

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION — 1988

SEVENTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 30, 1988

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

Prayer was offered by the Reverend Anita M. Cummings, First Presbyterian Church, Stillwater, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Bauerly, Kelly, Marsh and Uphus were excused.

Scheid was excused until 2:15 p.m. Osthoff was excused until 3:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. Vellenga 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. 2297, 2536, 2590, 1750, 1951, 1981, 2031, 2182, 2291, 2613 and 2344 and S. F. Nos. 2565, 2569, 2003, 2226, 2286 and 2456 have been placed in the members' files.

S. F. No. 2255 and H. F. No. 2297, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Winter moved that the rules be so far suspended that S. F. No. 2255 be substituted for H. F. No. 2297 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Voss from the Committee on Taxes to which was referred:

H. F. No. 2067, A bill for an act relating to public finance; providing requirements for the issuance and use of public debt; amending Minnesota Statutes 1986, sections 123.36, by adding a subdivision; 410.32; 475.54, by adding a subdivision; 475.67, subdivision 13; Minnesota Statutes 1987 Supplement, sections 469.012, subdivision 1; 469.015, subdivision 4; 469.035; 469.155, subdivision 12; and 475.66, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 469.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 123.35, is amended by adding a subdivision to read:

Subd. 2a. [PURCHASE OF CERTAIN EQUIPMENT.] The board may issue certificates of indebtedness or capital notes subject to the school district debt limits to purchase vehicles, computers, telephone systems, cable equipment, photocopy and office equipment, technological equipment for instruction, and other capital equipment having an expected useful life at least as long as the terms of

the certificates or notes. The certificates or notes shall be payable in not more than five years and shall be issued on the terms and in the manner determined by the board. If the amount of the certificates or notes to be issued to finance the purchase exceeds one percent of the assessed valuation of the school district, they shall not be issued for at least 30 days after publication in the official newspaper of a school board resolution determining to issue them. If, before the end of that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular school board election is filed with the clerk, the certificates or notes shall not be issued until the proposition of their issuance has been approved by a majority of the votes cast on the question at a regular or special election. A tax levy shall be made for the payment of the principal and interest on the certificates or notes, in accordance with section 475.61, as in the case of bonds.

Sec. 2. Minnesota Statutes 1986, section 410.32, is amended to read:

410.32 [CITIES AUTHORIZED TO ISSUE CAPITAL NOTES FOR CERTAIN EQUIPMENT ACQUISITIONS.]

Notwithstanding any contrary provision of other law or charter, a home rule charter city may, by resolution and without public referendum, issue capital notes subject to the city debt limit to purchase public safety equipment, ambulance and other medical equipment, road construction and maintenance equipment, and other capital equipment having an expected useful life at least as long as the term of the notes. The notes shall be payable in not more than five years and be issued on terms and in the manner the city determines. The total principal amount of the capital notes issued in a fiscal year shall not exceed one-tenth of one percent of the assessed value of the city for that year. A tax levy shall be made for the payment of the principal and interest on the notes, in accordance with section 475.61, as in the case of bonds. Notes issued under this section shall require an affirmative vote of two-thirds of the governing body of the city. Unless prohibited by its charter, a home rule charter city may also issue capital notes subject to its debt limit in the manner and subject to the limitations applicable to statutory cities pursuant to section 412.301.

Sec. 3. Minnesota Statutes 1987 Supplement, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases; deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the

purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the federal housing administration or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make, or agree to make, payments in lieu of taxes to the city or the county, the state or any political subdivision thereof, that it finds consistent with the purposes of sections 469.001 to 469.047;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property

compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low or moderate income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority; and

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5).

Sec. 4. Minnesota Statutes 1987 Supplement, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTION; CERTAIN PROJECTS.] An authority need not require either competitive bidding or performance bonds in the case of a contract for the acquisition of a low rent housing project for which financial assistance is provided by the federal government, and which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance, and where the contract provides for the construction of such a project upon land not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes, and provides for the conveyance or lease to the authority of the project or improvements upon completion of construction. An authority need not require competitive bidding with respect to a structured parking facility constructed in conjunction with, and directly above or below, a development and financed with the proceeds of tax increment or parking ramp revenue bonds. An authority need not require competitive bidding in the case of a housing development project that (1) is financed with the proceeds of bonds secured by the project and to which the full faith and credit of the authority is not pledged; (2) is located on land owned by the authority; (3) is constructed or rehabilitated under agreements with a developer for the construction of the project, guarantee of the bonds, and management of the property; and (4) is found by the authority to require negotiation rather than use of a competitive bidding procedure to be economical and feasible.

Sec. 5. [469.1651] [REVENUE ANTICIPATION NOTES FOR HOSPITALS.]

Subdivision 1. [AUTHORIZATION.] A municipality may issue and sell, at public or private sale, negotiable notes or certificates of indebtedness, as provided in this section and lend the proceeds to nonprofit hospitals in anticipation of revenues or state and federal

aids payable to the hospitals within one year after the date of issue of the notes or certificates of indebtedness. The principal amount of the notes or certificates shall not exceed 75 percent of the accounts receivable and third-party reimbursement payments payable to the hospital as of a date within 45 days of the date of issuance. While notes or certificates issued under this section on behalf of a hospital are outstanding, additional notes or certificates shall not be issued unless, for the period of 30 consecutive days immediately preceding the date of issuance, the amount of outstanding notes and certificates was less than six percent of the hospital's gross revenues for the preceding fiscal year.

The municipality need not comply with the procedures set forth in sections 469.152 to 469.165 in the issuance of notes or certificates of indebtedness pursuant to this section, but the municipality shall comply with sections 469.152 to 469.165 at the time of issuance of the refunding obligations if long-term obligations are issued to refund notes or certificates of indebtedness issued pursuant to this section.

Subd. 2. [REVENUE AGREEMENT.] No notes or certificates of indebtedness shall be issued pursuant to this section unless the municipality has entered into a revenue agreement with a qualifying hospital providing for payment by the hospital of all principal of and interest on the notes or certificates of indebtedness when they become due and payable, together with any expenses and fees of the municipality incurred in connection with the notes or their issuance. Notes and certificates of indebtedness issued under authority of this section do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the municipality or the state of Minnesota, or grant to their owners or holders any right to have the municipality or state levy any taxes or appropriate any funds for the payment of their principal or interest on them. The notes or certificates are payable and shall state that they are payable solely from the revenues and other property, income, accounts, charges, and money that are pledged for their payment in accordance with the proceedings authorizing their issuance.

Subd. 3. [ENABLING RESOLUTION; FORM OF CERTIFICATES.] The municipality may authorize and effect the borrowing and issue the notes or certificates of indebtedness authorized by this section upon passage of a resolution specifying the amount and purposes of the borrowing. The municipality shall fix the amount, date, maturity, form, denomination, and other details of the notes or certificates of indebtedness, consistent with this section, and shall fix the date and place for the receipt of bids for their purchase, if the notes or certificates of indebtedness are to be sold by public sale.

Subd. 4. [REPAYMENT; MATURITY DATE; INTEREST.] The proceeds of revenues and future state and federal aid and other funds of the hospital which may become available shall be applied to

the extent necessary to repay the notes or certificates of indebtedness. The full faith and credit of the hospital, or any other lawfully pledged security of the hospital, as deemed necessary by the municipality, shall be pledged to their payment. Notes or certificates of indebtedness issued pursuant to this section shall mature not later than 13 months after the date of issue. The notes or certificates shall be sold at such price as the municipality may agree. The notes or certificates shall bear interest after maturity until paid at the rate they bore before maturity. Any interest accruing before or after maturity shall be paid from any available funds of the hospital.

Any note or certificate of indebtedness issued pursuant to this section may be issued giving its owner the right to tender, or the municipality or the hospital to demand tender of, the obligation to the municipality or the hospital or another person designated by either of them, for purchase at a specified time or times. The note or certificate of indebtedness shall not be deemed to mature on any tender date, and the purchase of a tendered note or certificate shall not be deemed a payment or discharge of the note or certificate. Notes or certificates of indebtedness tendered for purchase may be remarketed by or on behalf of the municipality or any other purchaser. The municipality or the hospital may enter into agreements deemed appropriate to provide for the purchase and remarketing of tendered notes or certificates of indebtedness, including provisions under which undelivered obligations may be deemed tendered for purchase and new obligations may be substituted for them, 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 for reimbursement of advances under letters of credit, which charges and reimbursements shall be paid by the hospital.

Any notes or certificates of indebtedness issued pursuant to this section may bear interest at a rate varying periodically at the time or times and on the terms, including convertibility to a fixed rate of interest, determined by the governing body of the municipality.

Subd. 5. [TRUST AGREEMENT.] Any notes or certificates of indebtedness issued under this section may be secured by a trust agreement between the municipality and a corporate trustee, which may be any trust company or bank having the powers of a trust company within the state. The trust agreement or the resolution providing for the issuance of the notes or certificates may pledge or assign the revenues to be received, the proceeds of any contracts pledged, and any other property pledged by the borrowing institution or proceeds from it. The trust agreement or resolution providing for the issuance of the notes or certificates may contain reasonable provisions to protect and enforce the rights and remedies of the holders of the notes or certificates. Any bank or trust company incorporated under the laws of the state that may act as depository

of the proceeds of notes or certificates or of revenues or other moneys may furnish the indemnifying bonds or pledge the securities that may be required by the municipality. The trust agreement may set forth the rights and remedies of the holders of the notes or certificates and of the trustee and may restrict the individual right of action by holders of the notes or certificates. The trust agreement or resolution may contain any other provisions that the municipality deems reasonable for the security of the holders of the notes or certificates. All expenses incurred in carrying out the provisions of the trust agreement or resolution shall be paid by the hospital.

Sec. 6. Minnesota Statutes 1987 Supplement, section 475.54, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, 5a, 15 or ~~5b~~ 17, or as expressly authorized in another law, all obligations of each issue shall mature or be subject to mandatory sinking fund redemption in installments, the first not later than three years and the last not later than 30 years from the date of the issue. No amount of principal of the issue payable in any calendar year shall exceed five times the amount of the smallest amount payable in any preceding calendar year ending three years or more after the issue date.

Sec. 7. Minnesota Statutes 1986, section 475.54, is amended by adding a subdivision to read:

Subd. 17. Obligations payable primarily from a source other than ad valorem taxes may mature at any time or times within 30 years after the date of issue, if the governing body estimates that the primary source of payment is sufficient to pay when due the principal of and interest on the obligations and if the primary source of payment is irrevocably appropriated to payment of the obligations.

Sec. 8. Minnesota Statutes 1986, section 475.60, subdivision 3, is amended to read:

Subd. 3. [PUBLISHED NOTICE.] Published notice, where required, shall specify the maximum principal amount of the obligations, the place of receipt and consideration of bids and such other details as to the obligations and terms of sale as the governing body deems suitable. The published notice shall either specify the date and time for receipt of bids or provide that the bids will be received at a date and time not less than ten nor more than ~~45~~ 60 days after the date of publication. If the published notice does not state the specific date and or amount for the sale, it shall specify the manner in which notice of the date and or amount of the sale will be given to prospective bidders. Notification of prospective bidders shall be given by electronic data transmission or other form of communication common to the municipal bond trade at least four days (omitting Saturdays, Sundays, and legal holidays) before the date for receipt of

bids. If within five days after the date of publication a prospective bidder requests in writing to be notified by mail, the municipality shall do so. Failure to give the notice as described in the preceding sentence to a bidder shall not affect the validity of the sale or of the obligations. The governing body may employ an agent to receive and open the bids at any place within or outside the corporate limits of the municipality, in the presence of an officer of the municipality, but the obligations shall not be sold except by action of the governing body or authorized officers of the municipality after communication of the bids to them. Additional notice may be given for such time and in such manner as the governing body deems suitable. At the time and place so fixed, the bids shall be opened and the offer complying with the terms of sale and deemed most favorable shall be accepted, but the governing body may reject any and all such offers, in which event, or if no offers have been received, it may award the obligations to any person who within 30 days thereafter presents an offer complying with the terms of sale and deemed more favorable than any received previously, or upon like notice the governing body may invite other bids upon the same or different terms and conditions, except that if the original published notice does not state the specific date or amount for the sale and if the material terms and conditions of the sale remain the same, except for the date and amount, notice of the date or amount may be given in the manner provided above.

Sec. 9. Minnesota Statutes 1987 Supplement, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress,

(b) in shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose only investments are in (i) securities described in the preceding clause and, (ii) general obligation tax-exempt securities rated A or better by a national bond rating service, and (iii) repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks,

(c) in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities or in general obligations of

other state and local governments with taxing powers which are rated A or better by a national bond rating service, or (2) a general obligation of the Minnesota housing finance agency, or (3) a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, provided that investments under this clause (2) (3) must be in obligations that are rated the highest or next highest rating given by Standard & Poor's Corporation or Moody's Investors Service, Inc., and may be made only (i) prior to August 1, 1990 1991, and (ii) for a period of no more than three years from the date of purchase and further provided that investments under clauses (2) and (3) be determined to be expedient to reduce the amount of arbitrage rebate otherwise payable to the United States under section 148 of the Internal Revenue Code of 1986,

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System, or

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less, or

(f) in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with the senior unsecured debt obligations of the issuer or guarantor and, (1) in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis or a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue

prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created.

Sec. 10. Minnesota Statutes 1987 Supplement, section 475.67, subdivision 12, is amended to read:

Subd. 12. In the refunding of general obligations, for which the full faith and credit of the issuing municipality has been pledged, the following additional conditions shall be observed: each such obligation, if repayable, shall be called for redemption prior to its maturity in accordance with its terms no later than either (i) the earliest date on which it may be redeemed without payment of any premium, or (ii) if the obligation is only prepayable with payment of a premium, on the earliest date on which it may be redeemed with payment of the least premium required by its terms. No refunding obligations shall be issued and sold more than six months before the refunded obligations mature or are called for redemption in accordance with their terms, unless either (i) as a result of the refunding the average life of the maturities is extended at least three years or (ii) as of the nominal date of the refunding obligations the present value of the dollar amount of the debt service on the refunding obligations, computed to their stated maturity dates, after deducting any premium ~~or adding any discount~~, is lower by at least three percent than the present value of the dollar amount of debt service, on all general obligations refunded, exclusive of any premium ~~or discount~~, computed to their stated maturity dates; provided that in computing the dollar amount of debt service on the refunding obligations, any expenses of the refunding payable from a source other than the proceeds of the refunding obligations or the interest derived from the investment thereof shall be added to the dollar amount of debt service on the refunding obligations. For purposes of this subdivision, the present value of the dollar amount of debt service means the dollar amount of debt service to be paid, discounted to the nominal date of the refunding obligations at a rate equal to the yield on the refunding obligations. Expenses of the refunding include the amount, if any, in excess of the proceeds of the refunding obligations or the principal amount of obligations to be refunded, whichever is the greater, which is required to be deposited in escrow to provide cash and purchase securities sufficient to retire the refunded obligations and unaccrued interest thereon in accordance with subdivision 6; charges of the escrow agent and of the paying agent for the refunding obligations; and expenses of printing and publications and of fiscal, legal, or other professional service necessarily incurred in the issuance of the refunding obligations.

Sec. 11. Minnesota Statutes 1986, section 475.67, subdivision 13, is amended to read:

Subd. 13. Crossover refunding obligations may be issued by a municipality without regard to the limitations in subdivisions 4 to 10. The proceeds of crossover refunding obligations, less any proceeds applied to payment of the costs of their issuance, shall be deposited in a debt service fund irrevocably appropriated to the payment of principal of and interest on the refunding obligations until the date the proceeds are applied to payment of the obligations to be refunded. The debt service fund shall be maintained as an escrow account with a suitable financial institution within or without the state and amounts in it shall be invested in securities described in subdivision 8 or in an investment contract or similar agreement with a bank or insurance company meeting the requirements of section 475.66, subdivision 3, clause (f). Excess proceeds, if any, of the tax levy pursuant to section 475.61, subdivision 1, made with respect to the obligations to be refunded, and any other available amounts, may be deposited in the escrow account. In the resolution authorizing the issuance of crossover refunding obligations, the governing body may pledge to their payment any source of payment of the obligations to be refunded. The resolution may provide that the refunding obligations are payable solely from the escrow account prior to the date scheduled for payment of the obligations to be refunded and that the obligations to be refunded shall not be discharged if the amounts on deposit in the escrow account on that date are insufficient. Subdivisions 11 and 12 shall not apply to any crossover refunding obligations, or the obligations to be refunded. Subject to section 475.61, subdivision 3, in the case of general obligation bonds, taxes shall be levied pursuant to section 475.61 and appropriated to the debt service fund in the amounts needed, together with estimated investment income of the debt service fund and any other revenues available upon discharge of the obligations refunded, to pay when due the principal of and interest on the refunding obligations. The levy so imposed may be reduced by earnings to be received from investments on hand in the debt service fund to the extent the applicable recording officer certifies to the county auditor that the earnings are expected to be received in amounts and at such times as to be sufficient, together with the remaining levy, to satisfy the purpose of the levy requirements under section 475.61.

Sec. 12. [EXCEPTION; PARKING FACILITIES.]

Notwithstanding Minnesota Statutes, section 469.068, the Bloomington port authority need not require competitive bidding with respect to a structured parking facility constructed in conjunction with, and directly above or below, or adjacent and integrally related to, a development and financed with the proceeds of tax increment or revenue bonds.

Sec. 13. [REPEALER.]

Laws 1987, chapter 358, section 31, is repealed."

Delete the title and insert:

"A bill for an act relating to public finance; providing requirements for the issuance and use of public debt; amending Minnesota Statutes 1986, sections 123.35, by adding a subdivision; 410.32; 475.54, by adding a subdivision; 475.67, subdivision 13; Minnesota Statutes 1987 Supplement, sections 469.012, subdivision 1; 469.015, subdivision 4; 475.54, subdivision 1; 475.60, subdivision 3; 475.66, subdivision 3; and 475.67, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 469; repealing Laws 1987, chapter 358, section 31."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

Senate Concurrent Resolution No. 21, A Senate concurrent resolution proclaiming Sunday, May 15, as Ethnic American Day in Minnesota.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2067 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 2255 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Milbert introduced:

H. F. No. 2794, A bill for an act relating to environment; increas-

ing the fee cities and towns may impose on operators of mixed municipal solid waste disposal facilities and specifying the use of the proceeds of the fee; amending Minnesota Statutes 1987 Supplement, section 115A.921.

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

Quist, McDonald, Waltman and Richter introduced:

H. F. No. 2795, A bill for an act relating to education; establishing a commodity utilization research center at the University of Minnesota; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Price, Sarna and Beard introduced:

H. A. No. 77, A proposal to study fire safety codes and practices of movie projection booths and theatres.

The advisory was referred to the Committee on Commerce.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1817, A bill for an act relating to watercraft; requiring lifesaving devices in duck boats; amending Minnesota Statutes 1986, section 361.141, subdivision 1.

The Senate has appointed as such Committee:

Messrs. Wegscheid, Lessard and Bernhagen.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

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; making technical corrections to the cooperative secondary facilities grant act; 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; 126.14, subdivision 1; 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; 124.494, subdivisions 5 and 6; 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, subdivisions 1 and 2, 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.

The Senate has appointed as such Committee:

Mr. Peterson, R. W.; Mses. Peterson, D. C., and Reichgott; Messrs. DeCramer and Pehler.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 1846, A bill for an act relating to environment; authorizing inspection of certain records kept by waste facilities; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 115A.

The Senate has appointed as such Committee:

Messrs. Diessner, Laidig and Peterson, R. W.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2134, A bill for an act relating to real property; requiring recordation of transfers of contracts for deed; providing penalties;

amending Minnesota Statutes 1986, section 507.235.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wagenius moved that the House concur in the Senate amendments to H. F. No. 2134 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2134, A bill for an act relating to real property; requiring recordation of transfers of contracts for deed; providing penalties; amending Minnesota Statutes 1986, section 507.235.

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 111 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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. 2059, A bill for an act relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses; amending Minnesota Statutes 1987 Supplement, section 609.26, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pappas moved that the House concur in the Senate amendments to H. F. No. 2059 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2059, A bill for an act relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses; amending Minnesota Statutes 1987 Supplement, section 609.26, subdivision 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 114 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 1861.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1861

A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

March 29, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1861, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1861 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [FINDINGS.]

The legislature finds that access to continuous and uninterrupted health care coverage is necessary for citizens of Minnesota enrolled

in health care plans. While Minnesota law requires conversion policies for members of group health plan contracts, no similar right is extended to holders of individual contracts.

The legislature finds it necessary for individual health care coverage policyholders to immediately be afforded the same protections as group contract holders. The legislature further finds that a legal requirement is necessary to protect the access to health care coverage for the citizens of Minnesota who hold individual health care contracts. In view of continuing uncertainty in the marketplace, the legislature finds it necessary to impose this legal requirement on all existing individual contracts the day after enactment, so that no other consumers face a threat to their health care coverage.

Sec. 2. Minnesota Statutes 1987 Supplement, section 62A.17, subdivision 6, is amended to read:

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

further evidence of insurability and without interruption of coverage.

A policy providing reduced benefits at a reduced premium rate may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.

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

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

62D.07 [EVIDENCE OF COVERAGE.]

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

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

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

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

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

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

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

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

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

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

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

CONSUMER INFORMATION

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

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

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

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

emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

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

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

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

ENROLLEE BILL OF RIGHTS

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

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

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

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

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

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

(7) the right to initiate a legal proceeding when dissatisfied with

the health maintenance organization's final determination regarding a grievance;

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 4. Minnesota Statutes 1987 Supplement, section 62D.08, subdivision 3, is amended to read:

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

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

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

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

(d) A report of the names and addresses of all persons set forth in

section 62D.03, subdivision 4, clause (c) who were associated with the health maintenance organization or the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (d); and

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

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

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

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

Sec. 6. Minnesota Statutes 1986, section 62D.09, is amended to read:

62D.09 [INFORMATION TO ENROLLEES.]

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

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

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

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

(1) a description of the principal benefits and coverage provided in the contract, including a clear description of nursing home and home care benefits covered by the health maintenance organization;

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

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

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

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

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

Subd. 5. Health maintenance organizations shall provide enrollees with a list of the names and locations of participating providers to whom enrollees have direct access without referral no later than the effective date of enrollment or date the evidence of coverage is issued and upon request. Health maintenance organizations need not provide the names of their employed providers.

Subd. 6. Any list of providers issued by the health maintenance organization shall include the date the list was published and contain a bold type notice in a prominent location on the list of providers with the following language, or substantially similar language approved in advance by the commissioner:

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

Sec. 7. Minnesota Statutes 1986, section 62D.101, is amended to read:

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

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

Subd. 2. [CONVERSION PRIVILEGE.] Every health maintenance contract, as described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an enrollee, without providing evidence of insurability, to obtain from the health maintenance organization at the expiration of any continuation of coverage required under subdivision 2a or section sections 62A.146 and 9, or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the health maintenance organization to provide continued coverage for the former spouse, an individual health maintenance contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided

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

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

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

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

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

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

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

Sec. 8. [62D.104] [REQUIRED OUT-OF-AREA CONVERSION.]

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

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

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

Sec. 9. [62D.105] [COVERAGE OF CURRENT SPOUSE AND CHILDREN.]

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

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

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

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

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

If coverage is provided under a group policy, any required fees for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder for remittance to the health maintenance organization. In no event shall the fee charged exceed 102 percent of

the cost to the plan for such coverage for other similarly situated spouse and dependent children to whom subdivision 1 is not applicable, without regard to whether such cost is paid by the employer or employee.

Sec. 10. Minnesota Statutes 1986, section 62D.11, is amended to read:

62D.11 [COMPLAINT SYSTEM.]

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

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

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

Sec. 11. Minnesota Statutes 1986, section 62D.12, subdivision 2, is amended to read:

Subd. 2. No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served, subject to section 62A.17, subdivisions 1 and 6, and section 8; (e) enrollee moving out of an eligible group, subject to section 62A.17, subdivisions 1 and 6, and section 8; (f) failure to make copayments required by the health care plan; or (g) other reasons established in rules promulgated by the commissioner of health.

An enrollee Subd. 2a. Enrollees shall be given 30 days notice of

any cancellation or nonrenewal, except that enrollees who are eligible to receive replacement coverage under section 13, subdivision 1, shall receive 90 days notice as provided under section 13, subdivision 5.

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

Subd. 14. Each health maintenance organization shall establish a telephone number, which need not be toll free, that providers may call with questions about coverage, prior authorization, and approval of medical services. The telephone number must be staffed by an employee of the health maintenance organization during normal working hours during the normal work week. After normal working hours, the telephone number must be equipped with an answering machine and recorded message to allow the caller an opportunity to leave a message. The health maintenance organization must respond to questions within 24 hours after they are received, excluding weekends and holidays. At the request of a provider, the health maintenance organization shall provide a copy of the health maintenance contract for enrollees in the provider's service area.

Sec. 13. [62D.121] [REQUIRED REPLACEMENT COVERAGE.]

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

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

Subd. 3. If replacement coverage is not provided by the health maintenance organization, as explained under subdivision 2, the replacement coverage shall provide, for enrollees covered by Title XVIII of the Social Security Act, coverage at least equivalent to a Medicare supplement two plan as defined in section 62A.34, except that the replacement coverage shall also cover the liability for any Medicare Part A and Part B deductible as defined under Title XVIII of the Social Security Act. After satisfaction of the Medicare Part B deductible, the replacement coverage shall be based on 120 percent of the Medicare Part B eligible expenses less the Medicare Part B payment amount. The fee or premium of the replacement coverage shall not exceed the premium charged by the state comprehensive health plan as established under section 62E.08, for a qualified Medicare supplement plan. All enrollees not covered by Medicare shall be given the option of a number three qualified plan or a number two qualified plan as defined in section 62E.06, subdivisions 1 and 2, for replacement coverage. The fee or premium for a number three qualified plan shall not exceed 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number three qualified plan of insurance in force in Minnesota. The fee or premium for a number two qualified plan shall not exceed 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number two qualified plan of insurance in force in Minnesota.

If the replacement coverage is health maintenance organization coverage, the fee shall not exceed 125 percent of the cost of the average fee charged by health maintenance organizations for a similar health plan. The commissioner of health will determine the average cost of the plan on the basis of information provided annually by the health maintenance organizations concerning the rates charged by the health maintenance organizations for the plans offered. Fees or premiums charged under this section must be actuarially justified.

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

Subd. 5. The health maintenance organization must provide the terminated enrollees with a notice of cancellation 90 days before the date the cancellation takes effect. If the replacement coverage is approved by the commissioner under subdivision 4, the notice shall clearly and completely describe the replacement coverage that the enrollees are eligible to receive and explain the procedure for enrolling. If the replacement coverage is not approved by the commissioner, the health maintenance organization shall provide a cancellation notice with information that the enrollee is entitled to enroll in the state comprehensive health insurance plan with a

waiver of the waiting period for preexisting conditions under section 62E.14, subdivisions 1, paragraph (d), and 6.

Subd. 6. The commissioner may waive the notice required in this section if the commissioner determines that the health maintenance organization has not received information regarding Medicare reimbursement rates from the Health Care Financing Administration before September 1 for contracts renewing on January 1 of the next year. In no event shall enrollees covered by Title XVIII of the Social Security Act receive less than 60 days' notice of contract termination.

Subd. 7. [GEOGRAPHIC ACCESSIBILITY.] If the commissioner determines that there are not enough providers to assure that enrollees have accessible health services available in a geographic service area, the commissioner shall institute a plan of corrective action that shall be followed by the health maintenance organization. Such a plan may include but not be limited to requiring the health maintenance organization to make payments to nonparticipating providers for health services for enrollees, requiring the health maintenance organization to discontinue accepting new enrollees in that service area, and requiring the health maintenance organization to reduce its geographic service area. If a nonparticipating provider has been a participating provider with the health maintenance organization within the last year, any payments made under this section must not exceed the payment level of the previous contract unless the commissioner determines that without adjusting payments the health maintenance organization will be unable to meet the health care needs of enrollees in the area.

Sec. 14. [62D.122] [MEDIATION.]

When current parties to a health maintenance organization contract between providers of health care services and the health maintenance organization believe they will be unable to reach agreement on the terms of renewal or maintenance of the agreement, either party may request the commissioner of health to order that the dispute be submitted to mediation. The parties to the dispute shall enter mediation upon the order of the commissioner of health. Whether or not a request for mediation from one of the parties has been received, the commissioner shall order mediation if failure to reach agreement would significantly impair access to health care services on the part of current enrollees of that health maintenance organization. In determining whether access to health care services for current enrollees will be significantly impaired, the commissioner shall consider:

- (1) the number of enrollees affected,
- (2) the ability of the plan to make alternate arrangements with

other participating providers for the provision of health care services to the affected enrollees,

(3) the availability of nonparticipating providers who may become participating providers for those with whom the health maintenance organization is in dispute,

(4) the time remaining until termination of the provider contract, and

(5) whether failure to resolve the dispute may establish a precedent for similar disputes in other parts of the state or might impede competition among health plans.

During the period in which the dispute is in mediation, no action to terminate provider or enrollee contracts may be taken by either party. Participation in mediation shall be required of all parties for a period of not more than 30 days. Notice of termination of provider agreements, as required under section 5, shall take effect no earlier than 31 days after the first day of mediation under this section.

When mediation is ordered by the commissioner, arrangements for mediation shall be made through either the office of dispute resolution in the state planning agency, or the office of administrative hearings.

Costs of the mediation shall be borne equally by the health maintenance organization and the health care providers unless otherwise agreed to by the parties. The office of administrative hearings shall establish rates for mediation services comparable to those charged by mediators listed with the office of dispute resolution.

The mediator shall not have authority to impose a settlement or otherwise bind a participant to a nonvoluntary resolution of the dispute; however, any agreement reached as a result of the mediation shall be enforceable.

Except as otherwise provided under chapter 13 and sections 62D.03 and 62D.14, the commissioner shall make public the results of any mediation agreement.

Sec. 15. Minnesota Statutes 1986, section 62D.17, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may, for any violation of statute or rule applicable to a health maintenance organization, or in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount up to \$10,000 for each violation. In the case of contracts or agree-

ments made pursuant to section 62D.05, subdivisions 2 to 4, each contract or agreement entered into or implemented in a manner which violates sections 62D.01 to 62D.29 shall be considered a separate violation. Reasonable notice in writing to the health maintenance organization shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization may have a reasonable time 15 days within which to remedy the defect in its operations which gave rise to the penalty citation, or have file a written request for an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 14.

Sec. 16. Minnesota Statutes 1986, section 62D.20, is amended to read:

62D.20 [RULES.]

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

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

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

Subd. 9. Each contributing member that terminates individual health coverage regulated under chapter 62A, 62C, 62D, or 64B for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 13; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivi-

sion 1, paragraph (d), and section 21. Such a contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees, multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

In the event that the contributing member is terminating health coverage because of a loss of health care providers, the commissioner may review whether or not the special assessment established under this subdivision will have an adverse impact on the contributing member or its enrollees or insureds, including but not limited to causing the contributing member to fall below statutory net worth requirements. If the commissioner determines that the special assessment would have an adverse impact on the contributing member or its enrollees or insureds, the commissioner may adjust the amount of the special assessment, or establish alternative payment arrangements to the state plan. For health maintenance organizations regulated under chapter 62D, the commissioner of health shall make the determination regarding any adjustment in the special assessment and shall transmit that determination to the commissioner of commerce.

Sec. 18. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 10. Any contributing members who have terminated individual health plans and do not provide or arrange for replacement coverage that meets the requirements of section 13, and whose former insureds or enrollees enroll in the state comprehensive health insurance plan with a waiver of the preexisting conditions pursuant to section 62E.14, subdivision 1, paragraph (d), and section 21, will be liable for the costs of any preexisting conditions of their former enrollees or insureds treated during the first six months of coverage under the state plan. The liability for preexisting conditions will be assessed before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 19. Minnesota Statutes 1986, section 62E.14, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE, CONTENTS.] The comprehensive health insurance plan shall be open for enrollment by eligible

persons. An eligible person shall enroll by submission of a certificate of eligibility to the writing carrier. The certificate shall provide the following:

(a) Name, address, age, and length of time at residence of the applicant;

(b) Name, address, and age of spouse and children if any, if they are to be insured;

(c) Evidence of rejection, a requirement of restrictive riders, a rate up, or a preexisting conditions limitation on a qualified plan, the effect of which is to substantially reduce coverage from that received by a person considered a standard risk, by at least one association members within six months of the date of the certificate, or other eligibility requirements adopted by rule by the commissioner which are not inconsistent with this chapter and which evidence that a person is unable to obtain coverage substantially similar to that which may be obtained by a person who is considered a standard risk;

(d) Evidence that the applicant meets the eligibility requirements of section 62E.081, subdivision 1; and If the applicant has been terminated from individual health coverage which does not provide replacement coverage, evidence that no replacement coverage that meets the requirements of section 13 was offered, and evidence of termination of individual health coverage by an insurer, nonprofit health service plan corporation, or health maintenance organization provided that the contract or policy has been terminated for reasons other than (1) failure to pay the charge for health care coverage; (2) failure to make copayments required by the health care plan; (3) enrollee moving out of the area served; or (4) a materially false statement or misrepresentation by the enrollee in the application for membership; and

(e) A designation of the coverage desired.

An eligible person may not purchase more than one policy from the state plan. Upon ceasing to be a resident of Minnesota a person is no longer eligible to purchase or renew coverage under the state plan.

Sec. 20. Minnesota Statutes 1986, section 62E.14, subdivision 3, is amended to read:

Subd. 3. [PREEXISTING CONDITIONS.] No person who obtains coverage pursuant to this section shall be covered for any preexisting condition during the first six months of coverage under the state plan if the person was diagnosed or treated for that condition during

the 90 days immediately preceding the filing of an application except as provided under subdivisions 4 and 5, and section 21.

Sec. 21. Minnesota Statutes 1986, section 62E.14, is amended by adding a subdivision to read:

Subd. 6. A Minnesota resident who holds an individual health maintenance contract, individual nonprofit health service corporation contract, or an individual insurance policy previously approved by the commissioners of health or commerce, may enroll in the comprehensive health insurance plan with a waiver of the preexisting condition as described in subdivision 3, without interruption in coverage, provided (1) no replacement coverage that meets the requirements of section 13 was offered by the contributing member, and (2) the policy or contract has been terminated for reasons other than (a) nonpayment of premium; (b) failure to make copayments required by the health care plan; (c) moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and, provided further, that the option to enroll in the plan is exercised within 30 days of termination of the existing policy or contract.

Coverage allowed under this section is effective on the date of termination, when the contract or policy is terminated and the enrollee has completed the proper application and paid the required premium or fee.

Expenses incurred from the preexisting conditions of individuals enrolled in the state plan under this subdivision must be paid by the contributing member canceling coverage as set forth in section 18.

The application must include evidence of termination of the existing policy or certificate as required in subdivision 1.

Sec. 22. Minnesota Statutes 1986, section 62E.16, is amended to read:

62E.16 [CONVERSION PRIVILEGES.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a

service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be offered to enrollees without the addition of underwriting restrictions. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 23. [REQUIRED STUDIES.]

Subdivision 1. The commission on health plan regulatory reform created in Laws 1987, chapter 370, article 1, section 11, shall make recommendations for expedited review mechanisms for complaints concerning health maintenance organization coverage of an immediately and urgently needed service.

Subd. 2. The board of the Minnesota comprehensive health association shall conduct a study examining the plan options currently offered by the association, in order to determine whether provision of additional plan options would better meet the needs of current and future enrollees. The board shall report its findings to the legislature and the commissioner of health and the commissioner of commerce by February 15, 1989.

Sec. 24. [REPEALER.]

Laws 1984, chapter 464, sections 29 and 40, are repealed. Section 14 is repealed June 30, 1990.

Sec. 25. [EFFECTIVE DATE.]

Sections 11, 13, 14, 17, 18, 19, 20, 21, and 22 are effective the day following final enactment. Section 3, subdivision 3, paragraph (c), is effective January 1, 1989.

Delete the title and insert:

"A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; allowing for mediation of disputes about health maintenance organization agreements; allowing interest on unpaid charges; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62D.20; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40."

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

Senate Conferees: JAMES C. PEHLER, JOHN E. BRANDL AND LINDA BERGLIN.

House Conferees: CLAIR L. NELSON, BOB ANDERSON AND ANN WYNIA.

Nelson, C., moved that the report of the Conference Committee on S. F. No. 1861 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1861, A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivi-

sion 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

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

The question was taken on the repassage of the bill and the roll was called. There were 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2114, 1561 and 2079.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2347, 1987 and 1823.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1900 and 1595.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2114, A bill for an act relating to crimes; requiring a warning label on replica firearms; proposing coding for new law in Minnesota Statutes, chapter 325F.

The bill was read for the first time.

Carruthers moved that S. F. No. 2114 and H. F. No. 2205, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1561, A bill for an act relating to game and fish; prohibiting the use of certain meat in baiting bears; authorizing electric landing nets; regulating possession limits, size, and season for walleyed pike in the Rainy River; amending Minnesota Statutes 1986, section 97B.425; proposing coding for new law in Minnesota Statutes, chapter 97C; repealing Minnesota Statutes 1987 Supplement, section 97C.402.

The bill was read for the first time.

Carlson, D., moved that S. F. No. 1561 and H. F. No. 1719, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2079, A bill for an act relating to natural resources; providing for a statement of need and reasonableness before designating muskellunge waters; amending Minnesota Statutes 1986, section 97C.011.

The bill was read for the first time.

Kinkel moved that S. F. No. 2079 and H. F. No. 1973, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2347, A bill for an act relating to commerce; regulating franchises; modifying the definition of franchise to include certain royalty or residuals agreements; regulating burglar alarm franchises; amending Minnesota Statutes 1986, section 80C.01, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 80C.

The bill was read for the first time.

Segal moved that S. F. No. 2347 and H. F. No. 2491, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1987, A bill for an act relating to state government; requiring the commissioner of employee relations to study the use of part-time employees in the executive branch work force; requiring a report.

The bill was read for the first time.

Riveness moved that S. F. No. 1987 and H. F. No. 2220, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1823, A bill for an act relating to water; amending the Minnesota watershed act by adding reasons for termination of a watershed district; amending Minnesota Statutes 1987 Supplement, section 112.411, subdivision 4.

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

S. F. No. 1900, A bill for an act relating to the metropolitan airports commission; setting the borrowing authority of the commission; amending Minnesota Statutes 1986, section 473.667, subdivision 2.

The bill was read for the first time.

Simoneau moved that S. F. No. 1900 and H. F. No. 1874, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1595, A bill for an act relating to state agencies; returning the control of the Minnesota veterans home to the department of veterans affairs; creating the veterans home board of directors and providing for its powers and duties; providing for the appointment of deputy commissioners and providing for their powers and duties; appropriating money; amending Minnesota Statutes 1986, sections 196.03; 196.05; 198.001; 198.01; 198.022; 198.03; 198.05; 198.065; 198.075; 198.16; 198.161; 198.23; 198.231; 198.261; 198.265; 198.266; 198.31; 198.32; 198.33; and 198.34; proposing coding for new law in Minnesota Statutes, chapters 196 and 198; repealing Minnesota Statutes 1986, sections 196.02, subdivision 3; and 198.06.

The bill was read for the first time.

Kostohryz moved that S. F. No. 1595 and H. F. No. 1746, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Anderson, G., requested immediate consideration of H. F. Nos. 2031, 2536 and 1750; S. F. Nos. 1788, 1121, 2286, 2456 and 2003; H. F. Nos. 1981 and 2127; and S. F. No. 2226.

H. F. No. 2031, A bill for an act relating to waste management; requiring certain buildings to provide space for recycling; changing the definition of recyclable materials; specifying the responsibilities of the legislative commission on waste management; adding containment of hazardous waste as an item for which the waste management board may make grants; making industrial waste facilities eligible for processing facility loans; creating additional loan and grant programs for waste tire management; banning used oil from placement on the land; removing the county fee cap for waste disposal in the metropolitan area; adding the chair of the waste management board to the environmental quality board; repealing the expiration date of the legislative commission on waste management; appropriating money; amending Minnesota Statutes 1986, sections 16B.24, subdivision 6; 16B.61, by adding a subdivision; 115A.03, subdivisions 25a and 25b; 115A.14, subdivision 4; 115A.156, subdivision 3; 115A.165; 115A.912; 115A.914; 115A.919; 115B.17, by adding a subdivision; 473.803, subdivision 4; and 609.68; Minnesota Statutes 1987 Supplement, sections 115A.156, subdivisions 1 and 2; 115A.162; 115A.48; 115A.916; 115A.95; and 116C.03, subdivision 2; Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended; Laws 1987, chapters 348, section 51, subdivision 1; and 404, section 24, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E; repealing Minnesota Statutes 1986, sections 115A.14, subdivision 6;

and 115A.90, subdivision 4; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 115A.41; 116.55; and 116M.07, subdivision 14.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

The Speaker called Long to the Chair.

H. F. No. 2536 was reported to the House.

Shaver moved to amend H. F. No. 2536, the first engrossment, as follows:

Page 3, after line 24, insert:

"Sec. 6. [204C.035] [CAMPAIGN ADVERTISEMENTS PROHIBITED ON ELECTION DAY.]

No owner, publisher, editor, reporter, agent or employee of any newspaper, periodical or magazine circulated within the state of

Minnesota may accept for insertion in the newspaper, magazine or periodical a political advertisement to be published on the day the state primary or state general election is held, or on the day that an election is held within the boundaries of a school district, county, city or town, that is intended to directly or indirectly influence, or attempt to influence, a voter's choice of a candidate. A county attorney who is notified of an alleged violation of this section shall promptly inquire into the facts of the violation as required by section 210A.37. A person who violates this section is guilty of a misdemeanor.

Renumber subsequent sections

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Shaver amendment and the roll was called. There were 56 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Jennings	Omann	Rose
Bennett	Frederick	Johnson, V.	Onnen	Schafer
Blatz	Frerichs	Kinkel	Ozment	Schreiber
Boo	Gruenes	Knickerbocker	Pauly	Seaberg
Brown	Gutknecht	Knuth	Pelowski	Shaver
Burger	Hartle	McKasy	Poppenhagen	Stanius
Carlson, D.	Haukoos	McPherson	Quinn	Swenson
Clausnitzer	Heap	Miller	Quist	Tjornhom
Dempsey	Himle	Morrison	Redalen	Tompkins
DeRaad	Hugoson	Olsen, S.	Richter	Valento
Dille	Jacobs	Olson, K.	Rodosovich	Voss
				Waltman

Those who voted in the negative were:

Battaglia	Jefferson	McDonald	Orenstein	Skoglund
Beard	Jensen	McEachern	Osthoff	Solberg
Begich	Johnson, A.	McLaughlin	Otis	Sparby
Bertram	Johnson, R.	Milbert	Pappas	Steensma
Carlson, L.	Kahn	Minne	Peterson	Thiede
Carruthers	Kalis	Munger	Price	Trimble
Clark	Kelso	Murphy	Reding	Tunheim
Cooper	Kludt	Nelson, C.	Rest	Wagenius
Dauner	Kostohryz	Nelson, D.	Rivness	Wenzel
Dawkins	Krueger	Nelson, K.	Rukavina	Winter
DeBlieck	Larsen	Neuenschwander	Sarna	Spk. Vanasek
Dorn	Lasley	O'Connor	Scheid	
Greenfield	Lieder	Ogren	Segal	
Jaros	Long	Olson, E.	Simoneau	

The motion did not prevail and the amendment was not adopted.

H. F. No. 2536, A bill for an act relating to elections; providing that statewide computerized voter registration system satisfy requirements for duplicate registration file; establishing voter registration account and appropriating money; changing certain procedures related to registration cards, files, and records; changing certain procedures for voting, arranging names on ballots, and completing summary statements; permitting cities or counties to use their present voting systems for general elections; amending Minnesota Statutes 1986, sections 201.091, subdivisions 2 and 5; 204D.08, subdivision 5; Minnesota Statutes 1987 Supplement, sections 201.022, subdivision 1; 201.071, subdivision 4; 204C.24, subdivision 1; 204D.08, subdivision 4; and 206.80; proposing coding for new law in Minnesota Statutes, chapter 201.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1750, A bill for an act relating to transportation; creating a transportation study board and prescribing its duties; appropriating money.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1788, A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating certain filings; eliminating the requirement that documents be notarized, verified, or acknowledged; reducing the number of signatures required; setting fees for copies of documents filed with the office of the secretary of state; permitting the correction of documents; setting fees for various filings; allowing the annual registration to fulfill the requirement that an active status report be filed; conforming the business corporation act to the uniform fraudulent conveyances act; increasing the penalties for failure to file an assumed business name; changing the time period during which audits of legal newspapers may occur; amending Minnesota Statutes 1986, sections 5.12; 300.025; 300.49; 302A.115, subdivisions 1 and 7; 302A.551, subdivision 3; 302A.821, subdivision 1; 303.06; 303.10, subdivision 2; 303.11; 303.14, subdivisions 1 and 3; 303.16, subdivision 3; and by adding a subdivision; 306.70; 306.74; 308.06; 308.14, subdivisions 2 and 4; 308.15, subdivisions 1 and 4; 308.59; 317.04, subdivision 3; 317.08, subdivision 1; 317.27, subdivisions 1 and 5; 317.33; 317.35; 317.45, subdivision 4; 318.02, subdivision 1; 322A.12; 322A.14; 322A.73; 322A.74; 333.01; 333.055, subdivisions 1 and 4; 333.06; 333.20, subdivision 2; 333.22, subdivision 2; 333.23; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivision 11; 302A.139; 302A.615, subdivision 1;

308.58, subdivision 2; 322A.70; and 331A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 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
Beard	Greenfield	Lieder	Otis	Simoneau
Begich	Gruenes	Long	Ozment	Skoglund
Bennett	Gutknecht	McDonald	Pappas	Solberg
Bertram	Hartle	McEachern	Pauly	Sparby
Bishop	Haukoos	McKasy	Pelowski	Stanius
Blatz	Heap	McPherson	Peterson	Steensma
Boo	Himle	Milbert	Poppenhagen	Sviggum
Brown	Hugoson	Miller	Price	Swenson
Burger	Jacobs	Minne	Quinn	Thiede
Carlson, D.	Jefferson	Morrison	Quist	Tjornthom
Carlson, L.	Jennings	Munger	Redalen	Tompkins
Carruthers	Jensen	Murphy	Reding	Trimble
Clark	Johnson, R.	Nelson, C.	Rest	Tunheim
Clausnitzer	Johnson, V.	Nelson, D.	Richter	Valento
Cooper	Kahn	Nelson, K.	Riveness	Voss
Dauner	Kalis	Neuenschwander	Rodosovich	Wagenius
Dawkins	Kelso	O'Connor	Rose	Waltman
DeBlicek	Kinkel	Ogren	Rukavina	Welle
Dempsey	Kludt	Olsen, S.	Sarna	Wenzel
DeRaad	Knickerbocker	Olson, E.	Schafer	Winter
Dille	Knuth	Olson, K.	Scheid	Wynia
Dorn	Kostohryz	Omann	Schreiber	Spk. Vanasek

The bill was passed and its title agreed to.

S. F. No. 1121, A bill for an act relating to motor vehicles; establishing a titling system for salvage and rebuilt motor vehicles; requiring licenses for scrap metal processors, used vehicle parts dealers, and salvage pool operators; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 8, 10, 24, and by adding subdivisions; 168.33, subdivision 7; 168A.01, subdivision 2, and by adding subdivisions; and 168A.15; Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 168A.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2286, A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing Minnesota Statutes 1986, section 116D.045, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Carlson, L.	Frederick	Jennings	Kostohryz
Anderson, R.	Carruthers	Frerichs	Jensen	Krueger
Battaglia	Clark	Greenfield	Johnson, A.	Larsen
Beard	Clausnitzer	Gruenes	Johnson, R.	Lasley
Begich	Cooper	Gutknecht	Johnson, V.	Lieder
Bennett	Dauner	Hartle	Kahn	Long
Bertram	Dawkins	Haukoos	Kalis	McDonald
Blatz	DeBlieck	Heap	Kelso	McEachern
Boo	DeRaad	Himle	Kinkel	McKasy
Brown	Dille	Hugoson	Kludt	McPherson
Burger	Dorn	Jacobs	Knickerbocker	Milbert
Carlson, D.	Forsythe	Jefferson	Knuth	Miller

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

The bill was passed and its title agreed to.

S. F. No. 2456, 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.

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 85 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Gruenes	Lasley	Orenstein	Segal
Anderson, R.	Heap	Lieder	Osthoff	Simoneau
Battaglia	Jacobs	Long	Otis	Skoglund
Beard	Jefferson	McEachern	Pappas	Solberg
Begich	Jensen	McLaughlin	Pelowski	Steensma
Bertram	Johnson, A.	Milbert	Peterson	Swenson
Boo	Johnson, R.	Minne	Price	Trimble
Brown	Johnson, V.	Munger	Quinn	Tunheim
Burger	Kahn	Murphy	Reding	Vellenga
Carlson, L.	Kalis	Nelson, C.	Rest	Voss
Carruthers	Kelso	Nelson, D.	Rice	Wagenius
Clark	Kinkel	Nelson, K.	Riveness	Waltman
Cooper	Kludt	Neuenschwander	Rodosovich	Welle
Dawkins	Knuth	O'Connor	Rukavina	Wenzel
DeRaad	Kostohryz	Ogren	Sarna	Winter
Dorn	Krueger	Olson, K.	Scheid	Wynia
Greenfield	Larsen	Omann	Seaberg	Spk. Vanasek

Those who voted in the negative were:

Bennett	Frederick	Knickerbocker	Pauly	Schreiber
Blatz	Frerichs	McDonald	Poppenhagen	Shaver
Clausnitzer	Gutknecht	McKasy	Quist	Sparby
Dauner	Haukoos	McPherson	Redalen	Stanius
DeBlick	Himle	Miller	Richter	Thiede
Dempsey	Hugoson	Olsen, S.	Rose	Tompkins
Forsythe	Jennings	Olson, E.	Schafer	Valento

The bill was passed and its title agreed to.

Murphy was excused between the hours of 4:20 p.m. and 6:00 p.m.

S. F. No. 2003 was reported to the House.

Johnson, R.; Omann; Dorn; Pelowski and Gruenes moved to amend S. F. No. 2003, the unofficial engrossment, as follows:

Page 6, after line 25, insert:

“Sec. 7. Minnesota Statutes 1986, section 43A.27, is amended by adding a subdivision to read:

Subd. 6. [FOOD SERVICE EMPLOYEES.] Employees of a contracted food service operation at a member institution of the state university system, if the food service was operated by the institution itself before it was turned over to a contractor and if the employer and the representative of employees, defined under section 179.01, subdivision 5, agree, may elect prior to January 1, 1990 to enroll themselves and their dependents at their own or their employer's expense in the appropriate state plans for life insurance, hospital, medical, and dental benefits, and optional coverages at the time, in the manner, and under the conditions of eligibility the commissioner prescribes and otherwise approves.”

Renumber subsequent sections

Correct internal cross references

Amend the title as follows:

Page 1, line 9, after “subdivision 3” insert “, and by adding a subdivision”

The motion prevailed and the amendment was adopted.

S. F. No. 2003, A bill for an act relating to state government; providing for salary ranges for certain state employees; clarifying requirements for submitting certain salaries for legislative approval; requiring certain reports; regulating emergency civil service appointments; clarifying limits on certain salaries; authorizing the governor to change the salaries of newly appointed agency heads; regulating affirmative action; regulating separation from certain bargaining units; regulating health and other fringe benefit coverages; providing duties for the commissioner of employee relations; amending Minnesota Statutes 1986, sections 43A.04, subdivision 7; 43A.15, subdivisions 2 and 11; 43A.17, subdivisions 1 and 9; 43A.18, subdivision 5; 43A.19, subdivision 1; 43A.23, subdivisions 1 and 3; 43A.27, subdivision 3, and by adding a subdivision; 175.101, by

adding a subdivision; and 179A.10, subdivision 3; Minnesota Statutes 1987 Supplement, sections 15A.081, subdivisions 1 and 7b; 15A.083, subdivision 7; 43A.08, subdivision 1a; 43A.191, subdivision 3; 43A.316, subdivisions 2, 4, 8, and by adding a subdivision; 43A.421; 44A.02, subdivision 1; 79.34, subdivision 1; 176.611, subdivisions 2 and 3a; and 214.04, subdivision 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed, as amended, and its title agreed to.

H. F. No. 1981, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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 82 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Battaglia	Dille	Knuth	Osthoff	Seaberg
Beard	Forsythe	Kostohryz	Otis	Segal
Begich	Greenfield	Krueger	Ozment	Simoneau
Bennett	Gruenes	Lasley	Pappas	Solberg
Bertram	Hartle	McDonald	Pauly	Stanius
Bishop	Hugoson	McEachern	Pelowski	Steensma
Brown	Jacobs	Milbert	Peterson	Tompkins
Burger	Jaros	Minne	Price	Trimble
Carlson, D.	Jefferson	Munger	Quinn	Tunheim
Carlson, L.	Jensen	Nelson, C.	Redalen	Voss
Carruthers	Johnson, A.	Nelson, K.	Reding	Wenzel
Clark	Johnson, R.	O'Connor	Rice	Winter
Cooper	Johnson, V.	Ogren	Rose	Wynia
Dauner	Kalis	Olson, E.	Rukavina	Spk. Vanasek
Dawkins	Kelso	Olson, K.	Sarna	
DeBlieck	Kinkel	Omann	Schafer	
DeRaad	Kludt	Orenstein	Scheid	

Those who voted in the negative were:

Anderson, G.	Haukoos	McLaughlin	Rest	Thiede
Blatz	Heap	Miller	Riveness	Tjornhom
Boo	Himle	Morrison	Rodosovich	Valento
Clausnitzer	Jennings	Nelson, D.	Schreiber	Wagenius
Dempsey	Kahn	Neuenschwander	Shaver	Waltman
Dorn	Knickerbocker	Olsen, S.	Skoglund	Welle
Frederick	Larsen	Onnen	Sparby	
Frerichs	Lieder	Poppenhagen	Sviggum	
Gutknecht	Long	Quist	Swenson	

The bill was passed and its title agreed to.

Rodosovich moved that his name be stricken as an author on H. F. No. 1981. The motion prevailed.

Sarna was excused for the remainder of today's session.

H. F. No. 2127, A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5, and by adding a subdivision; 62D.14, subdivision 1; 62D.18; 62D.19; 62E.02, subdivision 13; and 62E.14, subdivision 1; Minnesota Statutes 1987 Supplement, sections 62D.04, subdivision 1; and 62E.10, subdivision 9; proposing coding for new law in

Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

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

The bill was passed and its title agreed to.

S. F. No. 2226, A bill for an act relating to state government; amending certain provisions governing advisory councils, committees, and task forces; amending Minnesota Statutes 1986, sections 3.922, subdivision 3; 3.9225, subdivision 1; 3.9226, subdivision 1; 6.65; 15.059, subdivision 5; 79.51, subdivision 4; 84B.11, subdivision 1; 85A.02, subdivision 4; 115.54; 116C.59, subdivisions 1, 2, and 4; 116C.839; 121.83; 124.48, subdivision 3; 126.56, subdivision 5; 128A.03, subdivision 3; 135A.05; 136A.02, subdivision 7; 138.97, subdivision 3; 162.02, subdivision 2; 162.09, subdivision 2; 174.031, subdivision 2; 175.008; 182.653, subdivision 4e; 214.141; 248.10, subdivision 2; 254A.035, subdivision 2; 256C.28, subdivision 2; 299F.097; 611A.34, subdivision 1; 611A.71, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 15.059, subdivision 6; 16B.20, subdivision 2; 43A.316, subdivision 4; 115A.12, subdivision 1; 116J.971, by adding a subdivision; 120.17, subdivision 11a; 121.934, subdivision 1; 123.935, subdivision 7; 126.665; 129C.10,

subdivision 3; 136A.02, subdivision 6; 144.672, subdivision 1; 175.007, subdivision 1; 245.697, subdivision 1; 245.97, subdivision 6; 246.56, subdivision 2; 256.482, subdivision 1; 256.73, subdivision 7; 256B.064, subdivision 1a; 256B.27, subdivision 3; 256B.433, subdivisions 1 and 4; 299A.23, subdivision 2; 299J.06, subdivision 4; repealing Minnesota Statutes 1986, sections 116J.04; 160.80, subdivision 6; 177.28, subdivision 2; 326.66; Minnesota Statutes 1987 Supplement, section 115A.12, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey	Frerichs	Himle	Jennings	Schreiber
---------	----------	-------	----------	-----------

The bill was passed and its title agreed to.

SPECIAL ORDERS

S. F. No. 1875, A bill for an act relating to the city of Minneapolis; authorizing contracts with labor organizations for the provision of certain skilled trade and craft services.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Solberg

The bill was passed and its title agreed to.

S. F. No. 2137 was reported to the House.

Kelso moved that S. F. No. 2137 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1646 was reported to the House.

DeBlicck moved that S. F. No. 1646 be continued on Special Orders for one day. The motion prevailed.

Anderson, G., was excused between the hours of 5:20 p.m. and 7:30 p.m.

S. F. No. 2009 was reported to the House.

Vellenga moved to amend S. F. No. 2009, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 256.87, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS AGAINST PARENTS FOR ASSISTANCE FURNISHED.] A parent of a child is liable for the amount of assistance furnished under sections 256.72 to 256.87 to and for the benefit of the child, including any assistance furnished for the benefit of the caretaker of the child, which the parent has had the ability to pay. Ability to pay must be determined according to chapter 518. The parent's liability is limited to the amount of assistance furnished during the two years immediately preceding the commencement of the action, except that where child support has been previously ordered, the state or county agency providing the assistance, as assignee of the obligee, shall be entitled to judgments for child support payments accruing within ten years preceding the date of the commencement of the action up to the full amount of assistance furnished. The action may be ordered by the state agency or county agency and shall be brought in the name of the county by the county attorney of the county in which the assistance was granted, or by the state agency against the parent for the recovery of the amount of assistance granted, together with the costs and disbursements of the action.

Sec. 2. Minnesota Statutes 1986, section 256.87, subdivision 1a, is amended to read:

Subd. 1a. [CONTINUING CHILD SUPPORT CONTRIBUTIONS.] In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing child support contributions by a parent found able to reimburse the county or state agency. Except as provided in subdivision 4, the order shall be effective for the period of time during which the recipient receives public assistance from any county or state agency and for five months thereafter. The order shall require support according to chapter 518. An order for continuing contributions is reinstated without further hearing upon notice to the parent by any county or state agency that assistance is again being provided for the child of the parent under sections 256.72 to 256.87. The notice shall be in writing and shall indicate that the parent may request a hearing for modification of the amount of support or maintenance.

Sec. 3. Minnesota Statutes 1986, section 256.978, is amended to read:

256.978 [LOCATION OF PARENTS DESERTING THEIR CHILDREN, ACCESS TO RECORDS.]

The commissioner of human services, in order to carry out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children, may request information from the records of all departments, boards, bureaus or other agencies of this state, which shall, notwithstanding the provisions of section 290.61, section 268.12, subdivision 12 or any other law to the contrary, provide the information necessary for this purpose. Employers and utility companies doing business in this state shall provide the following data upon written request by an agency responsible for child support enforcement, to identify and locate individuals owing or allegedly owing a duty to support, whether the individual is employed or is receiving utility service and the individual's address. A request for this information may be made to an employer when there is reasonable cause to believe that the subject of the inquiry is or was employed by the employer of whom the request was made. The request must include a statement that such reasonable cause exists. Information relative to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of support may be requested and used or transmitted by the commissioner pursuant to the authority conferred by this section. The commissioner of human services may make such information available only to public officials and agencies of this state and its political subdivisions and other states of the union and their political subdivisions who are seeking to enforce the support liability of parents or to locate parents who have, or appear to have, deserted their children. Any person who, pursuant to this section, obtains information from the department of revenue the confidentiality of which is protected by law shall not divulge the information except to the extent necessary for the administration of the child support enforcement program or when otherwise authorized by law.

Sec. 4. Minnesota Statutes 1986, section 270A.03, subdivision 4, is amended to read:

Subd. 4. "Debtor" means a natural person obligated on a debt to a claimant agency or having a delinquent account with a public agency responsible for child support enforcement.

Sec. 5. Minnesota Statutes 1987 Supplement, section 356.80, is amended to read:

356.80 [PROVISION OF INFORMATION IN THE EVENT OF MARRIAGE DISSOLUTION.]

Subdivision 1. [INFORMATION FOR A PENDING MARRIAGE DISSOLUTION.] (a) Upon written request by a person with access to the data under subdivision 3 who cites this statute, a public or

private pension plan administrator must provide the court and the parties to a marriage dissolution action involving a plan member or former plan member with information regarding pension benefits or rights of the plan member or former plan member. The pension plan shall provide this information upon request of the court or a party to the action without requiring a signed authorization from the plan member or former plan member.

(b) The information must include the pension benefits or rights of the plan member or former plan member as of the first day of the month following the date of the request, ~~as of the first day of the seventh month following the date of the request if the action involves an active plan member,~~ and as of the date of valuation of marital assets under section 518.58, if the person requesting the information specifies that date. The information must also include the accrued service credit of the person, the credited salary of the person for the most current five-year period, a summary of the benefit plan, and any other information relevant to the calculation of the present value of the benefits or rights.

Subd. 2. [INFORMATION FOR AN EXISTING DISSOLUTION DECREE.] If a marriage dissolution decree rendered by a court of competent jurisdiction prior to August 1, 1987, provided a procedure for ~~dividing pension benefits or rights in the form~~ the distribution of future pension plan payments, upon request the applicable pension plan administrator shall provide on a timely basis to the court and the parties to the action the required information to implement that procedure without requiring a signed authorization from the plan member or former plan member.

Subd. 3. [ACCESS TO DATA.] Notwithstanding any provision of chapter 13 to the contrary, ~~a responsible authority an administrator~~ may release private or confidential data on individuals to the court, the parties to a marriage dissolution, their attorneys, and an actuary appointed under section 518.582, to the extent necessary to comply with this section.

Sec. 6. Minnesota Statutes 1986, section 518.145, is amended to read:

518.145 [DECREE, FINALITY, AND REOPENING.]

Subdivision 1. [APPEAL.] A decree of dissolution of marriage or of legal separation is final when entered, subject to the right of appeal. When entered, the findings of fact and conclusions of law may constitute the judgment and decree. An appeal from the decree of dissolution that does not challenge the finding that the marriage is irretrievably broken does not delay the finality of that provision of the decree which dissolves the marriage beyond the time for appealing from that provision. A party may remarry before the time for appeal has run if it is not contested that the marriage is irretriev-

ably broken or if a stipulation that the marriage is irretrievably broken is incorporated in the decree of dissolution.

Subd. 2. [REOPENING.] On motion and upon terms as are just, the court may relieve a party from a judgment and decree, order, or proceeding under chapter 518, except for provisions dissolving the bonds of marriage, annulling the marriage, or directing that the parties are legally separated, and may order a new trial or grant other relief as may be just for the following reasons:

- (1) mistake, inadvertence, surprise, or excusable neglect;
- (2) newly discovered evidence which by due diligence could not have been discovered in time to move for a new trial under the rules of civil procedure, rule 59.03;
- (3) fraud, whether denominated intrinsic or extrinsic, misrepresentation, or other misconduct of an adverse party;
- (4) the judgment and decree or order is void; or
- (5) the judgment has been satisfied, released, or discharged, or a prior judgment and decree or order upon which it is based has been reversed or otherwise vacated, or it is no longer equitable that the judgment and decree or order should have prospective application.

The motion must be made within a reasonable time, and for a reason under clause (1), (2), or (3), not more than one year after the judgment and decree, order, or proceeding was entered or taken. A motion under this subdivision does not affect the finality of a judgment and decree or order or suspend its operation. This subdivision does not limit the power of a court to entertain an independent action to relieve a party from a judgment and decree, order, or proceeding or to grant relief to a party not actually personally notified as provided in the rules of civil procedure, or to set aside a judgment for fraud upon the court.

Sec. 7. Minnesota Statutes 1986, section 518.17, subdivision 3, is amended to read:

Subd. 3. [CUSTODY ORDER.] (a) Upon adjudging the nullity of a marriage, or in a dissolution or separation proceeding, or in a child custody proceeding, the court shall make such further order as it deems just and proper concerning:

- (a) (1) the legal custody of the minor children of the parties which shall be sole or joint;
- (b) (2) their physical custody and residence; and

(e) (3) their support. In determining custody, the court shall consider the best interests of the each child and shall not prefer one parent over the other solely on the basis of the sex of the parent.

(b) The court shall grant the following rights to each of the parties, unless specific findings are made under paragraph (c), and every custody order must include the following notice to the parties:

NOTICE IS HEREBY GIVEN TO THE PARTIES:

Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Presentation of a copy of this order to the custodian of a record or other information about the minor children constitutes sufficient authorization for the release of the record or information to the requesting party.

Each party shall keep the other party informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress, and status, and to attend school and parent-teacher conferences. The school is not required to hold a separate conference for each party.

In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

Each party has the right to reasonable access and telephone contact with the minor children.

(c) The court may waive all or part of the notice required under paragraph (b) if it finds that it is necessary to protect the welfare of a party or child.

Sec. 8. Minnesota Statutes 1986, section 518.171, is amended by adding a subdivision to read:

Subd. 10. [ENFORCEMENT.] Remedies available for the collection and enforcement of child support apply to medical support. For the purpose of enforcement, the cost of individual or group health or hospitalization coverage is additional child support.

Sec. 9. Minnesota Statutes 1986, section 518.175, is amended by adding a subdivision to read:

Subd. 7. [GRANDPARENT VISITATION.] In all proceedings for dissolution or legal separation, the court may make an order

granting visitation rights to grandparents under section 257.022, subdivision 2.

Sec. 10. Minnesota Statutes 1987 Supplement, section 518.54, subdivision 10, is amended to read:

Subd. 10. [PUBLIC PENSION PLAN BENEFITS OR RIGHTS.] "Public Pension plan benefits or rights" means a benefit or right from a public or private pension plan accrued to the end of the month in which marital assets are valued, as determined under the terms of the laws or other plan document provisions governing the plan, including section 356.30.

Sec. 11. Minnesota Statutes 1986, section 518.54, is amended by amending a subdivision to read:

Subd. 12. [PRIVATE PENSION PLAN.] "Private pension plan" means a plan, fund, or program maintained by an employer or employee organization that provides retirement income to employees or results in a deferral of income by employees for a period extending to the termination of covered employment or beyond.

Sec. 12. Minnesota Statutes 1986, section 518.551, is amended by adding a subdivision to read:

Subd. 11. [REOPENING SUPPORT AWARDS.] Section 518.145, subdivision 2, applies to awards of child support.

Sec. 13. Minnesota Statutes 1986, section 518.552, is amended by adding a subdivision to read:

Subd. 4. [REOPENING MAINTENANCE AWARDS.] Section 518.145, subdivision 2, applies to awards of spousal maintenance.

Sec. 14. Minnesota Statutes 1987 Supplement, section 518.58, subdivision 2, is amended to read:

Subd. 2. [PENSION PLANS.] The division of marital property that represents vested public pension plan benefits or rights in the form of future public pension plan payments:

(1) may not commence until the public plan member submits a valid application for a public pension plan benefit and the benefit becomes payable;

(2) is payable only to the extent of the amount of the public pension plan benefit payable under the terms of the plan;

(3) is not payable for a period that exceeds the time that public

pension plan benefits are payable to the public pension plan benefit recipient;

(4) is not payable in a lump sum amount from public pension plan assets attributable in any fashion to a spouse with the status of an active member, deferred retiree, or benefit recipient of a public pension plan; and

(5) if the former spouse to whom the payments are to be made dies prior to the end of the specified payment period with the right to any remaining payments accruing to an estate or to more than one survivor, is payable only to a trustee on behalf of the estate or the group of survivors for subsequent apportionment by the trustee.

Sec. 15. Minnesota Statutes 1987 Supplement, section 518.581, subdivision 4, is amended to read:

Subd. 4. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given in this subdivision.

(a) "Current or former public employee" or "employee" means an individual who has an interest in a pension plan.

(b) "Surviving spouse benefit" means (1) a benefit a surviving spouse may be eligible for under the laws and bylaws of the pension plan if the employee dies before retirement, or (2) a benefit selected for or available to a surviving spouse under the laws and bylaws of the pension plan upon the death of the employee after retirement.

Sec. 16. Minnesota Statutes 1987 Supplement, section 518.611, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS OF INCOME WITHHOLDING.] (a) Withholding shall result whenever the obligor fails to make the maintenance or support payments, and the following conditions are met:

(1) The obligor is at least 30 days in arrears;

(2) The obligee or the public authority serves written notice of income withholding, showing arrearage, on the obligor at least 15 days before service of the notice of income withholding and a copy of the court's order on the payor of funds;

(3) Within the 15-day period, the obligor fails to move the court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact, and, ex parte, to stay service on the payor of funds until the motion to deny withholding is heard; and

(4) The obligee or the public authority serves a copy of the notice of income withholding, a copy of the court's order, and the provisions of this section on the payor of funds; and

(5) The obligee serves on the public authority a copy of the notice of income withholding, a copy of the court's order, an application, and the fee to use the public authority's collection services.

(b) To pay the arrearage specified in the notice of income withholding, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.

(c) The obligor may, at any time, waive the written notice required by this subdivision.

(d) The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.

(e) Every order for support or maintenance shall provide for a conspicuous notice of the provisions of this subdivision. An order without this notice remains subject to this subdivision.

Sec. 17. Minnesota Statutes 1986, section 518.611, subdivision 10, is amended to read:

Subd. 10. [ORDER TERMINATING INCOME WITHHOLDING.]

(a) Whenever an obligation for support of a child or maintenance of a spouse, or both, terminates under the terms of the order or decree establishing the obligation, and where the obligation is enforced by an order for income withholding from the obligor, the court shall enter an order, directed to the obligor's employer or other payer of funds, which terminates the income withholding. The order terminating income withholding must specify the effective date of the order, referencing the initial order or decree establishing the support obligation.

The order must be entered once the following conditions have been met:

(1) the obligor serves written notice of the application for termination of income withholding by mail upon the obligee at the obligee's last known mailing address; and a duplicate copy of the application is served upon the public authority responsible for the processing of support collection services;

(2) the application for termination of income withholding specifies the event that terminates the support obligation, the effective date of the termination of the support obligation, and the applicable

provisions of the order or decree that established the support obligation;

(3) the application includes the complete name of the obligor's employer or other payer of funds, the business mailing address, the court action and court file number, and the support and collections file number, if known; and

(4) after receipt of the application for termination of income withholding, the obligee or the public authority fails within 20 days to request a hearing on the issue of whether income withholding of support should continue clearly specifying the basis for the continued support obligation and, ex parte, to stay the service of the order terminating income withholding upon the obligor's employer or other payer of funds, pending the outcome of the hearing.

(b) If the public authority determines that the support obligation has terminated under the terms of the order or decree establishing the obligation, the public authority shall notify the obligee and obligor of intent to terminate income withholding. Five days following this notice, the public authority shall issue a notice to the payor of funds terminating income withholding, without a requirement for a court order terminating income withholding, unless a hearing has been requested under paragraph (a).

Sec. 18. Minnesota Statutes 1987 Supplement, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] The terms of a decree respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost-of-living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair. On a motion for modification of maintenance, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court shall take into consideration the needs of the children and shall not consider the financial circumstances of each party's spouse, if any. A modification which decreases support or maintenance may be made retroactive only with respect to any period during which the support obligor has pending a motion for modification but only from the date that notice of the motion has been given to the obligee and to the court or other entity which issued each support order. A modification which increases support or maintenance shall not be made retroactive if the obligor has substantially complied with the previous order. Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may

be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Sec. 19. Minnesota Statutes 1986, section 518.641, is amended to read:

518.641 [COST-OF-LIVING ADJUSTMENTS IN MAINTENANCE OR CHILD SUPPORT ORDER.]

Subdivision 1. [REQUIREMENT.] An order for child support shall, and an order for maintenance may, provide for a biennial adjustment in the amount to be paid based on a change in the cost-of-living. ~~The~~ An order which provides for a cost-of-living adjustment shall specify the cost-of-living index to be applied. The court may use the consumer price index for all urban consumers, Minneapolis-St. Paul (CPI-U), the consumer price index for wage earners and clerical, Minneapolis-St. Paul (CPI-W), or another cost-of-living index published by the department of labor which it specifically finds is more appropriate. The court may specify that the housing component be excluded from the cost-of-living adjustment. Cost-of-living increases under this section shall be compounded. ~~It~~ The court may also increase the amount by more than the cost-of-living adjustment by agreement of the parties or by making further findings. The adjustment becomes effective on the first of May of the year in which it is made. A court may waive the requirement of the cost-of-living clause in an order for child support if it expressly finds that the obligor's occupation or income, or both, does not provide for cost-of-living adjustment or that the order for child support has a provision such as a step increase that has the effect of a cost-of-living clause. The court may waive a cost-of-living adjustment in a maintenance order if the parties so agree in writing. The commissioner of human services may promulgate rules for child support adjustments under this section in accordance with the rulemaking provisions of chapter 14.

Subd. 2. [CONDITIONS.] No adjustment under this section may be made unless the order provides for it and until the following conditions are met:

(a) the obligee or public authority serves notice of its application for adjustment by mail on the obligor at the obligor's last known address at least 20 days before the effective date of the adjustment;

(b) the notice to the obligor shall inform the obligor that an

adjustment in payments shall become effective on the first of May; and

(c) after receipt of notice and before the effective day of the adjustment, the obligor fails to request a hearing on the issue of whether the adjustment should take effect, and ex parte, to stay imposition of the adjustment pending outcome of the hearing.

Subd. 3. [RESULT OF HEARING.] If, at a hearing pursuant to this section, the obligor establishes an insufficient cost of living or other increase in income that prevents fulfillment of the an adjusted maintenance or child support obligation, the court may direct that all or part of the adjustment not take effect. If, at the hearing, the obligor does not establish this insufficient increase in income, the adjustment shall take effect as of the date it would have become effective had no hearing been requested.

Subd. 4. [FORM.] The department of human services shall prepare and make available to the court and obligors a form to be submitted to the department by the obligor in support of a request for hearing under this section regarding a child support order. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Subd. 5. [REQUEST FOR COST-OF-LIVING CLAUSE.] A motion for enforcement or modification of an existing child support order shall include a request for a cost-of-living clause. The court may deny the request only upon an express finding that the obligor's occupation, income, or both, does not provide for a cost-of-living adjustment or that the existing child support order either has a cost-of-living clause or sets forth a step increase which has the effect of a cost-of living adjustment."

Delete the title and insert:

"A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1 and 1a; 256.978; 270A.03, subdivision 4; 518.145; 518.17, subdivision 3; 518.171, by adding a subdivision; 518.175, by adding a subdivision; 518.54, by adding a subdivision; 518.551, by adding a subdivision; 518.552, by adding a subdivision; 518.611, subdivision 10; and 518.641; Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; 518.581, subdivision 4; 518.611, subdivision 2; and 518.64, subdivision 2."

The motion prevailed and the amendment was adopted.

Dempsey moved to amend S. F. No. 2009, as amended, as follows:

Page 8, after line 12, insert:

"Sec. 12. Minnesota Statutes 1986, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support agreement of the parties if each party is represented by independent counsel, unless the agreement is not in the interest of justice. In other cases the court shall order child support in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom.

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

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

Guidelines for support for an obligor with a monthly income of

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

Net Income defined as:

Total monthly
income less

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

*Standard
Deductions apply-
use of tax tables
recommended

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

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

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

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

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

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

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

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

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

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

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

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

(3) the either party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

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

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

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

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

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

Page 8, line 18, delete "by adding a subdivision"

Page 8, after line 18, insert:

"Sec. 14. Minnesota Statutes 1986, section 518.552, is amended to read:

518.552 [MAINTENANCE.]

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

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

(b) is unable to provide adequate self-support, after considering the duration of the marriage and the standard of living established during the marriage and all relevant circumstances, through appropriate employment, or is the custodian of a child whose condition or circumstances make it appropriate that the custodian not be required to seek employment outside the home.

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

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

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

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

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

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

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

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

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

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

Subd. 3. Nothing in this section shall be construed to favor a temporary award of maintenance over a permanent award, where the factors under subdivision 2 justify a permanent award.

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

Page 12, line 12, strike everything after "only"

Page 12, strike lines 13 to 15

Page 12, line 16, before the period insert "upon a showing that any failure to pay in accord with the terms of the original order was for reasons beyond the obligor's control"

Page 14, after line 26, insert:

"Sec. 21. [EFFECTIVE DATE.]

Except for the provision relating to motions under section 518.145, section 19 is effective on the date a waiver is obtained under United States Code, title 42, section 666(a) or on the date it is determined that such a waiver is not necessary, whichever is earlier. The commissioner of human services shall request a waiver promptly after enactment of this act."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Simoneau moved to amend S. F. No. 2009, as amended, as follows:

Page 3, after line 29, insert:

“Sec. 5. 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. 6. 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 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.

Renumber subsequent sections and correct internal cross references

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "authorizing early unreduced retirement under the rule of 90 for the Minnesota state retirement system and the teachers retirement association;"

Page 1, line 12, after "4;" insert "354.44, subdivision 6;"

Page 1, line 20, after "sections" insert "352.116, by adding a subdivision;"

The motion prevailed and the amendment was adopted.

Otis moved to amend S. F. No. 2009, as amended, as follows:

Page 12, after line 29, insert:

"Sec. 19. Minnesota Statutes 1986, section 518.64, is amended by adding a subdivision to read:

Subd. 4a. [POST-SECONDARY EDUCATION.] The court may modify a decree to order a party to contribute to the post-secondary

education of a child of the party who is younger than 24 years. The court may order a party to make that contribution whether or not the original or any modified decree is silent on the subject or provides otherwise and whether or not the child is emancipated. The court shall consider the absolute and relative financial resources of a party when considering a petition under this subdivision."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 14, before "and" insert "518.64, by adding a subdivision,"

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Forsythe was excused for the remainder of today's session.

Carlson, D.; Solberg and Neuenschwander moved to amend S. F. No. 2009, as amended, as follows:

Page 3, after line 29, insert:

"Sec. 4. Minnesota Statutes 1986, section 257.62, subdivision 1, is amended to read:

Subdivision 1. [BLOOD TESTS REQUIRED.] The court may, and upon request of a party shall, require the child, mother, or alleged father to submit to blood tests. If the alleged father is dead, the court may, and upon request of a party shall, within a period of one year from date of death require the decedent's parents or brothers and sisters or both to submit to blood tests. However, in a case involving these relatives of an alleged father, who is deceased, the court may refuse to order blood tests if the court makes an express finding that submitting to the tests presents a danger to the health of one or more of these relatives that outweighs the child's interest in having the tests performed. Unless the person gives consent to the use, the results of any blood tests of the decedent's parents, brothers, or sisters may be used only to establish the right of the child to public assistance including but not limited to social security and veterans' benefits. The tests shall be performed by a qualified expert appointed by the court."

Renumber the remaining sections

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Carlson, D., et al amendment and the roll was called. There were 50 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	McPherson	Peterson	Sparby
Battaglia	Gutknecht	Milbert	Poppenhagen	Stanius
Begich	Hartle	Miller	Quist	Steensma
Bennett	Heap	Neuenschwander	Redalen	Sviggum
Brown	Hugoson	O'Connor	Richter	Thiede
Carlson, D.	Johnson, R.	Ogren	Rose	Tunheim
Clausnitzer	Johnson, V.	Olson, E.	Schafer	Valento
Dauner	Kinkel	Omamm	Seaberg	Waltman
Dille	McDonald	Osthoff	Shaver	Wenzel
Frederick	McKasy	Ozment	Solberg	Spk. Vanasek

Those who voted in the negative were:

Beard	Greenfield	Lasley	Pappas	Simoneau
Bertram	Gruenes	Long	Pauly	Skoglund
Bishop	Haukoos	McEachern	Pelowski	Swenson
Blatz	Himle	McLaughlin	Price	Tjornhom
Boo	Jacobs	Minne	Quinn	Tompkins
Burger	Jaros	Murphy	Reding	Trimble
Carlson, L.	Jefferson	Nelson, C.	Rest	Vellenga
Carruthers	Jennings	Nelson, D.	Rice	Wagenius
Clark	Jensen	Nelson, K.	Riveness	Welle
Cooper	Johnson, A.	Olsen, S.	Rodosovich	Winter
Dawkins	Kahn	Olson, K.	Rukavina	Wynia
Dempsey	Kelso	Onnen	Scheid	
DeRaad	Knickerbocker	Orenstein	Schreiber	
Dorn	Krueger	Otis	Segal	

The motion did not prevail and the amendment was not adopted.

S. F. No. 2009, A bill for an act relating to family law; modifying and clarifying provisions for the collection and enforcement of child support; providing for cost-of-living adjustments in spousal maintenance awards; providing for grandparent visitation rights in all family law proceedings; providing for reopening of judgments; providing for custody rights; clarifying and modifying provisions relating to pension plan rights in marriage dissolutions; amending Minnesota Statutes 1986, sections 69.62; 256.978; 257.022, subdivision 2; 270A.03, subdivision 4; 383B.51; 423A.16; 424A.02, subdivision 6; 490.126, by adding a subdivision; 518.145; 518.156, subdivision 1; 518.17, subdivision 3; 518.171, by adding a subdivision; 518.175, by adding a subdivision; 518.551, by adding a subdivision; 518.552, by adding a subdivision; 518.54, by adding a subdivision; 518.611, subdivision 10; 518.64, subdivision 2; and 518.641; Minnesota Statutes 1987 Supplement, sections 356.80; 518.54, subdivision 10; 518.58, subdivision 2; 518.581, subdivision 4; and 518.611, 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 120 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed, as amended, and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 920, A bill for an act relating to retirement; judges' retirement benefits; amending Minnesota Statutes 1986, sections 490.123, subdivision 1; and 490.129.

Reported the same back with the following amendments:

Page 2, lines 15 and 24, delete the new language

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. 944, A bill for an act relating to retirement; Minnesota state retirement system; teachers retirement association; teachers retirement associations in cities of the first class; authorizing early unreduced retirement under the rule of 90; amending Minnesota Statutes 1986, sections 354.44, subdivision 6; 354A.23, by adding a subdivision; and 354A.31, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 352.116, by adding a subdivision; and 354A.31, subdivision 6.

Reported the same back with the following amendments:

Page 3, line 34, delete "Sections 1 to 5 are" and insert "Section 1 is" and after the period insert:

"Sections 2 to 5 are effective on July 1, 1989."

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. 987, A bill for an act relating to education; requiring the state fire marshal to inspect a public school building every three years; proposing coding for new law in Minnesota Statutes, chapter 299F.

Reported the same back with the following amendments:

Page 1, line 19, delete "1989" and insert "1990"

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. 1000, A bill for an act relating to agriculture; establishing procedures for the orderly marketing of dairy products; authorizing enforcement of disruptive trade practices; providing remedies

and penalties; authorizing assessments on milk processors; establishing the Minnesota dairy commission; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 32C; repealing Minnesota Statutes 1986, chapter 32A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

DAIRY INDUSTRY IMPROVEMENT ACT

Section 1. [FINDINGS.]

The legislature finds that to protect the health and welfare of Minnesotans it is necessary to provide a fair pricing and marketing program in the state for dairy products and to protect consumers of dairy products from unfair trade practices, unfair methods of competition, conditions of monopoly, and combinations in restraint of trade.

Sec. 2. [32C.01] [DEFINITIONS.]

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

Subd. 2. [AGRICULTURAL MARKETING AGREEMENT ACT.] "Agricultural Marketing Agreement Act" means the Agricultural Marketing Agreement Act of 1937 as amended, United States Code, title 7, sections 601 et. seq.

Subd. 3. [BULK MILK.] "Bulk milk" means milk purchased by a processor from a person other than a dairy farmer in a container other than the one in which the milk will be resold to a retailer or to a consumer.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 5. [DAIRY FARMER.] "Dairy farmer" means a person who produces grade A raw milk for sale to a processor.

Subd. 6. [DAIRY FARMER-PROCESSOR.] "Dairy farmer-processor" means a person who is both a dairy farmer and a processor and does not purchase raw milk from other dairy farmers. A dairy farmer-processor is a dairy farmer when selling to a processor raw milk produced by the dairy farmer-processor, and is a processor

when processing, manufacturing, or selling dairy products, or receiving bulk milk from another person.

Subd. 7. [DAIRY MARKETER.] "Dairy marketer" means a processor or distributor, including the subsidiaries, affiliate corporations, agents, and representatives.

Subd. 8. [DAIRY PRODUCTS.] "Dairy products" means milk products and frozen dairy products.

Subd. 9. [DISTRIBUTOR.] "Distributor" means a person, other than a processor, who sells to retailers or consumers at retail on home delivery routes or at fixed places of business.

Subd. 10. [FROZEN DAIRY PRODUCT.] "Frozen dairy product" means:

(1) ice cream, frozen custard, ice milk, mellorine, olarine, sherine, fruit sherbets, fruit sherbines;

(2) the mix from which a product in clause (1) is made;

(3) frozen products that contain milk solids other than fat or butterfat, commonly referred to in the dairy industry as "novelties"; or

(4) frozen products, except baked goods, containing a milk derivative.

Subd. 11. [HANDLING.] "Handling" means the activities of a dairy marketer in bottling, processing, packaging, or manufacturing dairy products, or in purchasing processed or manufactured dairy products that are resold to another dairy marketer or retailer.

Subd. 12. [MILK.] "Milk" means the lacteal secretion of a cow, including a secretion that is raw, cooled, pasteurized, standardized, homogenized, recombined, or concentrated, which meets the grade A requirements established in section 32.394.

Subd. 13. [MILK PRODUCT.] "Milk product" means:

(1) raw milk, regular or creamline milk, standardized milk, whole pasteurized milk, special milk, homogenized milk, fortified milk, plain or creamed buttermilk, cottage cheese, creamed cottage cheese, flavored milk, flavored skim milk, sour cream, half and half, whipping cream, whipped cream, skim milk, lowfat milk, fluid cream, concentrated milk, yogurt, and eggnog; or

(2) a product that contains milk solids other than fat, butterfat, or

a milk derivative, which is manufactured to resemble a milk product as defined in clause (1).

“Milk product” does not include butter, cheese other than cottage cheese or cream cottage cheese, nonfat dry milk, skim condensed milk, whole condensed milk, whole dry milk, dried cream, evaporated milk, sweetened condensed milk, or baked goods.

Subd. 14. [MINNESOTA DAIRY TASK FORCE.] “Minnesota dairy task force” or “task force” means the commission established in section 16.

Subd. 15. [PERSON.] “Person” means an individual, business entity, cooperative corporation or association, or governmental agency.

Subd. 16. [PROCESSOR.] “Processor” means a person who:

- (1) processes or manufactures dairy products;
- (2) purchases raw milk from a grade A dairy farmer for resale to a person who processes or manufactures dairy products; or
- (3) purchases bulk milk from anyone for resale to a person who processes or manufactures dairy products.

“Processor” does not include a person who only purchases ice cream mix, ice milk mix, or other frozen dairy products mix and whose processing activities are limited to converting the mix into a frozen dairy product, if more than half of the sales of the frozen dairy product are made by the person to consumers at retail on the premises where the frozen dairy product is processed.

Subd. 17. [RETAILER.] “Retailer” means a person who sells dairy products to consumers at fixed places of business located in this state, except that “retailer” does not include a person whose primary business is the sale of food or dairy products subject to the sales tax under section 297A.01, subdivision 3, paragraph (c).

Subd. 18. [RETAIL PRICE.] “Retail price” means the price at which a dairy product is purchased when purchased for a purpose other than resale.

UNFAIR DAIRY TRADE PRACTICES

Sec. 3. [32C.02] [BUYING, SELLING, AND PRICING VIOLATIONS.]

Subdivision 1. [PROHIBITED PRICING.] A manufacturer, wholesaler, distributor, or retailer of dairy products doing business in this state must not sell, offer for sale, or advertise for sale a dairy product below cost, or give, offer to give, or advertise the intent to give away a dairy product for the purpose or with the effect of injuring a competitor or destroying competition. This section does not apply to a sale made in conformance with section 325D.06, clauses (1) to (4). No action may be commenced under this section if the retail price is 15 percent or more above the list price of the manufacturer.

Subd. 2. [RETAIL SELLING OF PRODUCTS OF DIFFERENT BRANDS AT DIFFERENT PRICES.] A retailer may not sell or offer for sale dairy products of one brand at a price different from the price charged by the retailer for an equal quantity of a product of the same type, quality, or grade, but of a different brand, unless the price differential is equal to the difference in the prices paid by the retailer for the products.

Subd. 3. [DAIRY PRODUCTS PRICED WITH OTHER PRODUCTS.] A dairy marketer may not charge a combined price for a dairy product and another commodity or service that is less or is represented to be less than the aggregate of the price of the dairy product and the price or value of the other commodity or service when sold or offered for sale separately.

Subd. 4. [SELLING BELOW COST.] A dairy marketer may not sell, offer for sale, or advertise for sale a dairy product below cost, or give, offer to give, or advertise the intent to give away the dairy product, to damage or harass a competitor or destroy competition. This section does not apply to a sale made in conformance with section 325D.06, clauses (1) to (4). An enforcement action may not be commenced under this subdivision if the retail price is 15 percent or more above the list price of the processor.

Subd. 5. [PRIMA FACIE EVIDENCE OF SALE BELOW COST.] In an action for an injunction from or to impose civil penalties for a violation of this section, evidence that a dairy product was sold, offered for sale, or advertised for sale at a price that damages or destroys competition is prima facie evidence that the product was sold, offered for sale, or advertised for sale below cost to damage a competitor or to destroy competition.

Subd. 6. [COMMISSIONER MAY REQUIRE PRICE SCHEDULES.] When the commissioner determines it necessary for the enforcement of this chapter, the commissioner may require a dairy marketer selling dairy products to furnish to the commissioner a current schedule of prices showing rebates, discounts, refunds, and price differentials for the dairy products offered for sale at wholesale by the dairy marketer to retailers or to any other person for sale at wholesale to a retailer. Manufacturers with retail stores may be required to furnish current price schedules for the stores. The price

schedules furnished are informational only. Schedules of prices and cost data are confidential, nonpublic data.

Sec. 4. [32C.03] [UNFAIR DAIRY MARKETING PRACTICES.]

Subdivision 1. [DAMAGING A COMPETITOR.] A dairy marketer may not:

- (1) restrain, lessen, or destroy competition;
- (2) damage a competitor;
- (3) damage a person dealing in dairy products;
- (4) impair or prevent fair competition in the sale of dairy products to retailers in this state; or
- (5) engage in or threaten to engage in a prohibited practice or method of doing business.

Subd. 2. [METHOD TO DEFEAT DAIRY UNFAIR TRADE PRACTICES.] A dairy marketer may not apply or attempt to apply a method or device in the sale or distribution of dairy products intending to defeat the policy or to evade a provision of this chapter or an order or rule adopted by the commissioner.

Subd. 3. [INDUCING PROHIBITED ACTS.] In the course of doing business in this state, a person may not knowingly induce an act or knowingly receive a benefit from an act prohibited by this chapter.

Subd. 4. [FINANCIAL INTEREST IN RETAILER.] A dairy marketer may not own, control, or have more than a five percent financial interest in a retail business selling or offering for sale dairy products in this state, unless the business name, address, nature, and extent of the dairy marketer's ownership or control of the retail business are prominently displayed at the main public entrance to the premises where the business is being conducted. The information displayed must be in upper-cased type not less than 24 points in size.

Sec. 5. [32C.04] [SALE AND LEASE BACK OF PROPERTY.]

Subdivision 1. [GENERAL PROHIBITION.] A dairy marketer may not purchase real or personal property from a retailer and lease back or resell the property to the retailer under a deferred payment contract except as allowed in this section.

Subd. 2. [RENTAL AGREEMENT.] A dairy marketer and a retailer may enter a written lease signed by both parties that specifies:

(1) a rental rate that is consistent with the value of similar property in the area where the retailer is located when the lease is executed; and

(2) other terms and conditions consistent with leases of similar property in that locality made at or about the same time by persons not having the relationship existing between the retailer, as the purchaser, and the lessor, as the seller, of dairy products.

Subd. 3. [CONTRACTS TO SELL PROPERTY.] (a) A dairy marketer and a retailer may enter a written contract for the sale of property signed by both parties specifying:

(1) a purchase price that is consistent with the fair market value of similar property in the area where the retailer is located when the contract is executed;

(2) the down payment on the purchase price;

(3) the periodic payments on the unpaid balance of the purchase price; and

(4) other terms and conditions consistent with sale contracts of similar property in that locality made at or about the same time by persons not having the relationship existing between the retailer, as the purchaser, and the dairy marketer, as the seller, of dairy products.

(b) A contract or agreement for the lease back or resale to a retailer of property purchased from the retailer by the dairy marketer may not contain a requirement that the retailer must purchase dairy products from a specified dairy marketer.

Sec. 6. [32C.05] [FURNITURE, TRADE FIXTURES, AND EQUIPMENT.]

Subdivision 1. [INDUCEMENT FOR PURCHASE.] A dairy marketer may not furnish, give, lend, lease, or sell furniture, fixtures, fittings, or equipment to a retailer as an incentive or inducement for the retailer to purchase, handle, store, display, sell, or trade in a dairy product of a dairy marketer.

Subd. 2. [RESTRICTION ON SALES TO RETAILERS.] To maintain fair, open, and free competition for the trade and custom of the retailers purchasing dairy products for resale, a dairy marketer may not sell or offer to sell to a retailer furniture, trade fixtures, or equipment except as allowed in this section.

Subd. 3. [TIME PAYMENT SALES.] (a) A dairy marketer may not sell furniture, trade fixtures, or equipment at less than their cost to

a retailer that purchases dairy products from the dairy marketer. A sale made by a dairy marketer at less than 15 percent above the actual current invoice or replacement cost, less depreciation in the case of used furniture, trade fixtures, or equipment computed at the annual rate of 15 percent of the seller's cost, is prima facie evidence that the sale was made below the dairy marketer's cost.

(b) If the full purchase price of the furniture, trade fixtures, or equipment sold to the retailer is not paid to the dairy marketer by the retailer by 40 days after delivery, the retailer must pay at least ten percent of the purchase price within the 40 days and provide the dairy marketer a conditional sales contract or a promissory note with a purchase money security interest in the furniture, trade fixtures, or equipment.

(c) The conditional sales contract or purchase money security agreement must specifically describe each item of the sale. The dairy marketer, by ten days after the contract or security agreement is entered into, must file the conditional sales contract, or purchase money security agreement and financing statement, as required to enforce the purchase money secured debt. The conditional sales contract or purchase money security agreement must specify:

(1) the cash payment made by the retailer to the dairy marketer or the value of the trade-in accepted to apply on the purchase price, but the trade-in credit must not exceed the depreciated value of the items representing the trade-in credit as carried on the business records of the purchaser, or if records are not available, at an annual depreciation rate of 15 percent of the purchaser's cost; and

(2) that the amount of the unpaid purchase price must be paid by the retailer in 60 equal monthly installments with the last installment of principal and interest maturing not later than 60 months from the execution of the conditional sales contract or purchase money security agreement given to the dairy marketer by the retailer.

(d) The rate of interest on the purchases may not be less than the prevailing market rate, and the rates of interest charged for various sales agreements on any given day must be the same for all retailers.

Subd. 4. [SERVICING.] The mechanical, electrical, and other servicing of furniture, trade fixtures, or equipment sold to a retailer by a dairy marketer is the sole responsibility of the retailer unless at the time of the sale, the dairy marketer and the retailer agree in writing that the dairy marketer is responsible for the servicing. The contract must require the dairy marketer to charge the retailer for the servicing at the same price charged by third persons rendering the service in the area or community where the retailer is located. The charge for the servicing, including the full cost of all repair and

replacement parts, must be paid by the retailer to the dairy marketer by 40 days after the performance of the work.

Sec. 7. [32C.06] [PROHIBITED GIFTS, LOANS, CREDIT, AND COMPENSATION.]

Subdivision 1. [GIFTS AND LOANS.] A dairy marketer may not give, lend, or advance money, credit, or another thing of value to a retailer, or to a person for the benefit or relief of a retailer.

Subd. 2. [FINANCIAL OBLIGATIONS.] A dairy marketer may not become obligated for the repayment of a loan of money or financial commitment of a retailer.

Subd. 3. [EXTEND CREDIT WHEN DELIVERY DEBTS ARE DUE.] A dairy marketer may not extend or give an additional credit to a retailer if there is indebtedness attributable to the delivery of dairy products from the retailer on the 15th day of the next calendar month after delivery.

Subd. 4. [CREDIT FOR UNSALABLE PRODUCTS.] A dairy marketer may not credit an account of or pay a retailer for a dairy product that the retailer claims has become stale, spoiled, or otherwise unsalable, unless the particular product is in fact spoiled or otherwise unsalable.

Subd. 5. [COMPENSATION IN CONNECTION WITH SALE.] A dairy marketer may not make or offer to make any gift of money, merchandise, trading stamps, coupons, service, supplies, or anything of value, or to grant or offer to grant any rebate, discount, or advertising allowance in connection with any sale to a distributor or retailer in this state of a dairy product except as expressly allowed under this chapter.

Subd. 6. [RETAILER LICENSES.] (a) A dairy marketer may not:

(1) have an interest in or pay for a license for a retailer; or

(2) advance, furnish, lend, or give money for the payment of a license fee and expense incident to obtaining a license for a retailer.

(b) A dairy marketer may purchase a required license in the dairy marketer's name to sell the dairy marketer's dairy products in this state.

Sec. 8. [32C.07] [PROHIBITED SIGNS AND ADVERTISING.]

Subdivision 1. [ADVERTISING.] (a) A dairy marketer may not:

(1) provide, pay for, guarantee, or in any other manner assume, satisfy, or discharge the cost or obligation of a retailer for painting, decorating, improving, repairing, or rebuilding an existing billboard, outdoor sign, display area, wall, fence, building, or structure, or other type of outdoor display advertising having a fixed location; or

(2) build, erect, or purchase a new billboard, outdoor sign, or other outdoor advertising having a fixed location, or a structure or facility for use as an outdoor display for the direct benefit of a retailer.

(b) A dairy marketer may engage in all forms of outdoor advertising to promote dairy products manufactured, processed, or distributed by the dairy marketer if a reference is not made to a retailer.

Subd. 2. [INDOOR SIGNS.] (a) A dairy marketer may not furnish or maintain inside signs of a permanent nature unless the signs are used only for advertising or promoting:

(1) dairy products manufactured, distributed, or sold by the person furnishing the sign; or

(2) items of food made principally from the dairy product advertised or the brand name of the dairy product advertised.

(b) A dairy marketer may furnish point-of-sale advertising material made of paper or other similar materials to a retailer without charge only to promote the sale of a dairy product of the person furnishing the material.

Subd. 3. [MEDIA ADVERTISING.] (a) A dairy marketer may not furnish, give, lend, finance, pay for, contribute to, or by other means participate in cooperative advertising using newspapers, radio, television, or other advertising media if a retailer selling, handling, or offering for sale a dairy product of the dairy marketer is named or otherwise identified or referred to in the advertising.

(b) A dairy marketer may purchase and pay for the lines or space actually used in advertising one or more of its dairy products in a newspaper advertisement, handbill, or other form of printed advertising put out by a retailer or for the time actually so used in any radio or television program sponsored by a retailer.

Subd. 4. [ADVERTISING ON RETAILER'S PREMISES.] (a) A dairy marketer may not pay, loan, or give money, credit, compensation, or anything of value to a retailer for:

(1) the privilege of placing a sign, advertisement, or other sales promotion material in or upon the premises of the retailer; or

(2) storing, advertising, or displaying a dairy product in connection with its sale or promotion.

(b) A dairy marketer may furnish paint and maintain an insulated truck body used exclusively in the sale and delivery of its dairy products by the person making retail sales.

Sec. 9. [32C.08] [DAIRY MARKETERS AS HANDLERS OR HAULERS.]

A dairy marketer may not engage in the business of a processor or distributor selling or offering dairy products for sale at wholesale to retailers while at the same time engaging in the business of hauling, handling, or delivering dairy products to a retailer for a fee, or for itself, or another processor or distributor if the business results in a sale of a dairy product at wholesale to a retailer at a price lower than the retailer could obtain from the processor or distributor without the hauling, handling, or delivering.

ENFORCEMENT

Sec. 10. [32C.09] [ENFORCEMENT.]

The commissioner shall enforce this chapter. The commissioner may adopt rules and temporary rules under chapter 14 to carry out the provisions of this chapter.

Sec. 11. [32C.10] [ENTRY, INSPECTION, AND INVESTIGATION.]

Subdivision 1. [ENTRY.] The commissioner may enter, at reasonable hours:

(1) places of business operated by dairy marketer or retailer where raw milk, milk products, or frozen dairy products are produced, stored, processed, manufactured, or sold; and

(2) places where a dairy marketer or retailer maintains books, papers, accounts, records, or other documents related to the business.

Subd. 2. [SUBPOENA AND INSPECTION.] (a) The commissioner may subpoena, and inspect, audit, and make copies of books, papers, records, accounts, or documents to determine whether this chapter and rules of the commissioner are being complied with.

(b) The commissioner may subpoena, and may inspect, audit, and make copies of relevant books, papers, records, accounts, or other documents.

(c) The commissioner may subpoena and take the testimony, under oath, of persons believed to have information needed to administer and enforce this chapter.

Subd. 3. [INVESTIGATIONS.] The commissioner may call together dairy marketers, retailers, and dairy farmers to investigate and hold hearings on trade practices and make findings relative to a trade practice involving the manufacture, sale, or distribution of dairy products.

Subd. 4. [CONFIDENTIALITY OF INFORMATION.] (a) Information acquired by the commissioner under this section is private data under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, and may only be used by the commissioner and the commission for the administration and enforcement of this chapter.

(b) A person who divulges confidential information that is private data on individuals or nonpublic data under this subdivision to an unauthorized person is guilty of a misdemeanor.

Sec. 12. [32C.11] [REMEDIES.]

Subdivision 1. [CIVIL PENALTY.] The commissioner may assess a civil penalty not to exceed \$500 per day for each violation or continuing violation, and may collect the civil penalty by a civil proceeding in an appropriate court. Penalties collected by the commissioner must be deposited in the state treasury and credited to the dairy marketing account.

Subd. 2. [COMPLIANCE ENFORCEMENT.] The commissioner may bring an action at law or in equity to enforce compliance with a provision of this chapter or rule of the commissioner, or to obtain a declaratory judgment.

Subd. 3. [INJUNCTIVE RELIEF.] (a) The commissioner may bring an action for injunctive relief against any person violating or threatening to violate provisions of this chapter. The action does not require:

(1) alleging or proving actual damages or injury or that an adequate legal remedy does not exist, so that injunctive relief can be obtained promptly without awaiting injury or actual damage; or

(2) showing the intent or the effect of restraining, lessening or destroying competition, injuring a competitor or injuring a person dealing in dairy products, or impairing or preventing fair competition in the sale of dairy products in the state.

(b) The court shall grant injunctive relief unless the person

objecting proves that the granting of the injunctive relief will damage or injure the person permanently or irreparably, and substantially. The proof must be offered within ten days after the injunctive action is filed.

(c) The injunctive relief must be temporary and may not extend beyond a violation of this chapter. The injunctive relief may not abridge or be in lieu of any other civil remedy provided in this chapter, except that temporary injunctive relief may be made permanent upon a showing by the board that the violation:

- (1) has caused injury to competitors or competition;
- (2) has restrained or lessened competition;
- (3) has impaired fair competition in the sale of dairy products; or
- (4) is reasonably expected to cause the effects stated in clause (1), (2), or (3).

(d) This subdivision does not allow the commissioner to bring an action for damages that will benefit the commissioner or the commission.

Sec. 13. [32C.12] [CEASE AND DESIST ORDER.]

Subdivision 1. [HEARING.] (a) If the commissioner has reason to believe that a person is violating provisions of this chapter or a rule of the commissioner, the commissioner may serve a complaint upon the person stating the alleged violation. The complaint must contain a notice of hearing with the time and place at least 20 days after the service of the complaint.

(b) The person receiving the complaint has the right to appear at the hearing to show cause why an order should not be entered by the commissioner requiring the person to cease and desist from the violation charged in the complaint. A person may apply and, upon good cause, be allowed by the commissioner to intervene and appear in the proceeding by counsel or in person.

(c) The testimony in the proceeding must be reduced to writing and filed in the office of the commissioner.

(d) If, upon hearing, the commissioner finds that there has been a violation of provisions of this chapter or rule of the commissioner, the commissioner shall make a report in writing stating the findings. The commissioner shall issue and serve an order upon the person requiring the person to cease and desist from the violation. The commissioner, at any time after notice and opportunity for

hearing, may reopen and modify or set aside, in whole or in part, an order issued under this section.

Subd. 2. [REVIEW BY DISTRICT COURT.] (a) A person required by an order of the commissioner to cease and desist from an act or practice may obtain a review of the order in district court by filing with the court within 20 days after the date of service of the order a written petition requesting that the order of the commissioner be set aside. A copy of the petition must be served upon the commissioner. The commissioner shall certify and file in the court a transcript of the entire record and order of the commissioner. Upon the filing of the petition and transcript, the court has jurisdiction of the proceeding and of the question determined.

(b) The court may:

(1) make and enter upon the pleadings, evidence, and proceedings in the transcript a decree affirming, modifying, or setting aside the order of the commissioner or enforcing it to the extent that the order is affirmed; and

(2) issue writs ancillary to its jurisdiction or necessary in its judgment to prevent injury to the public or to competitors while a suit is pending.

(c) The findings of the commissioner relating to the facts, if supported by the evidence in the proceeding before the commissioner, are conclusive. To the extent that the order of the commissioner is affirmed, the court shall issue its own order commanding obedience to the terms of the order of the commissioner.

(d) If either party applies to the court for leave to acquire and offer additional evidence, and shows to the satisfaction of the court that the additional evidence is material and that there were reasonable grounds for the failure to acquire and offer the evidence in the proceeding before the commissioner, the court may order that the additional evidence be taken before the commissioner. The evidence must be offered at the hearing in the manner and on the terms and conditions determined by the court. The commissioner may modify findings as to the facts, or make new findings, by reason of the additional evidence taken. The commissioner shall file the modified or new findings which, if supported by the evidence, are conclusive and the commissioner's recommendation, if any, for the modification or setting aside of the commissioner's original order with the return of the additional evidence.

(e) The judgment and decree of the court is final, except that it is subject to review by the court of appeals.

Subd. 3. [ENFORCEMENT.] Violations of a cease and desist order

of the commissioner must be punished by the district court under the laws of contempt. Each day of failure to obey a cease and desist order of the commissioner is a separate violation and each violation of a particular act enjoined by the court is a separate violation.

Sec. 14. [32C.13] [CIVIL ACTIONS BY DAMAGED PARTIES.]

Subdivision 1. [TREBLE DAMAGES.] A person who has business or property damaged resulting from a violation of this chapter is entitled to an action in district court to recover three times the damages plus costs, including reasonable attorneys fees.

Subd. 2. [REQUEST FOR COMMISSIONER TO SEEK INJUNCTIVE RELIEF.] A person who is damaged or is threatened with damage or loss from a violation of this chapter may request the commissioner to seek injunctive relief under section 12, subdivision 3, against all persons involved in a violation or threatened violation of this chapter.

Subd. 3. [TORT ACTION WITH INJUNCTIVE RELIEF.] A person entitled to an action may sue both in tort and for injunctive relief and may recover for all loss, damage, or injury arising from the continued violation to the time of trial or hearing of the action.

Sec. 15. [32C.14] [DAIRY PROCESSOR ASSESSMENTS.]

Subdivision 1. [FEES.] (a) To administer and enforce this chapter, the commissioner may charge each processor the following maximum fees:

(1) one cent per hundredweight on all milk processed or used in the manufacture of a dairy product sold in this state or manufactured in this state for sale in this state;

(2) 0.75 cent per gallon of frozen foods sold in this state or manufactured in this state for sale in this state;

(3) 1.05 cents per gallon of ice milk mix; and

(4) 1.425 cents per gallon of ice cream mix.

(b) The commissioner may fix the fees at a lesser amount and may adjust the fees if the cost of administering and enforcing this chapter can be paid with less than the maximum fees.

Subd. 2. [COLLECTION.] (a) If the fees are:

(1) less than \$60 annually, the fees must be paid within 30 days following the end of the calendar year;

(2) less than \$240 annually, payment must be made quarterly within 30 days following the end of the quarter; or

(3) equal to or more than \$240 annually, payment must be made monthly within 30 days following the end of the month when due.

(b) A penalty amounting to ten percent of the fees due must be imposed by the commissioner for each month the fees are delinquent.

Subd. 3. [DAIRY MARKETING ACCOUNT.] The dairy marketing account is established in the state treasury. The fees collected by the commissioner under this section must be deposited in the state treasury and credited to the dairy marketing account. The money in the dairy marketing account is continuously appropriated to the commissioner to be used as a revolving fund for administering and enforcing this chapter.

Sec. 16. [32C.15] [MINNESOTA DAIRY TASK FORCE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP; SUNSET.] (a) The Minnesota dairy task force of 12 members is established consisting of:

(1) the commissioner of agriculture or the commissioner's designee;

(2) a representative from the University of Minnesota designated by the dean of the school of agriculture;

(3) one retail grocer appointed by the governor;

(4) one consumer appointed by the governor;

(5) two producers of class I milk appointed by the governor;

(6) two producers of class II milk appointed by the governor;

(7) two dairy processors appointed by the governor; and

(8) two processors of class II milk appointed by the governor.

(b) The governor shall make appointments to the task force not later than August 1, 1988.

(c) The task force shall select a chair from among its members.

(d) The task force expires on June 30, 1990.

Subd. 2. [OBJECTIVES.] The objectives of the task force are increased profitability of individual dairy farms and the establishment of long-range goals, objectives, and strategies for the dairy industry in the state.

Subd. 3. [DUTIES; RESPONSIBILITIES; DEADLINES.] Not later than June 1, 1989, the task force shall:

(1) compile existing information on increasing profitability for dairy farmers;

(2) establish a mechanism to efficiently disseminate information and the findings of the commission to dairy farmers;

(3) establish working relationships with appropriate agencies and organizations in neighboring states in an attempt to coordinate information gathering and dissemination and the development of regional dairy policy;

(4) examine available data on patterns and relationships between changes in the purchase price of raw milk from dairy farmers and changes in the retail price of dairy products purchased by the consumer;

(5) examine and evaluate ways in which computer hardware and software could be utilized by dairy farmers to more effectively analyze dairy herd performance and farm operating strategies; and

(6) prepare a preliminary draft of long-range goals, objectives, and strategies for the dairy industry in Minnesota and the upper midwest.

Subd. 4. [PILOT PROJECTS; DEMONSTRATIONS.] The task force may sponsor and oversee pilot projects and demonstrations on dairy farms. The projects must be of general applicability to family size dairy farms of the state. Pilot projects and demonstrations must apply strategies and practices for increasing the profitability of dairy farms and increasing income levels for individual dairy farmers.

Sec. 17. [ACCOUNT TRANSFER.]

The commissioner of finance shall transfer the remaining balance in the dairy industry unfair trade practices account to the dairy marketing account.

Sec. 18. [REPEALER.]

Minnesota Statutes 1986, sections 32A.01; 32A.02; 32A.03; 32A.04; 32A.05; 32A.07; 32A.08; and 32A.09, are repealed.

Sec. 19. [EFFECTIVE DATE.]

This article is effective July 1, 1988.

ARTICLE 2

MINNESOTA GROWN LABEL

Section 1. Minnesota Statutes 1987 Supplement, section 17.102, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT AND USE OF LABEL.] (a) The commissioner shall establish a "Minnesota grown" logo or labeling statement for use in identifying agricultural products that are grown, processed, or manufactured in this state. The commissioner may develop labeling statements that apply to specific marketing or promotional needs. One version of a labeling statement must identify food products certified as organically grown in this state. The Minnesota grown logo or labeling statement may be used on raw agricultural products that are not processed into a different physical form or frozen, only if 80 percent or more of the agricultural product is produced in this state.

(b) The Minnesota grown logo or labeling statement may not be used without a license from the commissioner except that wholesalers and retailers may use the Minnesota grown logo and labeling statement for displaying and advertising products that qualify for use of the Minnesota grown logo or labeling statement.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 3

SOIL TEST LABORATORY CERTIFICATION

Section 1. [17.73] [SOIL TESTING LABORATORY CERTIFICATION.]

Subdivision 1. [PROGRAM ESTABLISHMENT.] The commissioner shall establish a program to certify the accuracy of analyses from soil testing laboratories and promote standardization of soil testing procedures and analytical results.

Subd. 2. [CHECK SAMPLE SYSTEM.] (a) The commissioner shall institute a system of check samples that requires a laboratory

to be certified to analyze at least four multiple soil check samples during the calendar year. The samples must be supplied by the commissioner or by a person under contract with the commissioner to prepare and distribute the samples.

(b) Within 30 days after the laboratory receives check samples, the laboratory shall report to the commissioner the results of the analyses for all requested elements or compounds or for the elements or compounds the laboratory makes an analytical determination of as a service to others.

(c) The commissioner shall compile analytical data submitted by laboratories and provide laboratories submitting samples with a copy of the data without laboratory names or code numbers.

(d) The commissioner may conduct check samples on laboratories that are not certified.

Subd. 3. [ANALYSES REPORTING STANDARDS.] The results obtained from soil or plant analysis must be reported in accordance with standard reporting units established by the commissioner by rule. The standard reporting units must conform as far as practical to uniform standards that are adopted on a regional or national basis.

If a certified laboratory offers a recommendation, the University of Minnesota recommendation or that of another land grant college in a contiguous state must be offered in addition to other recommendations, and the source of the recommendation must be identified on the recommendation form. If relative levels such as low, medium, or high are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota or the land grant college in a contiguous state must also be presented.

Subd. 4. [REVOCATION OF CERTIFICATION.] If the commissioner determines that analysis being performed by a laboratory is inaccurate as evidenced by check sample results, the commissioner may deny, suspend, or revoke certification.

Subd. 5. [CERTIFICATION FEES.] (a) A laboratory applying for certification shall pay an application fee of \$100 and a certification fee of \$100 before the certification is issued.

(b) Certification is valid for one year and the renewal fee is \$100. The commissioner shall charge an additional application fee of \$100 if a certified laboratory allows certification to lapse before applying for renewed certification.

(c) The commissioner shall notify a certified lab that its certifica-

tion lapses within 30 to 60 days of the date when the certification lapses.

(d) Fees collected under this subdivision must be deposited in the state treasury and credited to a soil testing laboratory certification account. The money in the account is annually appropriated to the commissioner to administer this section.

Subd. 6. [RULES.] The commissioner shall adopt rules for the establishment of minimum standards for laboratories, equipment, procedures, and personnel used in soil analysis and rules necessary to administer and enforce this section. The commissioner shall consult with representatives of the fertilizer industry, representatives of the laboratories doing business in this state, and with the University of Minnesota college of agriculture before proposing rules.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 4

INDUSTRIAL LIME FOR SOIL BUFFERING

Section 1. [17.7241] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 5.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 3. [INDUSTRIAL BY-PRODUCT SOIL BUFFERING MATERIAL.] "Industrial by-product soil buffering material" means an industrial waste or by-product or the by-product of municipal water treatment processes containing calcium or magnesium or both in a form that may neutralize soil acidity.

Subd. 4. [LIMESTONE.] "Limestone" means a material consisting essentially of calcium carbonate or a combination of calcium carbonate with magnesium carbonate capable of neutralizing soil acidity.

Subd. 5. [SOIL BUFFERING MATERIALS.] "Soil buffering materials" means materials whose calcium or magnesium or both are capable of neutralizing soil acidity.

Subd. 6. [STOCKPILE.] "Stockpile" means a supply of agricultural soil buffering material stored for future use.

Subd. 7. [TNP.] "TNP" means total neutralizing power and is the number of pounds of neutralizing value in one ton of a soil buffering material.

Sec. 2. [17.7242] [SOIL BUFFERING DEMONSTRATION PROJECT AND STUDY.]

Subdivision 1. [PURPOSE.] The purpose of the demonstration project required under sections 1 to 5 is to identify appropriate and mutually beneficial methods for the utilization of industrial by-product soil buffering materials. Proper utilization will minimize current waste disposal problems, provide a market for an underutilized resource, and make available to farmers an effective, low-cost soil buffering product.

Subd. 2. [AUTHORITY.] The commissioner shall coordinate the design and implementation of a demonstration project to examine the technical feasibility, economic benefits, and environmental impacts of utilizing industrial by-product soil buffering materials as a substitute for limestone and other traditional soil buffering materials.

Subd. 3. [PROCEDURES DEVELOPED.] The demonstration project must identify and recommend as proposed standards appropriate procedures for the sampling, analysis, TNP labeling, storage, stockpiling, transportation, and application of industrial by-product soil buffering materials. After TNP labeling standards have been established, which must be no later than March 1, 1989, they must be provided to the landowner or tenant prior to land application or stockpiling.

Subd. 4. [SCOPE.] The demonstration project must be on a scale deemed by the commissioner to be efficient and manageable while providing the greatest practicable utilization of industrial by-product soil buffering materials for agricultural purposes.

Sec. 3. [17.7423] [RESPONSIBILITIES OF THE COMMISSIONER.]

Subdivision 1. [BROAD PARTICIPATION.] The commissioner shall seek participation in the demonstration project by other persons, institutions, and organizations having an interest in soil buffering materials and industrial by-product soil buffering materials including the pollution control agency, one or more counties, one or more soil and water conservation districts, and the University of Minnesota.

Subd. 2. [PUBLIC EDUCATION.] The commissioner shall seek to maximize the public education benefit of the demonstration program.

Sec. 4. [17.7424] [ENVIRONMENTAL CONTROLS.]

Subdivision 1. [SAMPLING; ANALYSIS.] The commissioner and the commissioner's agents may sample, inspect, make analysis of, and test industrial by-product soil buffering materials used in the demonstration project and study at a time and place and to an extent the commissioner considers necessary to determine whether the agricultural soil buffering materials are suitable for the project. The commissioner and the commissioner's agents may enter public or private premises where demonstration projects are being conducted in order to have access to:

- (1) soil buffering materials used in the demonstration project;
- (2) sampling of sites actually or reportedly exposed to agricultural soil buffering materials;
- (3) inspection of storage, handling, transportation, use, or disposal areas of industrial by-product soil buffering materials;
- (4) inspection or investigation of complaints of injury to humans, wildlife, domesticated animals, crops, or the environment;
- (5) observation of the use and application of the soil buffering material;
- (6) inspection of records related to the production, transportation, stockpiling, use, or disposal of industrial by-product soil buffering material; and
- (7) other purposes necessary to implement sections 1 to 5.

Subd. 2. [RECEIPT FOR INSPECTION SAMPLES; REPORT ON ANALYSES.] Before leaving inspected premises, the commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.

Subd. 3. [EMERGENCY INSPECTION.] The commissioner and the commissioner's agents may enter public or private property without a notice of inspection if a suspected incident involving industrial by-product soil buffering materials may threaten public health or the environment.

Sec. 5. [17.7425] [REPORT.]

The commissioner shall report to the house of representatives and senate committees on agriculture, by March 1, 1989, and on March 1 of each year afterwards, about the activities, findings, and recommendations related to the demonstration project.

Sec. 6. [REPEALER.]

Sections 1 to 5 are repealed June 30, 1991.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 5

ORGANIC CERTIFICATION

Section 1. [31.95] [ORGANIC CERTIFICATION.]

Subdivision 1. [DESIGNATION.] The commissioner shall designate one or more organizations, located in this state, made up of organic food growers, manufacturers, or sellers to certify organically grown seeds, products, and food.

Subd. 2. [FEES.] The commissioner shall prescribe fees to be charged to persons for certification of organically grown seeds, production, and food under section 16A.128. By 1991, fees collected must reflect the total annual cost of certification.

Subd. 3. [CERTIFICATION REQUIREMENT.] An organic certification agency may not refuse services or certification to a person:

(1) whose seeds, production, and food meet certification requirements; and

(2) who has paid membership dues and certification fees.

Subd. 4. [RULES.] The organic certification organization may draft rules for submission to the commissioner to adopt for implementation of the organically grown certification program.

ARTICLE 6

RURAL FINANCE ADMINISTRATION

Section 1. Minnesota Statutes 1987 Supplement, section 41B.01, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] Sections 41B.01 to 41B.23 create and establish the Minnesota rural finance authority and establish a program under which state bonds are authorized to be issued and proceeds of their sale are appropriated under the authority of article XI, section 5, clause (h) of the Minnesota Constitution, to develop the state's agricultural resources by extending credit on real estate security. The purpose of the rural finance authority's programs and of the bonds issued to finance or provide security for the programs is to purchase participation interests in loans, including seller-sponsored loans to be made available by agricultural lenders to farmers on terms and conditions not otherwise available from other credit sources. It is hereby found and declared that there presently exist in the state economic conditions which have severely adversely affected the economic viability of farms to the detriment of the rural economy and to the detriment of the economy of the state of Minnesota as a whole. It is further found and declared that as a result of public agricultural policies, agricultural market conditions, and other causes, the condition of the farm economy of the state of Minnesota is such as to jeopardize the continued existence and successful operation of farms in this state, necessitating the establishment of the programs in sections 41B.01 to 41B.23 to provide new sources of credit on favorable terms and conditions. It is further found and declared that providing credit for farmers on favorable terms and conditions will serve and promote the public welfare by assuring the viability of farm operations, by preventing erosion of the tax base in rural areas, by reducing foreclosures on farm property, and by enhancing the financial stability of farmers and of the businesses which depend on farmers as customers. It is further found and declared that in establishing a Minnesota rural finance authority and in authorizing the programs in sections 41B.01 to 41B.23, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of improving and otherwise promoting their health, welfare, and prosperity and that the Minnesota rural finance authority, as created and established, is empowered to act on behalf of the people of the state of Minnesota in serving this public purpose for the benefit of the general public.

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

Subd. 18. [SELLER-SPONSORED LOAN.] "Seller-sponsored loan" means a loan in which part or all of the price of a farm is

financed by a loan from the seller of the farm who is a natural person, a partnership, or a family farm corporation as defined in section 500.24, located in Minnesota. The loan must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates or by a contract for deed.

Sec. 3. Minnesota Statutes 1987 Supplement, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [BEGINNING AND REENTERING FARMER LOANS.] In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan, including a seller-sponsored loan, in which the authority holds an interest, must:

- (1) have sufficient education, training, or experience in the type of farming for which the loan is desired;
- (2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$100,000;
- (3) demonstrate a need for the loan;
- (4) demonstrate an ability to repay the loan;
- (5) demonstrate that the agricultural land to be purchased will be used by the borrower for agricultural purposes; and
- (6) demonstrate that farming will be the principal occupation of the borrower.

Sec. 4. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The authority may establish, develop criteria, and implement a beginning farmer program. The program must assist persons entering farming who have not owned a farm before entering the beginning farmer program. The program must include assistance for persons entering or reentering farming through the use of seller-sponsored loans.

Sec. 5. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of ~~one-fourth~~ 35 percent of the principal amount of the loan or \$25,000 \$35,000, whichever is less. In the case of a seller-sponsored loan, the state may participate to the extent of three-fourths of the principal of the loan or \$75,000, whichever is less. The interest rates and repayment terms of the authority's participation

interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 6. Minnesota Statutes 1987 Supplement, section 41B.039, is amended by adding a subdivision to read:

Subd. 2a. [SELLER-SPONSORED LOANS.] In the case of seller-sponsored loans, the borrower shall make required monthly or annual payments on the loan to the authority or its fiscal agent and the authority or its fiscal agent shall make required monthly or annual payments to the seller who sponsored the loan.

Sec. 7. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 4, is amended to read:

Subd. 4. [FARM MANAGEMENT.] A borrower must agree to participate in a farm management program approved by the commissioner of agriculture for at least the first eight five years of the loan.

Sec. 8. Minnesota Statutes 1987 Supplement, section 41B.05, is amended to read:

41B.05 [GENERAL POWERS OF THE AUTHORITY.]

For the purpose of exercising the specific powers granted in section 41B.04 and effectuating the other purposes of sections 41B.01 to 41B.23 the authority has the general powers granted in this section.

- (a) It may sue and be sued.
- (b) It may have a seal and alter the seal.
- (c) It may make, and from time to time, amend and repeal rules consistent with sections 41B.01 to 41B.23.
- (d) It may acquire, hold, and dispose of real or personal property for its corporate purposes.
- (e) It may enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 41B.01 to 41B.23.
- (f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.

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

(h) It may provide general consultative assistance services related to rural finance.

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

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

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

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

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

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

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

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

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

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

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

(t) It may allow farmers who are natural persons to combine programs of the Agricultural Credit Act of 1987 with programs of the rural finance administration.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment.

ARTICLE 7

MILK IN SCHOOLS PROGRAM

Section 1. [124,648] [MILK PROGRAM.]

Subdivision 1. [LEGISLATIVE FINDINGS.] The legislature finds that the health and well-being of school children in the state depends on their receiving at least one serving of milk each day. The school milk program established in this section is to provide school districts in the state with added resources so that all kindergarten students in public and nonpublic schools may have access to wholesome milk on a daily basis.

Subd. 2. [ESTABLISHMENT.] Each school district in the state is encouraged to participate in the state-supported school milk program for kindergartners. Participating districts shall provide one serving of milk on each school day to each kindergarten student attending a public or nonpublic school in the district. No student is required to accept the milk that is provided by the district. The

program must be promoted and operated under the direction of the commissioner or the commissioner's designee.

Subd. 3. [PROGRAM GUIDELINES; DUTIES OF THE COMMISSIONER.] The commissioner shall encourage all districts to participate in the school milk program for kindergartners. The commissioner shall prepare program guidelines, not subject to chapter 14, which will effectively and efficiently distribute appropriated money to participating districts. It is suggested that the benefits of the school milk program can reach the largest number of kindergarten students if districts are allowed to place annual bids stating the per-serving level of reimbursement that would be acceptable to the district for their participation in the program, after which the commissioner shall approve the number and value of bids that would maximize the provision of milk to kindergarten students within the available appropriation.

Subd. 4. [REIMBURSEMENT.] In accordance with program guidelines, the commissioner shall reimburse participating school districts for the state share of the district's cost for providing milk to kindergarten students.

ARTICLE 8

INTEREST RATE BUY-DOWN

Section 1. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 6.

Subd. 2. [APPROVED ADULT FARM MANAGEMENT PROGRAM.] "Approved adult farm management program" means a farm management training program designed for persons currently engaged in farming that has been approved by the commissioner under section 6, subdivision 3.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 4. [COMMISSIONER'S INTEREST INDEX.] "Commissioner's interest index" means an interest rate that is 3.5 percent above the current lending rate of the Federal Intermediate Credit Bank to production credit associations as certified each month by the commissioner.

Subd. 5. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer who applies to a lender for a farm operating loan and meets all qualifications established in section 2 and any further qualifica-

tions that may be established in the guidelines adopted by the commissioner under section 6, subdivision 1.

An eligible borrower must have a loan balance with a participating lender between January 1, 1988, and June 30, 1989.

Subd. 6. [FARM OPERATING LOAN.] "Farm operating loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm operating loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time.

Subd. 7. [FARMER.] "Farmer" means a state resident or a domestic family farm corporation as defined in Minnesota Statutes, section 500.24, subdivision 2, operating a farm within the state.

Subd. 8. [INTEREST RATE BUY-DOWN.] "Interest rate buy-down" means a reduction in the effective interest rate on a farm operating loan to an eligible borrower due to partial payment of interest costs by the commissioner.

Subd. 9. [LENDER.] "Lender" means a bank, a credit union, or a savings and loan association chartered by the state or federal government, a unit of the farm credit system, the Federal Deposit Insurance Corporation, or another financial institution approved by the commissioner.

Subd. 10. [PARTICIPATING LENDER.] "Participating lender" means a lender who has been granted participating lender status by the commissioner.

Sec. 2. [FARMER ELIGIBILITY.]

Subdivision 1. [DEBT-TO-ASSET RATIO.] Only a farmer with a debt-to-asset ratio exceeding 70 percent at the time of application for a farm operating loan is an eligible borrower for purposes of interest rate buy-down. The debt-to-asset ratio of a farmer must be determined by the lender. A debt-to-asset ratio determined by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Subd. 2. [NET WORTH STATEMENT.] Only a farmer with a calculated net worth of \$75,000 or less is an eligible borrower for purposes of interest rate buy-down. The net worth must be determined by the lender and must be based on a financial statement prepared not more than six months prior to the date of the loan application.

Subd. 3. [ASSESSMENT OF CONTINUED VIABILITY.] Only a

farmer determined by the lender to have a reasonable opportunity for long-term financial viability in the farmer's current farm operation is an eligible borrower. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Subd. 4. [ENROLLMENT IN ADULT FARM MANAGEMENT PROGRAM.] To be an eligible borrower, a farmer shall agree to enroll in an approved adult farm management program if enrollment is required by the lender and an approved program is offered not more than 50 miles from the farmer's residence. The approved adult farm management program must bill the lender for one-half of the course tuition.

Sec. 3. [LENDER ELIGIBILITY; OBLIGATIONS.]

Subdivision 1. [ELIGIBLE PARTICIPATING LENDER STATUS.] A lender who meets the requirements established by the commissioner must be certified as a participating lender.

Subd. 2. [PARTIAL PAYMENT FOR ADULT FARM MANAGEMENT TRAINING.] A participating lender shall require an eligible borrower to enroll in an approved adult farm management program and agree to pay one-half of the enrollment and tuition costs of the program for an eligible borrower approved by the commissioner for interest rate buy-down unless the participating lender determines an approved adult farm management program would not benefit the borrower. A participating lender is not required to assist with enrollment or tuition costs for a period longer than the term of the farm operating loan, and a lender is not required to assist with the enrollment and tuition costs for more than one individual for each farm operating loan.

If a participating lender determines that enrollment in an adult farm management program would not benefit the borrower or an approved adult farm management program is not located within 50 miles from the debtor's residence, the lender shall explain the reasons to the borrower in writing and indicate the determination on the application.

Subd. 3. [RECEIPT OF APPLICATIONS FOR INTEREST RATE BUY-DOWN.] (a) A participating lender shall receive and evaluate loan applications from a farmer:

(1) who has transacted farm-related borrowing with a lender within the previous three years;

(2) who has not previously established farm-related borrowing; or

(3) whose previous lender is no longer in the business of making farm-related loans.

(b) In determining whether to make a farm operating loan to a farmer, the participating lender may use criteria in addition to those in section 2.

Subd. 4. [LENDER APPROVAL OF FARM OPERATION FINANCIAL STATEMENTS.] A participating lender must require that a farmer who applies for a farm operating loan under the interest rate buy-down program provide a financial statement suitable for determining debt-to-asset ratios and net worth for the farming operation. A financial statement determined by the participating lender to be suitable is deemed to be suitable, reasonable, and accurate without further audit or substantiation.

Subd. 5. [MAXIMUM INTEREST RATE.] To qualify for interest rate buy-down payments, a participating lender shall offer to make a farm operating loan to an eligible borrower at a rate of interest equivalent to that offered to other farmers having similar security and financial status, but the interest rate may not exceed the current commissioner's interest index. The commissioner may use appropriate means to verify that the operating loan interest rate available to an eligible borrower is substantially the same as that available to other borrowers.

Sec. 4. [STATE CONTRIBUTION TO INTEREST RATE BUY-DOWN.]

To be eligible for state interest rate buy-down payments under sections 1 to 6, a participating lender must submit to the commissioner a properly completed application form for each eligible farm operating loan.

The commissioner shall pay to a participating lender for the first \$40,000 of an approved farm operating loan made to an eligible borrower an amount equal to an annual rate of 2.8 percent interest on the loan.

Sec. 5. [LENDER CONTRIBUTION TO INTEREST BUY-DOWN.]

A participating lender must provide a reduction in interest rate for the first \$40,000 of an approved farm operating loan made to an eligible borrower an amount equal to an annual rate of 1.2 percent interest on the loan.

Sec. 6. [RESPONSIBILITIES OF THE COMMISSIONER.]

Subdivision 1. [ADOPTION OF PROGRAM GUIDELINES.]

Within 30 days after the effective date of sections 1 to 6, the commissioner shall adopt and make available to the public guidelines for the farm operating loan interest buy-down program. Adoption of the program guidelines is not subject to Minnesota Statutes, chapter 14.

Subd. 2. [PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS.] The commissioner shall prepare and distribute forms and instructions for the farm operating loan interest buy-down program to all lenders in the state. The forms must be designed to gather from the participating lender and the farmer information in sufficient detail for the commissioner to determine significant characteristics of the participants and their farming operations.

Subd. 3. [APPROVAL OF ADULT FARM MANAGEMENT PROGRAMS.] The commissioner, in consultation with the commissioner of agriculture, shall prepare a list of adult farm management training programs approved for eligible borrowers and distribute the list to all participating lenders.

Subd. 4. [APPROVAL OF APPLICATIONS FOR BUY-DOWN PAYMENT.] (a) The commissioner shall review within five working days of submission by a participating lender a properly completed application for interest rate buy-down payments on a farm operating loan made to a farmer. If a qualified lender does not receive written notice that the commissioner has denied interest rate buy-down payments within seven working days, the farmer is an eligible borrower and interest rate buy-down payments on the farm operating loan are approved by the commissioner.

(b) All applications received by the commissioner after appropriated interest rate buy-down program funds have been encumbered must be returned immediately to the lender with an explanation that interest buy-down payments are denied due to prior commitment of available program funds.

Subd. 5. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.] The commissioner shall pay one-half of the expected interest rate buy-down amount when requested by the participating lender, but not more than 60 days after the application was approved by the commissioner, and the balance within 30 days after request for final payment has been received. All interest buy-down payments under sections 1 to 6 must be made by joint payee checks in the name of the participating lender and the eligible borrower.

Subd. 6. [REVIEW OF FARMER ELIGIBILITY.] The commissioner shall, not later than March 1, 1989, complete a review of a statistically significant random sample of participants in the interest rate buy-down program for 1988. The purpose of the review is to determine the extent to which eligibility criteria have been adhered

to by lenders and farmers. The commissioner must report a summary of the findings to the chair of the house agriculture committee and the chair of the senate agriculture committee.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 9

BIODEGRADABLE PLASTICS

Section 1. [BIODEGRADABLE PLASTICS TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] An advisory task force on biodegradable plastics is created. The task force consists of the commissioners of agriculture, commerce, and the pollution control agency, the director of the waste management board, the president of the greater Minnesota corporation, the head of the consumer affairs division of the attorney general's office, and two people involved in manufacturing plastic products in Minnesota and one retailer. Representatives of other state agencies may also become members of the task force with the approval of a majority of its members.

Subd. 2. [DUTIES.] The task force shall study the feasibility and consequences of requiring that industry and consumer products be biodegradable.

Subd. 3. [REPORT.] The task force shall report its findings, along with any proposed legislation the task force believes necessary, to the legislature by January 1, 1990, after which the task force expires.

Subd. 4. [ADMINISTRATION AND EXPENSES.] The task force is attached to the rural development board for administrative purposes and the board shall furnish the task force with office space and administrative assistance necessary to fulfill the duties of the task force. Members of the task force shall be paid their expenses under section 15.059.

ARTICLE 10

FARM INSURANCE

Section 1. Minnesota Statutes 1986, section 65A.33, subdivision 3, is amended to read:

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

ARTICLE 11

APPROPRIATIONS

Section 1. [APPROPRIATION CANCELLATION.]

All money appropriated by Laws 1987, chapter 15, section 10, subdivision 1, clauses (a) and (b), for purposes of program "A" in 1987 and program "B" in 1987 and 1988 that remains unencumbered on July 1, 1988, and all money transferred to the interest rate buy-down program by Laws 1987, chapter 15, section 10, subdivision 4, is canceled and returned to the general fund.

Sec. 2. [ORGANIC FOOD CERTIFICATION AND ENFORCEMENT.]

Subdivision 1. [START-UP CERTIFICATION COSTS.] \$100,000 is appropriated from the general fund to the commissioner of agriculture for the purposes of article 5, to be available until June 30, 1989.

Subd. 2. [ENFORCEMENT COSTS.] \$50,000 is appropriated from the general fund to the commissioner of agriculture for the fiscal year ending June 30, 1989, to administer and enforce the organic food law, Minnesota Statutes, sections 31.92 to 31.94.

Sec. 3. [BLUEGRASS SEED AND TURF PRODUCTION.]

\$35,000 is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1989, for a bluegrass seed and turf production program as follows:

<u>(1) for contracting for personnel and labor costs related to bluegrass seed production over one year</u>	<u>\$20,000</u>
<u>(2) for establishment and evaluation of sod varieties on mineral and peat soil, direct seeded turf varieties, and turf characteristics</u>	<u>\$15,000</u>

Sec. 4. [DAIRY TASK FORCE.]

\$30,000 is appropriated from the general fund to the commissioner of agriculture to be matched equally by private funds to pay for the expenses of the Minnesota dairy task force and pilot projects under article 1, to be available until June 30, 1989.

Sec. 5. [MINNESOTA GROWN.]

Subdivision 1. [MINNESOTA GROWN COUPONS TO WIC RECIPIENTS.] \$90,000 is appropriated from the general fund to the commissioner of agriculture for pilot projects providing Minnesota grown coupons to women, infants, and children program recipients. This appropriation is available until June 30, 1989.

Minnesota grown coupons created under pilot programs authorized by this subdivision must be redeemable for food identified with a Minnesota grown logo or labeling statement at produce markets selected by the commissioner to participate in the pilot projects. The commissioner shall conduct an evaluation of any pilot projects, prepare a report, and submit the report to the legislature by January 1, 1989.

Subd. 2. [MINNESOTA GROWN LABELING.] \$20,000 is appropriated from the general fund to the commissioner of agriculture to develop different versions of the labeling statement and adopt rules under article 2. This appropriation is available until June 30, 1989.

Sec. 6. [SOIL TESTING LABORATORY CERTIFICATION.]

\$15,000 is appropriated from the general fund to the commissioner of agriculture to implement and administer the soil testing laboratory certification program under article 3. This appropriation is available until June 30, 1989.

Sec. 7. [INDUSTRIAL LIME FOR SOIL BUFFERING.]

\$70,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the demonstration project and study of industry by-product soil buffering materials under article 4. Of this amount, up to \$50,000 is available to the commissioner of agriculture for expenses of administering and coordinating the demonstration project. The balance of the appropriation may be used by the commissioner for material testing and analysis and other activities related to the demonstration project and performed by the University of Minnesota or other qualified participants or organizations. The appropriation is available until June 30, 1989.

Sec. 8. [SOIL AND WATER STEWARDSHIP EDUCATION.]

\$70,000 is appropriated from the general fund to the legislative advisory commission, to be available until June 30, 1989, to make a grant to an organization to collect and disseminate materials on soil and water stewardship designated by the joint legislative committee on agricultural land preservation and soil and water conservation. The joint committee shall request bids for proposals to locate, collect, index, and organize materials on soil and water stewardship for dissemination to primary and secondary schools for use in curricula. The joint committee must designate an appropriate organization and review how existing requirements for environmental education are being met.

Sec. 9. [FEDERAL FARM MEDIATION ALLOCATION.]

Subdivision 1. [MINNESOTA EXTENSION.] \$175,000 is appropriated to match the money received from the federal government for state mediation programs to the regents of the University of Minnesota for the Minnesota extension service to use for mediation program administration.

Subd. 2. [SUPREME COURT.] \$125,000 is appropriated to match money received from the federal government for state mediation programs to the supreme court administrator to contract with a legal service provider to provide legal support services for the Farmer-Lender Mediation Act.

Subd. 3. [COMMISSIONER OF AGRICULTURE.] \$200,000 is appropriated to match money received by the federal government for state mediation programs to the commissioner of agriculture to be available for adult farm management and farm advocate programs.

Sec. 10. [BEGINNING FARMER EDUCATION PROGRAMS.]

\$50,000 is appropriated from the general fund to the state board of vocational technical education to be available until June 30, 1989, to make \$2,500 grants to technical institutes and school districts to

provide an educational program for beginning farmers pursuing a career in agriculture.

Sec. 11. [PURPLE LOOSESTRIFE.]

There is appropriated to the commissioner of agriculture \$100,000 for the fiscal year ending June 30, 1989, for the purpose of making grants of up to \$125 per acre requiring eradication to farmers who are forced to eradicate purple loosestrife (lythrum salicaria) from their land because of the noxious weed law, Minnesota Statutes, sections 18.171 to 18.315. The commissioner may make emergency or permanent rules, or both, necessary for administration of this section.

Sec. 12. [17.85] [LABORATORY SERVICES ACCOUNT.]

A laboratory services account is established in the state treasury. Payments for laboratory services performed by the laboratory services division of the department of agriculture must be deposited in the state treasury and credited to the laboratory services account. Money in the account, including interest earned on the account, is annually appropriated to the commissioner of agriculture to administer the programs of the laboratory services division.

Sec. 13. [SCHOOL MILK PROGRAM.]

\$600,000 is appropriated from the general fund to the commissioner of education to reimburse school districts for providing milk to students under article 7, to be available until June 30, 1989.

Sec. 14. [INTEREST RATE BUY-DOWN.]

Subdivision 1. [APPROPRIATION.] \$2,100,000 is appropriated from the general fund to the commissioner of commerce for the interest rate buy-down program, under article 8, of which \$160,000 is for administration of the program. Any unencumbered balance remaining in fiscal year 1988 does not cancel and remains available to pay amounts due under approved applications received during the rest of the biennium ending June 30, 1989.

Subd. 2. [PRIORITIES; LIMITATION.] Applications take priority in the order they were received by the commissioner. The commissioner shall not approve an application under article 8 once the appropriation for that program has been committed.

Sec. 15. [BIODEGRADABLE PLASTICS.]

\$50,000 is appropriated from the general fund to the rural development board for the purposes of article 9, to be available until June 30, 1989.

Sec. 16. [COUNTY AND DISTRICT AGRICULTURAL SOCIETIES.]

\$120,000 is appropriated from the general fund to the commissioner of agriculture to provide full funding for state aid to county and district agricultural societies and associations under Minnesota Statutes, section 38.02. This appropriation is in addition to the appropriations for the same purpose in Laws 1987, chapter 358, section 7, subdivision 4, and is available until June 30, 1989.

Sec. 17. [EXPORT FINANCE AUTHORITY WORKING CAPITAL ACCOUNT.]

Laws 1987, chapter 358, section 31, is repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1, 5, 6, 7, 14, and 17 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; making changes in various agriculture programs; establishing agriculture programs; appropriating money; providing penalties; amending Minnesota Statutes 1986, sections 41B.02, by adding a subdivision; and 65A.33, subdivision 3; Minnesota Statutes 1987 Supplement, sections 17.102, subdivision 1; 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1, 2, 4, and by adding a subdivision; 41B.05; proposing coding for new law in Minnesota Statutes, chapters 17; 31; and 124; proposing coding for new law as Minnesota Statutes, chapter 32C; repealing Minnesota Statutes 1986, sections 32A.01; 32A.02; 32A.03; 32A.04; 32A.05; 32A.07; 32A.08; and 32A.09; and Laws 1987, chapter 358, section 31."

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. 1803, A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 3, line 1, before the semicolon insert "or with an engine manufactured before the 1976 model year"

Page 8, line 32, delete "\$" and insert "\$10,000"

Page 8, after line 34, insert:

"Sec. 8. [APPROPRIATION.]

\$200,000 is appropriated to the agency from the motor vehicle transfer fund for transfer to the vehicle emission inspection account."

Page 9, line 1, delete "" and insert "four"

Page 9, line 11, delete "6" and insert "7 and 9"

Page 9, line 12, delete "Sections 7 and 8 are" and insert "Section 8 is"

Renumber sections in sequence

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. 1826, A bill for an act relating to transportation; authorizing issuance of bonds to establish a fund for loans to purchase highway rights-of-way outside the metropolitan area; providing for acquisition and relocation assistance in cases of hardship to owners of homestead property located in a proposed state highway right-of-way; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 161.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [BONDS FOR TRUNK HIGHWAY NEEDS.]

To provide for financing loans to local governments located outside the seven-county metropolitan area to acquire rights-of-way for present and future trunk highway needs in the state, the

commissioner of finance on request of the governor shall sell and issue trunk highway bonds of the state in an amount up to \$1,000,000, in the manner, upon the terms, and with the effect prescribed by the Minnesota Constitution, article XI, sections 4 to 7 and article XIV, section 11; and, except as otherwise provided in this section, Minnesota Statutes, sections 167.50 to 167.52.

Proceeds from the bonds, minus expenses and fund transfers identified in Minnesota Statutes, sections 167.50 to 167.52, must be credited to the special account created and established in section 2, subdivision 3 and are appropriated for the implementation, administration, and purposes of section 2.

Principal and interest is appropriated and must be paid first from the fund established in section 2, subdivision 3, and then, if necessary, from other money in the trunk highway fund as provided by Minnesota Statutes, section 167.51.

Sec. 2. [161.179] [LOANS FOR RIGHT-OF-WAY ACQUISITION; APPROPRIATION, ACCOUNT.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them.

(b) "Acquiring authority" means a town, statutory or home rule charter city, or county, located outside the metropolitan area.

(c) "Homestead property" means a single-family dwelling occupied by the owner, and the surrounding land.

(d) "Metropolitan area" has the meaning given it in section 473.121, subdivision 2.

(e) "Salvage value" means the probable sale price of the dwelling and other property that is severable from the land if offered for sale on the condition that it be removed from the land at the buyer's expense, allowing a reasonable time to find a buyer with knowledge of the possible uses of the property, including separate use of serviceable components and scrap when there is no other reasonable prospect of sale.

Subd. 2. [LOANS TO ACQUIRING AUTHORITIES.] The commissioner may make loans to acquiring authorities located outside the metropolitan area for purchasing property within the proposed state trunk highway right-of-way, corridor, or project shown on an official map adopted under section 394.361 or 462.359 or for purchasing property within a proposed principal or intermediate arterial highway right-of-way, corridor, or project designated by the commissioner as a part of the state trunk highway system and approved by the commissioner. The loans must be made by the commissioner

from the account established under subdivision 4, for purchases approved by the commissioner. The loans must bear no interest. The commissioner shall make loans only to (1) avert the imminent conversion or the granting of approvals that would allow the conversion of property to uses that would jeopardize its availability for highway construction, or (2) purchase the property before imminent development or other use of the property would result in a substantial increase in its acquisition cost. The commissioner shall not make a loan for the purchase of property at a price that exceeds the fair market value of the property or that includes the costs of relocating or moving persons or property, except as provided in subdivision 3. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the acquiring authority shall make the loan in installments corresponding to those in the purchase agreement. The acquiring authority receiving an acquisition loan shall convey the property to the department for the construction of the highway at the same price that the acquiring authority paid for the property. On notification by the commissioner that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the acquiring authority shall sell the property at market value in accordance with the procedures required for the disposition of the property. Rents and other money received because of the acquiring authority's ownership of the property and the proceeds from the conveyance or sale of the property must be paid to the commissioner and deposited in the special account in the trunk highway fund established in subdivision 4. Money paid to the commissioner by acquiring authorities receiving loans under this section, and interest on the proceeds and payments, must be deposited in the special account established in subdivision 4. For administration of the loan program the commissioner may expend from the account each year an amount no greater than three percent of the amount disbursed as loans to acquiring authorities in that year.

Subd. 3. [HARDSHIP ACQUISITION AND RELOCATION.] (a)
The commissioner may make hardship loans to acquiring authorities outside the metropolitan area to purchase homestead property located in a proposed state trunk highway right-of-way or project, and to provide relocation assistance. Acquiring authorities are authorized to accept the loans and to acquire the property. Except as provided in this subdivision, the loans must be made as provided in subdivision 2. Loans must be in the amount of the appraised fair market value of the homestead property plus relocation costs and less salvage value. Before construction of the highway begins, the acquiring authority shall convey the property to the commissioner of transportation at the same price it paid, plus relocation costs and less its salvage value. Acquisition and assistance under this subdivision must conform to sections 117.50 to 117.56.

(b) The commissioner may make hardship loans only when:

(1) the owner of affected homestead property requests acquisition and relocation assistance from an acquiring authority;

(2) federal financial participation is not available;

(3) the owner is unable to sell the homestead property at its appraised market value because the property is located in a proposed state trunk highway right-of-way, corridor, or project as indicated on an official map or plat adopted under section 160.085, 394.361, or 462.359;

(4) the appraisal of the fair market value of the homestead property has been approved by the commissioner, who must not unreasonably withhold approval; and

(5) the owner of the homestead property is burdened by circumstances that constitute a hardship, such as catastrophic medical expenses; a transfer of the homestead owner by the owner's employer to a distant site of employment; or inability of the owner to maintain the property due to physical or mental disability or the permanent departure of children from the homestead.

Subd. 4. [APPROPRIATION; SPECIAL ACCOUNT.] Money collected by the commissioner under this section, including proceeds from the sale of highway bonds under section 1, must be deposited in the state treasury and credited to a special account in the trunk highway fund. Money in the account and money transferred under subdivision 5 does not cancel and is annually appropriated to the commissioner to administer and carry out the purposes of this section.

Subd. 5. [FUND TRANSFERS.] On taking title to lands acquired under this section, the commissioner of transportation, with the approval of the commissioner of finance, shall transfer money from the trunk highway fund appropriated for trunk highway development to the special account established under subdivision 4. The amount of money transferred must equal the loan amount made available to acquire the lands under this section."

Delete the title and insert:

"A bill for an act relating to transportation; authorizing issuance of trunk highway bonds to establish a special account in the trunk highway fund for loans to purchase highway rights-of-way outside the metropolitan area; providing for acquisition and relocation assistance in cases of hardship to owners of homestead property located in a proposed state highway right-of-way; appropriating

money; proposing coding for new law in Minnesota Statutes, chapter 161."

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:

H. F. No. 1933, A bill for an act relating to motor vehicles; motorcycles; increasing percentage of money appropriated from motorcycle safety fund to commissioner of public safety that may be spent for training and coordinating activities of instructors and making reimbursements to schools and others; increasing the fee for duplicate driver's license obtained to add a two-wheeled vehicle endorsement; increasing portion of two-wheeled endorsement license fee that is dedicated to the motorcycle safety fund; amending Minnesota Statutes 1986, sections 126.115, subdivision 3; and 171.06, subdivision 2a.

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

The report was adopted.

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

H. F. No. 1954, A bill for an act relating to transportation; providing that uniform relocation assistance standards comply with recent amendments to federal law; authorizing commissioner of transportation to accept gifts to department; authorizing star county signs on highways; appropriating gift funds to commissioner; exempting lessees of highway easement property from tax on its use and possession; providing that governmental body may file deed conveying partial parcel of land without current taxes having been paid on whole parcel; repealing conflicting provision related to charges for users of air transportation services provided by the commissioner of transportation; amending Minnesota Statutes 1986, section 161.20, by adding a subdivision; 173.085; Minnesota Statutes 1987 Supplement, sections 117.52, subdivision 1; 272.01, subdivision 3; and 272.121; repealing Minnesota Statutes 1986, section 360.015, subdivision 20.

Reported the same back with the following amendments:

Page 6, after line 12, insert:

"Sec. 6. Laws 1987, chapter 358, section 5, subdivision 1, is amended to read:

Sec. 5. PUBLIC SAFETY

Subdivision 1. Total Appropriation	81,888,100	81,990,800
Approved Complement - 1,676.4 <u>1,686.4</u>		
General - 393.7		
Special Revenue - 3		
Trunk Highway - 1,060.8 <u>1,070.8</u>		
Highway User - 173.6		
Federal - 48.3		

The above approved complement includes ~~511~~ 521 for state-funded, unclassified patrol officers and supervisors of the state patrol. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section, provided that the above complement must be reduced accordingly.

Summary by Fund

General	\$20,905,800	\$20,977,500
For 1987 - \$900,000		
Trunk Highway	\$52,517,200	\$52,456,400
Highway User	\$ 9,565,500	\$ 9,645,700
Special Revenue	\$ 500,000	\$ 550,000
Transfers to Other Direct	(\$ 1,600,400)	(\$ 1,638,800)

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The amounts shown in the program totals are reduced by \$87,500 the first year and \$87,500 the second year from the general fund. Reductions must be

made from appropriations that will not reduce revenue to the general fund.”

Re-number the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 11, after the semicolon insert “increasing complement of department of public safety;”

Page 1, line 18, before “repealing” insert “Laws 1987, chapter 358, section 5, subdivision 1;”

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2019, A bill for an act relating to housing; creating a low-income housing trust fund account; providing for the uses of the account; placing certain requirements on real estate trust fund accounts; amending Minnesota Statutes 1986, sections 82.24, by adding a subdivision; and 82.34, subdivisions 6 and 15; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the following amendments:

Page 5, line 8, after the period, insert “Money in the housing trust fund account may be used for the expenses of the advisory committee.”

Subd. 5. [REPORT.] The agency shall report to the legislature and the governor annually on the use of the housing trust fund account including the number of loans and grants made, the number and types of residential units assisted through the account, and the number of residential units assisted through the account that were rented to or cooperatively owned by persons or families at or below 30 percent of the median family income of the metropolitan area.”

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. 2098, A bill for an act relating to public utilities; pipeline safety; authorizing the office of pipeline safety to inspect and regulate intrastate pipeline facilities carrying liquefied natural gas, liquefied petroleum gas, and hazardous liquids; adopting federal safety regulations; removing the depth limitation for the one call excavation notice system; providing for the calculation of pipeline inspection fees; appropriating money; amending Minnesota Statutes 1986, sections 299F.56, subdivisions 1, 2, 4, 6, and by adding subdivisions; and 299F.59; Minnesota Statutes 1987 Supplement, sections 116L.015, subdivision 3; 216D.01, subdivision 5; 299F.57, subdivision 1, and by adding a subdivision; 299F.58; 299F.62; 299F.63, subdivision 1; 299F.64; and 299J.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 1987 Supplement, section 299F.63, subdivision 4.

Reported the same back with the following amendments:

Page 2, delete line 4 and insert "which may follow the board's procedures for public"

Page 4, line 14, after "gas" insert "in"

Page 4, delete line 28 to page 5, line 1, and insert:

"Subd. 6. "Gas pipeline facilities" includes, without limitation, new and existing pipe, rights of way, and any equipment, facility, or building used in the transportation of gas or the treatment of gas during the course of transportation, ~~but "rights of way" as used in sections 299F.56 to 299F.64 does not authorize the state fire marshal to prescribe the location or routing of any pipeline facility.~~ "Pipeline facilities" shall not include any facilities subject to the jurisdiction of the ~~Federal Power Energy Regulatory~~ Federal Energy Regulatory Commission under the Natural Gas Act of the United States."

Page 5, line 7, delete everything after "liquids"

Page 5, delete line 8

Page 5, line 9, delete everything before the period

Page 5, line 18, after the period, insert "The standards may not prescribe the location or routing of a pipeline facility."

Page 8, line 30, delete "accident" and after "investigations" insert "of specific pipeline facilities"

Page 8, line 32, delete “and”

Page 8, line 34, delete “liquefied petroleum gas,”

Page 8, line 35, delete the period and insert “; and

(6) expenses attributable to the inspection of facilities carrying liquefied petroleum gas, until the commissioner adopts a rule providing for metered billing of these facilities.”

Page 9, line 6, after the period insert “The expenses and obligations described in paragraph (a), clause (6), must be directly charged to the appropriate pipeline operators on a quarterly basis until the commissioner adopts a rule providing for metered billing of facilities carrying liquefied petroleum gas.”

Page 10, line 7, after the period insert “The standards may not prescribe the location or routing of a pipeline facility.”

Page 11, line 1, delete “are authorized to” and insert “may”

Page 11, line 33, delete “such” and insert “the”

Page 12, line 36, after the period insert paragraph coding

Page 13, lines 5 and 6, delete “state treasurer for deposit to the credit of” and insert “commissioner for deposit in the state treasury and credit to”

Page 14, delete line 5, and insert “41, for fiscal year 1988 does not cancel but is available for fiscal year 1989.”

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. 2221, A bill for an act relating to occupational safety and health; regulating penalties for violations; amending Minnesota Statutes 1986, section 182.666, subdivisions 3, 5a, and 7; Minnesota Statutes 1987 Supplement, section 182.666, subdivisions 1, 2, 4, and 5.

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

The report was adopted.

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

H. F. No. 2248, A bill for an act relating to the environment; prohibiting use of chlorofluorocarbon-processed food packaging materials after July 1, 1990; providing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 3, line 17, delete "\$ " and insert "\$44,700"

Page 3, line 20, delete " . . . positions" and insert "one position"

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. 2362, A bill for an act relating to veterans; providing an appropriation to study the feasibility of an additional state veterans' cemetery.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CEMETERY SITE STUDY.]

The commissioner of veterans affairs shall complete a study of the Morrison county state veterans cemetery site, to include anticipated costs of site development and ongoing operational costs of this state veterans cemetery. The feasibility of utilizing Minnesota granite wherever possible shall also be included in this study. A report on the study shall be submitted to the legislature by September 30, 1988."

Delete the title and insert:

"A bill for an act relating to veterans; requiring a study of the Morrison county state veterans cemetery site."

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. 2691, A bill for an act relating to state agencies; amending the authority of the Minnesota amateur sports commission; correcting references; exempting rulemaking from chapter 14; authorizing the commission and certain other state entities to establish nonprofit corporations and charitable foundations; amending Minnesota Statutes 1987 Supplement, sections 16A.661, subdivision 3; 240A.02, subdivision 2; 240A.03, subdivision 10, and by adding a subdivision; and 297A.44, subdivision 1; and Laws 1987, chapter 400, section 13.

Reported the same back with the following amendments:

Pages 3 and 4, delete section 5

Page 4, line 8, delete "6" and insert "5"

Page 4, delete section 7

Amend the title as follows:

Page 1, line 10, delete everything after the first semicolon

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. 2744, 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.

Reported the same back with the following amendments:

Page 3, line 21, after the period insert "Mortgage loan shall not include any loan made by a state or federal bank or savings and loan

association, an industrial loan and thrift company or regulated lender, where less than 50 percent of the loan is used for the purchase of the real property or to refinance a loan for the purchase of the real property or where any part of the loan is used to refinance the balance due on a contract for deed."

Page 3, line 34, after "gift," insert "service, special privilege,"

Page 3, line 35, after "received" insert ", directly or indirectly,"

Page 3, line 36, delete "or escrow account administration opportunity"

Page 3, after line 36, insert:

"Referral fee shall not in any case include: the payment or acceptance of any sum or other thing of value pursuant to a controlled business arrangement, as defined in the federal Real Estate Settlement Procedures Act, United States Code, title 12, 2601 et seq., as the same may be amended from time to time, provided that controlled business arrangement disclosures required under that act are given as and when required under that act."

Page 12, line 3, delete "ten percent" and insert "one-sixth"

Page 12, line 8, after "date" insert "provided there are sufficient collected funds in escrow at least one full month prior to the time the payment is due"

Page 14, line 8, delete "borrower" and insert "payor"

Page 14, line 9, delete "borrower" and insert "payor"

Page 14, line 12, after "approval" insert "provided the appraisal is in the possession of the mortgage banker at the time of the request"

Page 15, after line 30, insert:

"Subd. 3. [PENALTIES.] Notwithstanding section 8.31, no borrower shall have a cause of action against any person violating the provisions of this section."

Page 22, line 24, delete "\$100,000" and insert "\$37,800"

Page 22, line 28, delete "three positions" and insert "one position"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 449, A bill for an act relating to transportation; railroads; requiring occupied caboose car on certain trains; requiring caboose car to be equipped with shortwave radio; imposing a penalty; amending Minnesota Statutes 1986, section 219.56; proposing coding for new law in Minnesota Statutes, chapter 219.

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

The report was adopted.

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

S. F. No. 752, A bill for an act relating to occupations and professions; amending the laws regulating the practice of pharmacy; providing definitions; providing for registration of pharmacies, drug manufacturers, and others; providing for licensing of pharmacists; providing remedies for violations; amending Minnesota Statutes 1986, sections 151.01, subdivision 2, and by adding subdivisions; 151.04; 151.06, subdivision 1; 151.101; 151.15; 151.19; 151.211; 151.212, subdivision 1, and by adding a subdivision; 151.25; 151.26, subdivision 1; 151.32; 151.34; and 151.37; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 1986, sections 151.01, subdivision 4; 151.06, subdivision 2a; 151.11; 151.28; and 151.31.

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

The report was adopted.

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

S. F. No. 1268, A bill for an act relating to energy and economic development; providing for the powers and duties of the commissioner of energy and economic development; clarifying definitions; authorizing certain Indian tribes to create community energy councils; providing the purpose for which an appropriation may be spent; amending Minnesota Statutes 1986, sections 116J.09; 116J.10; 116J.19, subdivision 6; 116J.36, subdivision 2; 116J.381, subdivision 2; and Laws 1981, chapter 334, section 11, subdivision 1.

Reported the same back with the following amendments:

Page 3, line 8, after the period insert "Money dispersed under this clause must not include money received as a result of the settlement of the parties and order of the United States District Court for the District of Kansas in the case of In Re Department of Energy Stripper Well Exemption Litigation, 578 F. Supp. 586 (D.Kan. 1983) and all money received after the effective date of this section by the governor, the commissioner of finance, or any other state agency resulting from overcharges by oil companies in violation of federal law."

Pages 5 and 6, delete section 4

Renumber the remaining sections in sequence

Amend the title as follows:

Page 1, line 2, delete "and economic development"

Page 1, line 4, delete "energy and economic development" and insert "public service"

Page 1, lines 9 and 10, delete "116J.36, subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 920, 944, 987, 1000, 1803, 1933, 1954, 2019, 2098, 2221, 2248, 2362, 2691 and 2744 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 449, 752 and 1268 were read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 2086, A bill for an act relating to motor vehicles; removing language regarding restricted gasoline fill pipes; amending Minnesota Statutes 1986, section 325E.0951.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2546, A bill for an act relating to commerce; regulating preparation of certain information for membership camping contract applications and subdivider qualification statements; prohibiting certain misleading and deceptive practices; prohibiting advance payments relating to resale of time share property interests; amending Minnesota Statutes 1986, sections 83.29, subdivisions 2 and 5; and 83.44; Minnesota Statutes 1987 Supplement, sections 82A.04, subdivision 2; 82A.09, subdivision 3; and 83.23, subdivision 3; repealing Minnesota Statutes 1986, section 82A.09, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1773, A bill for an act relating to the statutes; directing the revisor of statutes to assign chapter numbers to enrollments and publish bills in Laws of Minnesota in the chapter number order; providing for showing on enrollments and publications of the time of final enactment of bills; maintaining existing law on determination of final enactment despite the change in the method of numbering chapters of enrollments and publications; amending Minnesota Statutes 1986, sections 3.19; 3C.04, subdivision 5; 3C.06, subdivision 1; and 645.01; proposing coding for new law in Minnesota Statutes, chapter 4.

H. F. No. 2232, A bill for an act relating to cable television; exempting certain small cable systems; requiring new franchises to be granted on same terms as original franchise; prohibiting utilities from giving unfair preference to affiliated companies that provide cable television service; amending Minnesota Statutes 1986, sections 238.02, subdivision 3; and 238.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 238.

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. 1749, A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kalis moved that the House refuse to concur in the Senate amendments to H. F. No. 1749, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1749:

Kalis; Jensen; Lieder; Carlson, D., and Seaberg.

SPECIAL ORDERS, Continued

S. F. No. 2071 was reported to the House.

Jefferson moved that S. F. No. 2071 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1686 was reported to the House.

Ogren; Rukavina; Price; Murphy; Carlson, D.; Brown; Osthoff; Bishop; Wenzel; Cooper; Jefferson; Jacobs; Milbert; Orenstein; Steensma; Uphus; Carlson, L., and McDonald moved to amend S. F. No. 1686, as follows:

Page 1, after line 10, insert:

“Section 1. [1.1496] [STATE MUFFIN.]

The blueberry muffin is adopted as the official muffin of the state of Minnesota."

Renumber the remaining sections

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1686, A bill for an act relating to agriculture; prescribing procedure for delivery of dry edible beans from a grain warehouse; requiring the grade of dry edible beans on warehouse receipts; prescribing a redelivery charge; amending Minnesota Statutes 1986, sections 223.16, subdivision 4; 232.21, subdivision 7; and 232.23, 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 120 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Seaberg

The bill was passed, as amended, and its title agreed to.

S. F. No. 2289 was reported to the House.

Munger moved to amend S. F. No. 2289, as follows:

Page 2, line 14, delete "4" and insert "3a"

The motion prevailed and the amendment was adopted.

S. F. No. 2289, A bill for an act relating to the environment; authorizing the waste management board to enter agreements providing for the development and operation of a wholly or partially state owned stabilization and containment facility; directing the board to make recommendation for legislative changes needed to implement facility development and operation; amending Minnesota Statutes 1987 Supplement, sections 115C.04, subdivisions 1 and 3; and 115C.09, subdivisions 1, 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115A.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed, as amended, and its title agreed to.

S. F. No. 2491 was reported to the House.

Carruthers moved that S. F. No. 2491 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 2384 was reported to the House.

Sparby moved that S. F. No. 2384 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 2206 was reported to the House.

Vellenga moved that S. F. No. 2206 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1674 was reported to the House.

Nelson, D., moved that S. F. No. 1674 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1882, A bill for an act relating to education; requiring school districts to make certain accommodations for lactose intolerant children, if requested; proposing coding for new law in Minnesota Statutes, chapter 124.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Clark	Gutknecht	Kahn	McKasy
Battaglia	Clausnitzer	Hartle	Kalis	McLaughlin
Beard	Cooper	Haukoos	Kelso	Milbert
Begich	Dauner	Heap	Kinkel	Miller
Bennett	Dawkins	Himle	Kludt	Minne
Bertram	DeBlieck	Hugoson	Knuth	Morrison
Bishop	Dempsey	Jacobs	Kostohryz	Munger
Blatz	DeRaad	Jaros	Krueger	Murphy
Boo	Dille	Jefferson	Larsen	Nelson, C.
Brown	Dorn	Jennings	Lasley	Nelson, D.
Burger	Frederick	Jensen	Lieder	Nelson, K.
Carlson, D.	Frerichs	Johnson, A.	Long	Neuenschwander
Carlson, L.	Greenfield	Johnson, R.	McDonald	O'Connor
Carruthers	Gruenes	Johnson, V.	McEachern	Ogren

Olsen, S.	Peterson	Rodosovich	Solberg	Valento
Olson, E.	Poppenhagen	Rose	Sparby	Vellenga
Olson, K.	Price	Rukavina	Stanius	Voss
Omann	Quinn	Schafer	Steensma	Wagenius
Onnen	Quist	Scheid	Sviggum	Waltman
Orenstein	Redalen	Schreiber	Swenson	Welle
Osthoff	Reding	Seaberg	Thiede	Wenzel
Ozment	Rest	Segal	Tjornhom	Winter
Pappas	Rice	Shaver	Tompkins	Wynia
Pauly	Richter	Simoneau	Trimble	Spk. Vanasek
Pelowski	Riveness	Skoglund	Tunheim	

The bill was passed and its title agreed to.

S. F. No. 1819, A bill for an act relating to landlord and tenant; authorizing tenants to pay for certain utilities and deduct the payments from rent due; 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1769 was reported to the House.

Solberg moved that S. F. No. 1769 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 2217 was reported to the House.

Kostohryz moved that S. F. No. 2217 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1700 was reported to the House.

Price moved that S. F. No. 1700 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 2264 was reported to the House.

Osthoff moved to amend S. F. No. 2264, as follows:

Page 1, after line 11, insert:

“Sec. 2. [383A.201] [OFFICIALS NOT TO BE INTERESTED IN CONTRACTS.]

No Ramsey county official or the official's deputy, clerk, or employee and no commissioner for tax-forfeited lands or the commissioner's assistants, may have a personal financial interest (1) in a contract, work, labor, or business to which the county is a party or in which it is or may be interested, (2) or in the furnishing of an article to, or the purchase or sale of any real or personal property by the county, or of which the consideration, price, or expense is payable from the county treasury. A violation of this section is a gross misdemeanor.”

Renumber the remaining section

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2264, A bill for an act relating to elections; allowing the city of Falcon Heights to consolidate election precincts.

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

The bill was passed, as amended, and its title agreed to.

H. F. No. 704 was reported to the House.

Rest moved that H. F. No. 704 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1610 was reported to the House.

Lasley moved that S. F. No. 1610 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 2355 was reported to the House.

Rest moved that S. F. No. 2355 be continued on Special Orders for one day. The motion prevailed.

H. F. No. 2537, A bill for an act relating to horse racing; changing the date when the racetrack must submit its financial statement to the racing commission; allowing the breeders' fund to be used to supplement purses for Minnesota horses racing in nonrestricted races; amending Minnesota Statutes 1986, sections 240.15, subdivision 4; and 240.18.

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 117 yeas and 7 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Greenfield	Skoglund	Steensma	Winter
Long	Sparby	Voss	

The bill was passed and its title agreed to.

There being no objection, S. F. No. 2355 which was continued earlier today was again reported to the House.

S. F. No. 2355, A bill for an act relating to the cities of Bloomington and West St. Paul; authorizing the city to expend and loan public funds for flood mitigation measures to protect residential structures.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2151 was reported to the House.

Reding and Dauner moved to amend H. F. No. 2151, the first engrossment, as follows:

Page 5, after line 31, insert:

"Sec. 10. Minnesota Statutes 1986, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, ~~shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association may be retained by the municipality and shall be used by the municipality to defray rising costs of health insurance in equal proportion for the municipality and its employees;~~ or

(c) For a municipality in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, ~~shall also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association may be retained by the county and shall be used by the county to defray rising costs of health insurance in equal proportion for the county and its employees.~~"

Page 5, line 32, delete "10" and insert "11"

Page 5, line 33, delete "9" and insert "10"

Amend the title as follows:

Page 1, line 2, after the semicolon insert "allowing municipalities and counties to use excess state aid distributions for health insurance purposes;"

Page 1, line 5, after "sections" insert "69.031, subdivision 5;"

The motion prevailed and the amendment was adopted.

Simoneau moved to amend H. F. No. 2151, the first engrossment, as amended, as follows:

Page 1, after line 9, insert:

"Section 1. 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."

Page 1, after line 17, insert:

"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 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.

Renumber the sections in sequence

Correct internal references

Page 5, line 33, delete "1 to 9" and insert "2 and 4 to 12"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2151, A bill for an act relating to retirement; authorizing early unreduced retirement under the rule 90 for the Minnesota state retirement system and the teachers retirement association; allowing municipalities and counties to use excess state aid distributions for health insurance purposes; state university and community college faculty; establishing an individual retirement account plan; amending Minnesota Statutes 1986, sections 69.031, subdivision 5; 354.05, by adding a subdivision; 354.44, subdivision 6; 354.50, subdivision 1; and 356.24; Minnesota Statutes 1987 Supplement, section 352.116, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 354B.

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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed, as amended, and its title agreed to.

There being no objection, S. F. No. 2206 which was continued earlier today was again reported to the House.

S. F. No. 2206, A bill for an act relating to human services; requiring county community social service plans to address the county's responsibility to establish a system of early intervention services for handicapped children; amending Minnesota Statutes 1987 Supplement, section 256E.09, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Begich	Blatz	Carlson, D.	Clark
Battaglia	Bennett	Brown	Carlson, L.	Clausnitzer
Beard	Bertram	Burger	Carruthers	Cooper

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

The bill was passed and its title agreed to.

Wynia moved that the remaining bills on Special Orders for today be continued one day. The motion prevailed.

GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

MOTIONS AND RESOLUTIONS

Carruthers moved that the name of Tjornhom be added as an author on H. F. No. 2514. The motion prevailed.

Quinn moved that H. F. No. 1944 be returned to its author. The motion prevailed.

Trimble moved that H. F. No. 2227 be returned to its author. The motion prevailed.

Trimble moved that H. F. No. 2295 be returned to its author. The motion prevailed.

Kahn moved that H. F. No. 1627 be returned to its author. The motion prevailed.

Lieder moved that H. F. No. 1554 be returned to its author. The motion prevailed.

Kalis moved that H. F. No. 1555 be returned to its author. The motion prevailed.

Rukavina moved that H. F. No. 1992 be returned to its author. The motion prevailed.

O'Connor moved that H. F. No. 2394 be returned to its author. The motion prevailed.

Knuth moved that H. F. No. 2414 be returned to its author. The motion prevailed.

Quinn moved that H. F. No. 2203 be returned to its author. The motion prevailed.

Wenzel moved that H. F. No. 1610 be returned to its author. The motion prevailed.

Clark moved that H. F. No. 2643 be returned to its author. The motion prevailed.

McDonald, Redalen, Uphus, Waltman and Richter introduced:

House Resolution No. 58, A House resolution commending the public service of Dr. Rollin M. Dennistoun at the Minnesota Department of Agriculture.

SUSPENSION OF RULES

McDonald moved that the rules be so far suspended that House Resolution No. 58 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 58

A House resolution commending the public service of Dr. Rollin M. Dennistoun at the Minnesota Department of Agriculture.

Whereas, Dr. Rollin "Doc" Dennistoun has served the people of Minnesota well and faithfully for 24 years; and

Whereas, Dr. Dennistoun has been a champion for farmers throughout his life; and

Whereas, he has been an advocate of the prudent and efficient execution of agricultural programs enacted by the Minnesota Legislature; and

Whereas, he has been especially effective in promoting the advancement of Minnesota's agriculture by supporting and assisting producer organizations; and

Whereas, he has consistently maintained a professional image for the administration of a department that has been the subject of frequent controversy; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it commends Dr. Rollin Dennistoun for his exemplary state service, his dedication to agriculture, and his years of service to the agricultural community.

Be It Further Resolved that it calls upon the Governor of Minnesota to commend Dr. Rollin Dennistoun for his exemplary state service, his dedication to agriculture, and his years of service to the agricultural community.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Speaker, and that it be presented to Dr. Rollin M. Dennistoun.

McDonald moved that House Resolution No. 58 be now adopted. The motion prevailed and House Resolution No. 58 was adopted.

Kinkel, Bauerly, Cooper and Lasley introduced:

House Resolution No. 59, A House resolution affirming and supporting the right to peaceful protest; condemning violent demonstrations including the desecration of the United States flag.

The resolution was referred to the Committee on Rules and Legislative Administration

Senate Concurrent Resolution No. 21 was reported to the House.

SENATE CONCURRENT RESOLUTION NO. 21

A Senate concurrent resolution proclaiming Sunday, May 15, as Ethnic American Day in Minnesota.

Whereas, the population of Minnesota is a diverse collection that includes the Native Americans who were this land's first inhabitants as well as people who have come here from all parts of the globe; and

Whereas, Minnesotans, whatever their origins, have contributed their cultures, traditions, and values to their fellow citizens and have, in turn, benefited from the contributions of others; and

Whereas, at the same time that we recognize our diversity, we also share a love of our common humanity and a sense of gratitude for our opportunity to enrich one another with, on the one hand, our uniqueness and, on the other, our basic similarity; and

Whereas, together with all Americans, we stand as living examples to the world of the ideal expressed by our founders in the motto "E Pluribus Unum," or "One From Many"; and

Whereas, from time to time, we need to reaffirm our dedication to that ideal and to remind ourselves that, while each of us is different, we are all members of the family of humankind; and

Whereas, the observance of Ethnic American Day will provide an appropriate occasion for such a reaffirmation and reminder; and

Whereas, Agnea Antoniades of St. Paul organized the first observance of Ethnic American Day in 1986; *Now, Therefore*,

Be It Resolved by the Senate of the State of Minnesota, the House of Representatives concurring, that:

(1) Sunday, May 15, is proclaimed to be Ethnic American Day.

(2) The Senate and the House of Representatives of the State of Minnesota extend their congratulations to Agnea Antoniades for her successful efforts to make this observance possible for her fellow Minnesotans.

Be It Further Resolved that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and those of the Chairman of the Rules and Administration Committee of the Senate, the Chief Clerk of the House, and the Speaker of the House, and present it to Agnea Antoniades.

Pappas moved that Senate Concurrent Resolution No. 21 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 21 was adopted.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, April 5, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Tuesday, April 5, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives