduction shall be applied only for each month which the member is under age 62.

(4) Any member whose attained age plus credited allowable service totals 90 years shall be entitled upon termination of active service and application to a normal retirement annuity provided in clauses (1) and (2) without any reduction in the amount of the annuity by reason of early retirement.

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing early unreduced retirement under the rule of 90 for the Minnesota state retirement system and the teachers retirement association; amending Minnesota Statutes 1986, section 354.44, subdivision 6; Minnesota Statutes 1987 Supplement, section 352.116, by adding a subdivision;"

A roll call was requested and properly seconded.

Sviggum moved to amend the Simoneau amendment to H. F. No. 453, the second engrossment, as follows:

Page 1, after line 11, insert:

"Sec. 3. Minnesota Statutes 1987 Supplement, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund must be equal to ~~3.73~~ 3.88 percent of salary, beginning with the first full pay period after ~~June 30, 1984~~ 1988. These contributions must be made by deduction from salary as provided in subdivision 4.

Sec. 4. Minnesota Statutes 1987 Supplement, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] The employer contribution to the fund must be equal to ~~3.90~~ 4.05 percent of salary beginning with the first full pay period after ~~June 30, 1984~~ 1988.

Sec. 5. Minnesota Statutes 1986, section 354.42, subdivision 2, is amended to read:

Subd. 2. The employee contribution to the fund shall be an amount equal to ~~4½~~ 4.74 percent of the salary of every coordinated member and ~~8½~~ 8.74 percent of the salary of every basic member. This contribution shall be made by deduction from salary. Where any portion of a member's salary is paid from other than public funds,

such member's employee contribution shall be based on the entire salary received. For purposes of financing the various options related to the variable annuity division, employee variable annuity contributions will be credited in accordance with section 354.62, subdivision 2.

Sec. 6. Minnesota Statutes 1986, section 354.42, subdivision 3, is amended to read:

Subd. 3. The employer contribution to the fund shall be an amount equal to  $4\frac{1}{2}$  4.74 percent of the salary of each coordinated member and  $8\frac{1}{2}$  8.74 percent of the salary of each basic member. This contribution shall be made in the manner provided in section 354.43. For purposes of financing the various options related to the variable annuity division, employer contributions equal to the employee variable annuity contributions prescribed in section 354.62, subdivision 2, shall be allocated at the same time to the employer variable annuity contribution account in section 354.62, subdivision 3."

Renumber the remaining section in sequence

Page 2, line 36, after the semicolon insert "increasing employer and employee contributions to pay the cost;"

Page 2, line 36, delete "section" and insert "sections 354.42, subdivisions 2 and 3; and"

Page 3, line 1, delete "section" and insert "sections 352.04, subdivisions 2 and 3; and"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 18 yeas and 108 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	McDonald	Rodosovich	Swenson	Waltman
Burger	McPherson	Sarna	Thiede	Welle
Frerichs	Redalen	Schafer	Uphus	
Himle	Richter	Sviggum	Valento	

Those who voted in the negative were:

Anderson, R.	Blatz	Cooper	Dorn	Heap
Battaglia	Boo	Dauner	Forsythe	Hugoson
Bauerly	Brown	Dawkins	Frederick	Jacobs
Begich	Carlson, D.	DeBlieck	Greenfield	Jaros
Bennett	Carlson, L.	Dempsey	Gruenes	Jefferson
Bertram	Carruthers	DeRaad	Gutknecht	Jensen
Bishop	Clark	Dille	Hartle	Johnson, A.

Johnson, R.	Marsh	Ogren	Quinn	Stanisus
Kahn	McEachern	Olsen, S.	Quist	Steensma
Kalis	McKasy	Olson, E.	Reding	Tjornhom
Kelly	McLaughlin	Olson, K.	Rest	Tompkins
Kelso	Milbert	Omman	Rice	Trimble
Kinkel	Miller	Onnen	Rivenness	Tunheim
Kludt	Minne	Orenstein	Rukavina	Vellenga
Knickerbocker	Morrison	Osthoff	Scheid	Voss
Knuth	Munger	Otis	Seaberg	Wagenius
Kostohryz	Murphy	Ozment	Segal	Wenzel
Krueger	Nelson, C.	Pappas	Shaver	Winter
Larsen	Nelson, D.	Pauly	Simoneau	Wynia
Lasley	Nelson, K.	Pelowski	Skoglund	Spk. Vanasek
Lieder	Neuenschwander	Peterson	Solberg	
Long	O'Connor	Price	Sparby	

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

The question recurred on the Simoneau amendment and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

Greenfield moved to amend H. F. No. 453, the second engrossment, as amended by the Simoneau amendment, as follows:

Page 4, after line 19 insert:



"Sec. 4. Minnesota Statutes 1986, section 354A.23, is amended by adding a subdivision to read:

Subd. 4. [NORMAL RETIREMENT UNDER THE RULE OF 90.] Notwithstanding section 354A.12, subdivision 4, or anything to the contrary in the articles or bylaws of the Minneapolis teachers retirement fund association, any basic member of that association whose age plus credited allowable service totals 90 years shall be entitled upon termination of active service and application, to a normal retirement annuity provided in the articles and bylaws without any reduction in the amount of the annuity by reason of early retirement.

Sec. 5. Minnesota Statutes 1987 Supplement, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] Except as provided in subdivision 7, upon retirement at an age prior to age 65 with five years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by one-half of one percent for each month that the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one-fourth of one percent for each month that the coordinated member is under the age of 60.

Sec. 6. Minnesota Statutes 1986, section 354A.31, is amended by adding a subdivision to read:

Subd. 7. [NORMAL RETIREMENT UNDER THE RULE OF 90.] Notwithstanding section 354A.12, subdivision 4, or any charter or bylaw provision of the Minneapolis teachers retirement fund association to the contrary, any coordinated member of that association whose attained age plus credited allowable service totals 90 years shall be entitled upon termination of active service and application to a normal retirement annuity provided in subdivision 4 without any reduction in the amount of the annuity by reason of early retirement.

Sec. 7. [MINNEAPOLIS TEACHERS PARTICIPATING ANNUITY; EXTENSION TO CERTAIN RETIREES.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the Minneapolis teachers retirement fund association to amend its articles of incorporation to permit annual participating annuity adjustments under article IX, subsection (19), to be applied, effective January 1, 1989, to minimum normal retirement annuities payable to eligible recipients under

article IX, subsection (14), as amended pursuant to Laws 1987, chapter 372, article 3, section 1, paragraph (f).

Sec. 8. [EFFECTIVE DATE.]

Sections 4 to 6 are effective July 1, 1988. Section 7 is effective the day after final enactment."

Renumber the sections in order

Correct the cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Heap offered an amendment to H. F. No. 453, the second engrossment, as amended.

Pursuant to Article IV, Section 23 of the Constitution of the State of Minnesota, the Speaker ruled the amendment out of order.

H. F. No. 453, A bill for an act relating to state investments; limiting investments in companies doing business in Northern Ireland; protecting public pension investment policy; authorizing early unreduced retirement under the rule of 90 for the Minnesota state retirement system and the teachers retirement association; amending Minnesota Statutes 1986, section 354.44, subdivision 6; 354A.23, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 352.116, by adding a subdivision; 354A.31, subdivision 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 11A.

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

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

Those who voted in the affirmative were:

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

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

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

### SPECIAL ORDERS

H. F. No. 2115 was reported to the House.

McLaughlin moved that H. F. No. 2115 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2155, A bill for an act relating to natural resources; revising provisions relating to the Heartland Trail; establishing the Paul Bunyan Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 12, and by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

Nelson, K.

The bill was passed and its title agreed to.

H. F. No. 2441 was reported to the House.

Kelso moved that H. F. No. 2441 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2524, A bill for an act relating to local government; including certain parcels in a tax increment financing district located in the city of Virginia.

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

Vellenga  
Voss

Wagenius  
Waltman

Welle  
Wenzel

Winter  
Wynia

Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1794 was reported to the House.

DeBlieck moved that H. F. No. 1794 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 1971 was reported to the House.

Gruenes and Vellenga moved to amend H. F. No. 1971, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 525.54, subdivision 1, is amended to read:

Subdivision 1. [ADULTS SUBJECT TO GUARDIANSHIP AND CONSERVATORSHIP.] Upon petition as provided in this chapter, the court, if satisfied of the need therefor, may appoint one or ~~two~~ more persons suitable and competent to discharge the trust as guardians of the person or estate or of both or as conservators of the person or the estate or of both, of any incapacitated person.

Sec. 2. Minnesota Statutes 1986, section 525.544, subdivision 2, is amended to read:

Subd. 2. [OTHER CASES.] If the proposed ward or conservatee lacks capacity or fails to nominate a conservator or guardian, the court may appoint a qualified person if the court finds that the person's appointment is in the best interests of the proposed ward or conservatee. A proposed guardian or conservator need not reside in this state if the proposed guardian or conservator is able to maintain a current understanding of the ward's or conservatee's physical and mental status and needs. If the proposed ward or conservatee lacks capacity or fails to give instructions, the court may give the guardian or conservator powers as required in accordance with section 525.56.”

Amend the title as follows:

Page 1, delete lines 5 and 6 and insert “Minnesota Statutes 1986, sections 525.54, subdivision 1; and 525.544, subdivision 2.”

The motion prevailed and the amendment was adopted.

H. F. No. 1971, A bill for an act relating to guardianship; permitting appointment of any number of guardians; permitting the appointment of guardians who reside outside the state; amending Minnesota Statutes 1986, sections 525.54, subdivision 1; and 525.544, subdivision 2.

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

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

H. F. No. 1983, A bill for an act relating to sentencing; directing the sentencing guidelines commission to study certain sentencing issues; requiring the commission to report back to the legislature with proposed changes to respond to these issues; proposing coding for new law in Minnesota Statutes, chapter 244.

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 1 nay as follows:

## Those who voted in the affirmative were:

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

## Those who voted in the negative were:

Swenson

The bill was passed and its title agreed to.

H. F. No. 2185 was reported to the House.

Ozment moved to amend H. F. No. 2185, as follows:

Page 1, after line 13, insert:

"Sec. 2. Minnesota Statutes 1986, section 97B.811, is amended to read:

97B.811 [DECOYS AND BLINDS ON PUBLIC LANDS AND WATERS.]

Subdivision 1. [BLINDS AND DECOYS PROHIBITED BEFORE SEASON.] A person may not erect a blind or place decoys in public waters or on public land more than one hour before the open season for waterfowl.

Subd. 2. [HOURS FOR PLACING DECOYS.] Except as provided in subdivisions 3 and 4, a person may not place decoys in public

waters or on public lands more than one hour before ~~sunrise~~ during the open season lawful shooting hours for waterfowl.

Subd. 3. [RESTRICTIONS ON LEAVING DECOYS OVERNIGHT.] During the open season for waterfowl, a person may not leave decoys in public waters between sunset and one hour before ~~sunrise~~ lawful shooting hours unless:

(1) the decoys are in waters adjacent to private land under the control of the hunter; and

(2) there is not natural vegetation growing in water sufficient to partially conceal a hunter.

Subd. 4. [DECOYS THAT ARE NAVIGATIONAL HAZARD PROHIBITED.] A person may not leave decoys in public waters between sunset and one hour before ~~sunrise~~ lawful shooting hours if the decoys constitute a navigational hazard."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "regulating placing decoys in public waters or on public lands;"

Page 1, line 3, delete "section" and insert "sections"

Page 1, line 4, before the period, insert "; and 97B.811"

The motion prevailed and the amendment was adopted.

H. F. No. 2185, A bill for an act relating to game and fish; adjusting the height of deer stands; regulating placing decoys in public waters or on public lands; amending Minnesota Statutes 1986, sections 97B.325; and 97B.811.

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

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

Those who voted in the affirmative were:

Anderson, G.	Bishop	Cooper	Forsythe	Heap
Anderson, R.	Blatz	Dauner	Frederick	Hugoson
Battaglia	Burger	Dawkins	Frerichs	Jacobs
Bauerly	Carlson, D.	DeBlicke	Greenfield	Jaros
Beard	Carlson, L.	Dempsey	Gruenes	Jefferson
Begich	Carruthers	DeRaad	Gutknecht	Jennings
Bennett	Clark	Dille	Hartle	Jensen
Bertram	Clausnitzer	Dorn	Haukoos	Johnson, R.



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

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

H. F. No. 2190, A bill for an act relating to local government; permitting certain cities and towns to contribute to a hospital.

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	Krueger	Onnen	Seaberg
Anderson, R.	Frederick	Larsen	Orenstein	Segal
Battaglia	Frerichs	Lasley	Osthoff	Shaver
Bauerly	Greenfield	Lieder	Otis	Simoneau
Beard	Gruenes	Long	Ozment	Skoglund
Begich	Gutknecht	Marsh	Pappas	Solberg
Bennett	Hartle	McDonald	Pauly	Sparby
Bertram	Haukoos	McEachern	Pelowski	Stanius
Bishop	Heap	McKasy	Peterson	Stensma
Blatz	Hugoson	McLaughlin	Poppenhagen	Sviggum
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, R.	Munger	Rest	Tunheim
Clark	Johnson, V.	Murphy	Rice	Uphus
Clausnitzer	Kahn	Nelson, C.	Richter	Valento
Cooper	Kalis	Nelson, D.	Riveness	Vellenga
Dauner	Kelly	Nelson, K.	Rodosovich	Voss
Dawkins	Kelso	Neuenschwander	Rose	Wagenius
DeBlick	Kinkel	Ogren	Rukavina	Waltman
Dempsey	Kludt	Olsen, S.	Sarna	Welle
DeRaad	Knickerbocker	Olson, E.	Schafer	Wenzel
Dille	Knuth	Olson, K.	Scheid	Winter
Dorn	Kostohryz	Omamm	Schreiber	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

McDonald was excused for the remainder of today's session.

H. F. No. 2224, A bill for an act relating to landlord tenant law; providing an action for damages for accepting rent on condemned property; proposing coding for new law in Minnesota Statutes, chapter 504.

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.	Ferichs	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	McEachern	Pelowski	Steensma
Bennett	Heap	McKasy	Peterson	Sviggum
Bertram	Himle	McLaughlin	Poppenhagen	Swenson
Bishop	Hugoson	McPherson	Price	Thiede
Blatz	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	Kahn	Nelson, K.	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	Olsen, 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. 2272, A bill for an act relating to natural resources; making changes in certain laws relating to forestry; amending Minnesota Statutes 1986, sections 88.19; 89.01, subdivision 5, and by adding a subdivision; 89.17; and 89.19.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2419, A bill for an act relating to criminal procedure; defining "crime" in the law governing issuance of search warrants to include violations of municipal ordinances; amending Minnesota Statutes 1986, section 626.05, by adding a subdivision.

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

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

Those who voted in the affirmative were:

Anderson, G.	Carruthers	Gruenes	Kahn	McEachern
Anderson, R.	Clark	Gutknecht	Kalis	McKasy
Battaglia	Clausnitzer	Hartle	Kelly	McLaughlin
Bauerly	Cooper	Haukoos	Kelso	McPherson
Beard	Dauner	Heap	Kinkel	Milbert
Begich	Dawkins	Himle	Kludt	Miller
Bennett	DeBlieck	Hugoson	Knickerbocker	Minne
Bertram	Dempsey	Jacobs	Knuth	Morrison
Bishop	DeRaad	Jaros	Kostohryz	Murphy
Blatz	Dille	Jefferson	Krueger	Nelson, C.
Boo	Dorn	Jennings	Larsen	Nelson, D.
Brown	Forsythe	Jensen	Lasley	Nelson, K.
Burger	Frederick	Johnson, A.	Lieder	Neuenschwander
Carlson, D.	Frerichs	Johnson, R.	Long	O'Connor
Carlson, L.	Greenfield	Johnson, V.	Marsh	Ogren

Olsen, S.	Pelowski	Riveness	Simoneau	Tunheim
Olson, E.	Peterson	Rodosovich	Skoglund	Uphus
Olson, K.	Poppenhagen	Rose	Solberg	Valento
Omann	Price	Rukavina	Sparby	Vellenga
Onnen	Quinn	Sarna	Stanius	Wagenius
Orenstein	Quist	Schafer	Steensma	Waltman
Osthoff	Redalen	Scheid	Sviggum	Welle
Otis	Reding	Schreiber	Swenson	Wenzel
Ozment	Rest	Seaberg	Thiede	Winter
Pappas	Rice	Segal	Tjornhom	Wynia
Pauly	Richter	Shaver	Tompkins	Spk. Vanasek

The bill was passed and its title agreed to.

Gruenes was excused for the remainder of today's session.

H. F. No. 2422 was reported to the House.

Dempsey moved to amend H. F. No. 2422, as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 323.24, is amended to read:

**323.24 [NATURE OF A PARTNER'S RIGHT IN SPECIFIC PARTNERSHIP PROPERTY.]**

A partner is coowner with the other partners of specific partnership property holding as a tenant in partnership.

The incidents of this tenancy are such that:

(1) A partner, subject to the provisions of this chapter and to any agreement between the partners, has an equal right with the other partners to possess specific partnership property for partnership purposes; but has no right to possess such property for any other purpose without the consent of the other partners;

(2) A partner's right in specific partnership property is not assignable except in connection with the assignment of the rights of all the partners in the same property;

(3) A partner's right in specific partnership property is not subject to attachment, garnishment or execution, except on a claim against the partnership; when partnership property is attached for a partnership debt the partners, or any of them, or the representatives of a deceased partner, cannot claim any right under the homestead or exemption laws, except as specifically authorized under exemption laws;

(4) On the death of a partner that partner's right in specific partnership property vests in the surviving partner or partners, except where the deceased was the last surviving partner, when the deceased's right in such property vests in the deceased's legal representative; such surviving partner or partners, or the legal representative of the last surviving partner, has no right to possess the partnership property for any but a partnership purpose; and

(5) A partner's right in specific partnership property is not subject to dower, curtesy, the statutory interest of a surviving spouse, or allowances to a surviving spouse, heirs or next of kin.

Sec. 2. Minnesota Statutes 1986, section 550.37, subdivision 5, is amended to read:

Subd. 5. Farm machines and implements used in farming operations by a debtor engaged principally in farming, livestock, farm produce, and standing crops, not exceeding \$10,000 in value. When a debtor is a partnership of spouses or a partnership of natural persons related to each other within the third degree of kindred according to the rules of the civil law, for the purposes of the exemptions in this section, the partners may elect to treat the assets of the partnership as assets of the individual partners.

Page 1, after line 17, insert:

"Sec. 4. [EFFECTIVE DATE.]

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

Renumber the remaining section

Amend the title as follows:

Page 1, line 2, delete "relating to civil process" and insert "relating to agriculture; clarifying certain exemptions"

Page 1, line 5, delete "section" and insert "sections 323.24; and"

Page 1, line 5, delete "subdivision" and insert "subdivisions 5 and"

The motion prevailed and the amendment was adopted.

Simoneau moved to amend H. F. No. 2422, as amended, as follows:

Page 2 of the Dempsey amendment, line 27, delete "Sections 1 to" and insert "Section"

Page 2 of the Dempsey amendment, line 27, delete "are" and insert "is"

The motion prevailed and the amendment was adopted.

H. F. No. 2422, A bill for an act relating to agriculture; clarifying certain exemptions; specifying property exempt from final process issued by a court; modifying the exemption for employee benefits; amending Minnesota Statutes 1986, sections 323.24; and 550.37, subdivisions 5 and 24.

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

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

H. F. No. 2470 was reported to the House.

Beard moved to amend H. F. No. 2470, as follows:

Page 1, line 22, delete "aggregate" and delete "or checks"

Page 1, line 25, delete "aggregate"

Page 2, line 1, delete "or checks" and delete "no" and insert "not"

Page 2, line 3, delete the first "the"

The motion prevailed and the amendment was adopted.

H. F. No. 2470, A bill for an act relating to crimes; increasing the penalties for issuing dishonored checks with aggregate value greater than \$200; amending Minnesota Statutes 1986, section 609.535, subdivision 2, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

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

H. F. No. 2487 was reported to the House.

Swenson and Jennings moved to amend H. F. No. 2487, the first engrossment, as follows:

Page 1, lines 23 and 24, delete section 2

The motion prevailed and the amendment was adopted.

H. F. No. 2487, A bill for an act relating to local government; changing a procedure for detachment and annexation of incorporated land; amending Minnesota Statutes 1986, section 414.061, subdivision 5.

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 1 nay 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	Gutknecht	Lieder	Ozment	Skoglund
Begich	Hartle	Long	Pappas	Solberg
Bennett	Haukoos	Marsh	Pauly	Sparby
Bertram	Heap	McEachern	Pelowski	Stanius
Bishop	Himle	McKasy	Peterson	Steensma
Blatz	Hugoson	McLaughlin	Poppenhagen	Sviggum
Boo	Jacobs	Milbert	Price	Swenson
Brown	Jaros	Miller	Quinn	Thiede
Burger	Jefferson	Minne	Quist	Tjornhom
Carlson, D.	Jennings	Morrison	Redalen	Tompkins
Carlson, L.	Jensen	Munger	Reding	Tunheim
Carruthers	Johnson, A.	Murphy	Rest	Uphus
Clark	Johnson, R.	Nelson, C.	Rice	Valento
Clausnitzer	Johnson, V.	Nelson, D.	Richter	Vellenga
Cooper	Kahn	Nelson, K.	Riveness	Voss
Dauner	Kalis	Neuenschwander	Rodosovich	Wagenius
Dawkins	Kelly	O'Connor	Rose	Waltman
DeBlicck	Kelso	Ogren	Rukavina	Welle
Dempsey	Kinkel	Olsen, S.	Sarna	Wenzel
DeRaad	Kludt	Olsen, E.	Schafer	Winter
Dille	Knickerbocker	Olson, K.	Scheid	Wynia
Dorn	Knuth	Omann	Schreiber	Spk. Vanasek

Those who voted in the negative were:

McPherson

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

H. F. No. 2568 was reported to the House.

Olson, K., moved to amend H. F. No. 2568, as follows:

Page 1, after line 8, insert:



"Section 1. Minnesota Statutes 1987 Supplement, section 41A.02, subdivision 3, is amended to read:

Subd. 3. [MINNESOTA AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD; BOARD.] "Minnesota agricultural and economic development board" or "board" consists of the commissioner of finance as chair, the commissioner of agriculture, the commissioner of energy and economic development, the director of the pollution control agency, the president of the Greater Minnesota Corporation or the president's designee, and two public members with experience in finance, appointed by the Greater Minnesota Corporation. The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575."

Renumber the remaining sections in sequence

Page 2, after line 23, insert:

"Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment."

Amend the title as follows:

Page 1, line 2, after the semicolon insert "providing for terms and compensation for members of the Minnesota agricultural and economic development board;"

Page 1, line 6, delete "subdivision" and insert "subdivisions 3 and"

Thiede moved to amend the Olson, K., amendment to H. F. No. 2568, as follows:

Page 1, line 19, delete the new language

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

The question recurred on the Olson, K., amendment to H. F. No. 2568. The motion prevailed and the amendment was adopted.

Thiede moved to amend H. F. No. 2568, as amended, as follows:

Page 1, line 24, after the period insert "To be eligible for special assistance, a revenue-producing enterprise must be located outside of the metropolitan area, as defined in section 473.121, subdivision 2."

A roll call was requested and properly seconded.

The question was taken on the Thiede amendment and the roll was called. There were 34 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Bauerly	DeRaad	McKasy	Quist	Sviggum
Bertram	Frederick	McPherson	Redalen	Thiede
Blatz	Gutknecht	Miller	Richter	Tjornhom
Boo	Haukoos	Omann	Schafer	Uphus
Burger	Himle	Onnen	Schreiber	Valento
Clausnitzer	Hugoson	Pauly	Seaberg	Waltman
Dempsey	Marsh	Poppenhagen	Shaver	

Those who voted in the negative were:

Anderson, G.	Jacobs	Lasley	Olson, K.	Segal
Battaglia	Jaros	Lieder	Orenstein	Simoneau
Beard	Jefferson	Long	Osthoff	Skoglund
Begich	Jennings	McEachern	Otis	Solberg
Bennett	Jensen	McLaughlin	Ozment	Sparby
Brown	Johnson, A.	Milbert	Pappas	Stanius
Carlson, L.	Johnson, R.	Minne	Pelowski	Steensma
Carruthers	Kahn	Morrison	Peterson	Swenson
Clark	Kalis	Munger	Price	Trimble
Cooper	Kelly	Murphy	Quinn	Tunheim
Dauner	Kelso	Nelson, C.	Reding	Vellenga
Dawkins	Kinkel	Nelson, D.	Rest	Voss
DeBlieck	Kludt	Nelson, K.	Rice	Wagenius
Dille	Knickerbocker	Neuenschwander	Riveness	Welle
Dorn	Knuth	O'Connor	Rodosovich	Wenzel
Greenfield	Kostohryz	Ogren	Rukavina	Winter
Hartle	Krueger	Olsen, S.	Sarna	Wynia
Heap	Larsen	Olson, E.	Scheid	Spk. Vanasek

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

Cooper; Olson, K.; Nelson, C.; Bertram and Otis moved to amend H. F. No. 2568, as amended, as follows:

Page 2, after line 23, insert:

"Sec. 4. Minnesota Statutes 1987 Supplement, section 116N.08, subdivision 8, is amended to read:

Subd. 8. [LOCAL GOVERNMENTAL UNIT LOANS.] A local governmental unit may receive a loan under this section if the local governmental unit has established a local revolving loan fund and can provide at least an equal match to the loan received from a regional organization. For the purpose of providing the match to establish the local revolving loan fund, the local governmental unit may use any unencumbered money in the general fund of the unit other than surpluses from tax increment districts located within the boundaries of the local governmental unit. The maximum loan

available to a local governmental unit under this section is \$50,000. The money loaned to a local governmental unit by a regional organization must be matched by the local revolving loan fund and used to provide loans to businesses to promote local economic development. One-half of the money loaned to a local governmental unit under this section by a regional organization must be repaid to the rural rehabilitation revolving fund. One-half of the money may be retained by the local governmental unit's revolving loan fund for further distribution by the local governmental unit."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "establishing requirements for revenues that can be used in a local revolving fund;"

Page 1, line 6, before the period insert "; 116N.08, subdivision 8"

The motion prevailed and the amendment was adopted.

Pauly was excused for the remainder of today's session.

Sviggum moved to amend H. F. No. 2568, as amended, as follows:

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 41A.036, subdivision 2, is amended to read:

Subd. 2. [SMALL BUSINESS DEVELOPMENT LOANS PREFERENCES.]

The following eligible small businesses have preference among all business applicants for small business development loans:

(1) businesses located in rural areas of the state that principally utilize locally produced raw materials regardless of the number of permanent jobs created;

(2) businesses located in rural counties of the state that are experiencing the most severe unemployment rates in the state designated as "distressed" under Minnesota Statutes 1987 Supplement, section 297A.257;

(2) (3) businesses that are likely to expand and provide additional permanent employment in rural areas of the state;

(3) (4) businesses located in border communities that experience a competitive disadvantage due to location;

(4) (5) businesses that have been unable to obtain traditional financial assistance due to a disadvantageous location, minority ownership, or other factors rather than due to the business having been considered a poor financial risk;

(5) (6) businesses that utilize state resources and reduce state dependence on outside resources, and that produce products or services consistent with the long-term social and economic needs of the state; and

(6) (7) businesses located in designated enterprise zones, as described in section 273.1312, subdivision 4.”

Renumber accordingly

Correct internal references accordingly

Amend title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 44 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Bennett	Dille	Johnson, V.	Quist	Sviggum
Bishop	Forsythe	Marsh	Redalen	Swenson
Blatz	Frederick	McKasy	Richter	Thiede
Boo	Frerichs	McPherson	Rose	Tjornhom
Burger	Gutknecht	Miller	Schafer	Tompkins
Clausnitzer	Hartle	Omann	Schreiber	Uphus
DeBlieck	Haukoos	Onnen	Seaberg	Valento
Dempsey	Himle	Ozment	Shaver	Waltman
DeRaad	Hugoson	Poppenhagen	Stanius	

Those who voted in the negative were:

Anderson, G.	Jefferson	Long	Pelowski	Trimble
Battaglia	Jennings	McEachern	Peterson	Tunheim
Bauerly	Jensen	McLaughlin	Price	Vellenga
Bead	Johnson, A.	Milbert	Quinn	Voss
Begich	Johnson, R.	Minne	Reding	Wagenius
Bertram	Kahn	Munger	Rest	Wenzel
Brown	Kalis	Murphy	Rice	Wynia
Carlson, L.	Kelly	Nelson, C.	Riveness	Spk. Vanasek
Carruthers	Kelso	Nelson, K.	Rodosovich	
Clark	Kinkel	Neuenschwander	Rukavina	
Cooper	Kludt	Ogren	Sarna	
Dauner	Knickerbocker	Olsen, S.	Scheid	
Dawkins	Knuth	Olsen, E.	Segal	
Dorn	Kostohryz	Olson, K.	Simoneau	
Greenfield	Krueger	Orenstein	Skoglund	
Heap	Larsen	Osthoff	Solberg	
Jacobs	Lasley	Otis	Sparby	
Jaros	Lieder	Pappas	Steenasma	

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

H. F. No. 2568, A bill for an act relating to agriculture; providing for terms and compensation for members of the Minnesota agricultural and economic development board; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; establishing requirements for revenues that can be used in a local revolving fund; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivisions 3 and 16; 41A.036, by adding subdivisions; and 116N.08, subdivision 8.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Frederick	Krueger	Orenstein	Skoglund
Anderson, R.	Frerichs	Larsen	Otis	Solberg
Battaglia	Greenfield	Lasley	Ozment	Sparby
Bauerly	Gutknecht	Lieder	Pappas	Stanis
Beard	Hartle	Long	Pelowski	Steensma
Begich	Haukoos	Marsh	Peterson	Swiggum
Bennett	Heap	McEachern	Poppenhagen	Swenson
Bertram	Himle	McKasy	Price	Thiede
Bishop	Hugoson	McLaughlin	Quinn	Tjornhom
Blatz	Jacobs	McPherson	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	Kahn	Nelson, K.	Rose	Waltman
Dauner	Kalis	Neuenschwander	Rukavina	Welle
Dawkins	Kelly	O'Connor	Sarna	Wenzel
DeBlieck	Kelso	Ogren	Schafer	Winter
Dempsey	Kinkel	Olsen, S.	Schreiber	Wynia
DeRaad	Kludt	Olsen, E.	Seaberg	Spk. Vanasek
Dille	Knickerbocker	Olson, K.	Segal	
Dorn	Knuth	Omann	Shaver	
Forsythe	Kostohryz	Onnen	Simoneau	

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

Lasley moved that the name of Knuth be added as an author on H. F. No. 1275. The motion prevailed.

Murphy moved that the name of Stanius be added as an author on H. F. No. 1659. The motion prevailed.

Ogren moved that his name be stricken and the name of Nelson, C., be added as chief author on H. F. No. 1928. The motion prevailed.

Riveness moved that the names of Otis and Rest be stricken and the names of Milbert and Quinn be added as authors on H. F. No. 1932. The motion prevailed.

Milbert moved that the name of Osthoff be stricken and the name of Kelso be added as an author on H. F. No. 2262. The motion prevailed.

Clausnitzer moved that H. F. No. 2122 be returned to its author. The motion prevailed.

Thiede, Redalen, Himle, Valento and Bertram introduced:

House Resolution No. 52, A House resolution affirming and supporting the right to peaceful protest; condemning violent demonstrations including the desecration of the United States flag.

### SUSPENSION OF RULES

Thiede moved that the rules be so far suspended that House Resolution No. 52 be now considered and be placed upon its adoption.

A roll call was requested and properly seconded.

The question was taken on the Thiede motion and the roll was called. There were 70 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, D.	Dorn	Himle	Lieder
Anderson, R.	Carruthers	Forsythe	Hugoson	Marsh
Bennett	Clausnitzer	Frederick	Johnson, R.	McKasy
Bertram	Dauner	Frerichs	Johnson, V.	McPherson
Bishop	DeBlieck	Gutknecht	Kelly	Milbert
Blatz	Dempsey	Hartle	Kelso	Miller
Boo	DeRaad	Haukoos	Knickerbocker	Morrison
Burger	Dille	Heap	Krueger	Neuenschwander

Olsen, S.	Poppenhagen	Schafer	Stanius	Tompkins
Omann	Quist	Scheid	Steensma	Uphus
Onnen	Redalen	Schreiber	Sviggum	Valento
Osthoff	Richter	Seaberg	Swenson	Waltman
Ozment	Rodosovich	Shaver	Thiede	Wenzel
Pelowski	Rose	Solberg	Tjornhom	Winter

Those who voted in the negative were:

Battaglia	Jefferson	McEachern	Otis	Segal
Bauerly	Johnson, A.	McLaughlin	Pappas	Simoneau
Beard	Kahn	Minne	Peterson	Skoglund
Carlson, L.	Kalis	Munger	Price	Trimble
Clark	Kinkel	Murphy	Quinn	Tunheim
Cooper	Kludt	Nelson, D.	Rest	Vellenga
Dawkins	Knuth	Nelson, K.	Rice	Voss
Greenfield	Larsen	O'Connor	Riveness	Wagenius
Jacobs	Lasley	Ogren	Rukavina	Wynia
Jaros	Long	Olson, K.	Sarna	Spk. Vanasek

The motion did not prevail.

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

#### ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, March 23, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, March 23, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

