

STATE OF MINNESOTA

SEVENTY-FIFTH SESSION — 1988

EIGHTY-FIFTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 12, 1988

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

Prayer was offered by the Reverend Donald Wafler, Cathedral of Our Merciful Saviour, Faribault, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Simoneau was excused until 1:35 p.m. Anderson, R., was excused until 2:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Larsen moved that further reading of the Journal be dispensed

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. No. 2685 and S. F. No. 2183 have been placed in the members' files.

S. F. No. 2183 and H. F. No. 2368, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 2183 be substituted for H. F. No. 2368 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 6, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives
The State of Minnesota

Dear Sir:

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

H. F. No. 1710, relating to crime; prohibiting the display of sexually explicit material deemed harmful to minors in places of public accommodation open to minors; providing a penalty.

H. F. No. 1806, relating to state agencies; amending and repealing various statutes administered by the state board of investments.

H. F. No. 1867, relating to Washington county; repealing a provision for county board expenses.

H. F. No. 1913, relating to employment; prohibiting employer reprisals against employees who decline to participate in charitable fund drives.

H. F. No. 1971, relating to guardianship; permitting appointment of any number of guardians; permitting the appointment of guardians who reside outside the state.

H. F. No. 2020, relating to utilities; encouraging settlements prior to contested case hearings; authorizing the public utilities commission to extend suspended rates during multiple general rate filings; providing for imposition of interim rates when commission extends suspended rates.

H. F. No. 2025, relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

H. F. No. 2046, relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

H. F. No. 2109, relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

H. F. No. 2252, relating to state lands; conveying certain lands to the city of Brooklyn Center in Hennepin county.

H. F. No. 2272, relating to natural resources; making changes in certain laws relating to forestry.

H. F. No. 2312, relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county.

H. F. No. 2372, relating to human services; setting forth goals for regional treatment centers in the continuum of mental health services.

H. F. No. 2402, relating to economic development; permitting certain development authorities to hold certain licenses.

H. F. No. 2490, relating to state land; conveying title to state land in Kittson county.

H. F. No. 2615, relating to health; providing for a temporary license for freestanding 24-hour emergency medical centers until permanent rules are adopted.

H. F. No. 2703, relating to intoxicating liquor; authorizing the city of Bloomington to issue an on-sale intoxicating liquor license to Midsummer, A Festival of Music.

Sincerely,

RUDY PERPICH
Governor

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

April 7, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

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

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Date Approved</i> <i>1988</i>	<i>Date Filed</i> <i>1988</i>
	1710	452	April 6	April 6
	1806	453	April 6	April 6
	1867	454	April 6	April 6
	1913	455	April 6	April 6
	1971	456	April 6	April 6
	2020	457	April 6	April 6
	2025	458	April 6	April 6
	2046	459	April 6	April 6

2109	460	April 6	April 6
2252	461	April 6	April 6
2272	462	April 6	April 6
2312	463	April 6	April 6
2372	464	April 6	April 6
2402	465	April 6	April 6
2490	466	April 6	April 6
2615	467	April 6	April 6
2703	468	April 6	April 6
1644	469	April 6	April 6
1819	470	April 6	April 6
1875	471	April 6	April 6
2090	472	April 6	April 6
2355	473	April 6	April 6

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. No. 2183 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Shaver introduced:

H. F. No. 2802, A bill for an act relating to motor vehicles; establishing single-plate motor vehicle registration system; amending Minnesota Statutes 1986, sections 65B.68, subdivision 2; 65B.69; 115A.908, subdivision 1; 168.013, subdivisions 1e and 7; 168.014; 168.032; 168.041, subdivisions 1, 6, 7, and 9; 168.053, subdivision 1; 168.09; 168.10, subdivisions 1a, 1b, 1c, 1d, 1g, 1h, and 3; 168.105, subdivisions 2, 3, and 5; 168.12; 168.124; 168.125; 168.126, subdivision 2; 168.127, subdivision 5; 168.13; 168.15; 168.16; 168.17; 168.183, subdivision 3; 168.28; 168.29; 168.30; 168A.13, subdivision 3; 169.79; 296.17, subdivision 9; 297B.01, subdivision 9; 297B.05; 297B.06; and 297B.07; Minnesota Statutes 1987 Supplement, sections 85.052, subdivision 3; 85.053, subdivision 7; 168.012, subdivisions 1 and 1c; 168.021, subdivisions 1, 1a,

and 3; 168.27, subdivision 16; 168.36, subdivision 2; 169.345, subdivisions 1 and 2a; and 169.346, subdivisions 2 and 3.

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

Clark, Segal, Vellenga and Kelly introduced:

H. F. No. 2803, A bill for an act relating to crimes; establishing mandatory minimum terms of imprisonment for crimes committed against the elderly and handicapped; prescribing penalties; amending Minnesota Statutes 1986, section 609.11, subdivisions 4, 5, 7, 8, and by adding subdivisions.

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

Pauly introduced:

H. F. No. 2804, A bill for an act relating to waste management; providing for the regulation of entities providing solid and hazardous waste disposal and rubbish transportation; amending Minnesota Statutes 1986, sections 216B.01; 216B.02, subdivision 4; and 221.025.

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

Bertram and Bennett introduced:

H. F. No. 2805, A bill for an act relating to taxation; exempting certain printed materials from the sales tax; amending Minnesota Statutes 1986, section 297A.25, by adding a subdivision.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Clark, Vellenga, Bishop and Pappas introduced:

H. A. No. 86, A proposal to study visitation orders in cases of alleged child abuse.

The advisory was referred to the Committee on Judiciary.

Skoglund introduced:

H. A. No. 87, A proposal to study noise control requirements imposed on the metropolitan airports commission.

The advisory was referred to the Committee on Metropolitan Affairs.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1790, A bill for an act relating to commerce; safe deposit companies; providing for performance of will searches upon safe deposit box renter's death; amending Minnesota Statutes 1986, section 55.10, by adding a subdivision.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate 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. 10, A bill for an act relating to crimes; raising the minimum term of imprisonment from 17 to 20 years for persons convicted of first degree murder; clarifying that the crying of a child

does not constitute provocation under first degree manslaughter; amending Minnesota Statutes 1986, section 244.05, subdivision 4; and Minnesota Statutes 1987 Supplement, section 609.20.

The Senate has appointed as such Committee:

Messrs. Jude, Spear and Ms. Peterson, D. C.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, 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. 2596, A bill for an act relating to metropolitan government; creating a legislative task force to monitor performance of metropolitan agencies in complying with certain laws; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 3 and 473.

The Senate has appointed as such Committee:

Messrs. Marty, Moe, D. M., and Taylor.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVER, 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. 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 Senate has appointed as such Committee:

Messrs. Merriam, Laidig, Luther, Pehler and Marty.

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. 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 Senate has appointed as such Committee:

Mr. Luther; Ms. Peterson, D. C., and Mr. Laidig.

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. 1966, A bill for an act relating to zoning; providing for filing requirements of variances and certain official maps to real property; amending Minnesota Statutes 1986, section 462.36, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Blatz moved that the House refuse to concur in the Senate amendments to H. F. No. 1966, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce 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. 2182, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; permitting state-run lotteries; providing for the distribution of their proceeds; establishing a Minnesota environment and natural resources trust fund; providing implementing legislation; creating a legislative commission, an advisory committee, and a review panel; providing for trust fund expenditures; amending Minnesota Statutes 1986, sections 86.72, subdivisions 2 and 3; and 290.431; Minnesota Statutes 1987 Supplement, sections 116C.69, subdivision 3; and 297.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115C; repealing Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; 86.08; 86.10; 86.11; 86.12; 86.31; 86.32; 86.33, subdivision 1; 86.34; 86.35; 86.41; 86.42; 86.51; 86.53; 86.61; and 86.75.

PATRICK E. FLAHAVEN, Secretary of the Senate

Munger moved that the House refuse to concur in the Senate amendments to H. F. No. 2182, 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.

Mr. Speaker:

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

S. F. Nos. 1662 and 2195.

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. 1678, 1719 and 2131.

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. 2194, 821 and 2106.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1662, A bill for an act relating to natural resources; defining forest roads; providing for the establishment, construction, administration, and maintenance of forest roads; dedicating a portion of gasoline and special fuels taxes to use on state forest roads; amending Minnesota Statutes 1986, sections 89.001, by adding a subdivision; 89.19; 296.16, by adding a subdivision; and 296.421, by adding a subdivision; Laws 1987, chapter 404, section 22, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 89.

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

S. F. No. 2195, A bill for an act relating to education; making technical corrections to the cooperative secondary facilities grant act; amending Minnesota Statutes 1987 Supplement, section 124.494, subdivisions 5 and 6.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 1678, A bill for an act relating to natural resources; establishing a controlled burn program; requiring permits for controlled burns; providing assistance for controlled burns; proposing coding for new law in Minnesota Statutes, chapter 84.

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

S. F. No. 1719, 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.

The bill was read for the first time.

Johnson, A., moved that S. F. No. 1719 and H. F. No. 2221, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2131, A bill for an act relating to the environment; prohibiting government units and vendors from purchasing and using chlorofluorocarbon-processed packaging materials; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

The bill was read for the first time.

Trimble moved that S. F. No. 2131 and H. F. No. 2248, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2194, A bill for an act relating to environment; prohibiting the sale of certain polyethylene material; creating an advisory task force and providing for its duties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

S. F. No. 821, A bill for an act relating to public finance; authorizing compliance with federal tax laws to secure tax exemption for certain bonds and other obligations; authorizing the issuance of taxable bonds and other obligations; appropriating money; amending Minnesota Statutes 1986, section 16A.641, by adding subdivisions; Minnesota Statutes 1987 Supplement, section 474A.04, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

S. F. No. 2106, A bill for an act relating to vocational rehabilitation; changing terminology; regulating funding allocations; providing for facility governance; appropriating money; amending Minnesota Statutes 1986, section 129A.02, subdivision 3; 129A.09; and 129A.10; Minnesota Statutes 1987 Supplement, sections 129A.01, subdivisions 5, 6, and 7; 129A.03; 129A.06, subdivision 1; 129A.07, subdivision 1; 129A.08, subdivisions 1, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, sections 129A.01, subdivision 8; 129A.07, subdivision 2; and 129A.08, subdivision 3.

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2038

A bill for an act relating to employment; regulating youth employment programs; requiring that new jobs do not replace existing jobs; providing for compensation at the state or federal minimum wage; regulating employment contracts; authorizing the department of jobs and training to buy real estate and locate offices in Minneapolis; amending Minnesota Statutes 1986, sections 268.31, 268.32, and 268.34; proposing coding for new law in Minnesota Statutes, chapter 268.

April 8, 1988

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2038, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2038 be further amended as follows:

Page 2, delete lines 28 to 36

Page 3, delete lines 1 to 5

Page 3, delete lines 30 to 35 and insert:

"Notwithstanding Minnesota Statutes, sections 16B.24 and 268.026 or chapter 94, the commissioner of administration, in consultation with the commissioner of jobs and training, is authorized to buy and sell real property in Minneapolis and the greater Minneapolis area for the purpose of relocating department offices to locations more accessible to the residents of Minneapolis and collocating with other social service agencies."

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

House Conferees: PETER McLAUGHLIN, JOHN HIMLE AND WALLY A. SPARBY.

Senate Conferees: MICHAEL O. FREEMAN, EARL W. RENNEKE AND STEVEN MORSE.

McLaughlin moved that the report of the Conference Committee on H. F. No. 2038 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2038, A bill for an act relating to employment; regulating youth employment programs; requiring that new jobs do not replace existing jobs; providing for compensation at the state or federal minimum wage; regulating employment contracts; authorizing the department of jobs and training to buy real estate and locate offices in Minneapolis; amending Minnesota Statutes 1986, sections 268.31, 268.32, and 268.34; proposing coding for new law in Minnesota Statutes, chapter 268.

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

The question was taken on the repassage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to Senate File No. 1643:

S. F. No. 1643, A bill for an act relating to crimes; child abuse; eliminating the need to show emotional harm in proving unreasonable restraint or malicious punishment of a child; amending Minnesota Statutes 1986, sections 609.255, subdivision 3; and 609.377.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Ms. Reichgott, Mr. Laidig and Ms. Berglin.

Said Senate File is herewith transmitted to the House with the

request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kelly moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1643. The motion prevailed.

SPECIAL ORDERS

S. F. No. 1821 was reported to the House.

There being no objection, S. F. No. 1821 was temporarily laid over on Special Orders.

H. F. No. 2485 was reported to the House.

Segal moved that H. F. No. 2485 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 2360 was reported to the House.

There being no objection, H. F. No. 2360 was temporarily laid over on Special Orders.

H. F. No. 2407 was reported to the House.

Cooper moved that H. F. No. 2407 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 2017 was reported to the House.

Simoneau moved that S. F. No. 2017 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 2055 was reported to the House.

Vellenga moved that S. F. No. 2055 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 2561, A bill for an act relating to human services; establishing a demonstration project for child and adolescent crisis intervention and suicide prevention; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2111 was reported to the House.

Knuth moved that S. F. No. 2111 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 2485 which was temporarily laid over earlier today was again reported to the House.

H. F. No. 2485, A bill for an act relating to state government; authorizing the sale or lease of property within the jurisdiction of the commissioner of administration under certain conditions.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1821 which was temporarily laid over earlier today was again reported to the House.

There being no objection, S. F. No. 1821 was continued on Special Orders for one day.

MOTION TO TAKE FROM THE TABLE

Vellenga moved that S. F. No. 121, as amended, which was laid on the table on Thursday, February 25, 1988, be taken from the table and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Vellenga motion and the roll was called. There were 68 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Battaglia	Greenfield	Knuth	Orenstein	Segal
Bauerly	Gruenes	Larsen	Otis	Shaver
Bennett	Hartle	Lasley	Ozment	Simoneau
Bishop	Heap	Long	Pappas	Skoglund
Boo	Himle	McKasy	Pauly	Stanius
Carlson, L.	Jaros	McLaughlin	Peterson	Swenson
Clark	Jefferson	Minne	Price	Trimble
Dawkins	Johnson, A.	Morrison	Quinn	Tunheim
DeBlieck	Kahn	Munger	Rest	Vellenga
DeRaad	Kalis	Murphy	Rice	Wagenius
Dille	Kelly	Nelson, C.	Rodosovich	Wynia
Dorn	Kelso	Nelson, K.	Scheid	Spk. Vanasek
Forsythe	Kludt	Neuenschwander	Schreiber	
Frederick	Knickerbocker	Olsen, S.	Seaberg	

Those who voted in the negative were:

Anderson, G.	Frerichs	Lieder	Pelowski	Thiede
Beard	Gutknecht	Marsh	Poppenhagen	Tjornhom
Begich	Haukoos	McDonald	Quist	Tompkins
Bertram	Hugoson	McEachern	Redalen	Uphus
Brown	Jacobs	McPherson	Reding	Valento
Burger	Jennings	Miller	Richter	Voss
Carlson, D.	Jensen	O'Connor	Rose	Waltman
Carruthers	Johnson, R.	Ogren	Rukavina	Welle
Clausnitzer	Johnson, V.	Olson, E.	Sarna	Wenzel
Cooper	Kinkel	Olson, K.	Sparby	Winter
Dauner	Kostohryz	Omann	Steensma	
Dempsey	Krueger	Onnen	Sviggum	

The motion prevailed.

CALL OF THE HOUSE

On the motion of Vellenga and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Wynia moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

S. F. No. 121, as amended, was reported to the House.

S. F. No. 121, A bill for an act relating to traffic regulations; clarifying that a child under four is not required to use a seat belt; imposing penalty for failure to wear seat belt; amending Minnesota Statutes 1986, section 169.686, subdivision 1.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

Wynia moved that those not voting be excused from voting. The motion prevailed.

There were 68 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Battaglia	Hartle	Long	Otis	Segal
Bauerly	Heap	McKasy	Ozment	Shaver
Bennett	Himle	McLaughlin	Pappas	Skoglund
Bishop	Jaros	Minne	Pauly	Solberg
Boo	Jefferson	Morrison	Peterson	Stanisus
Clark	Johnson, A.	Munger	Price	Swenson
Cooper	Kahn	Murphy	Quinn	Trimble
Dawkins	Kalis	Nelson, D.	Rest	Vellenga
DeRaad	Kelly	Nelson, K.	Rice	Wagenius
Dille	Kludt	Neuenschwander	Rodosovich	Welle
Dorn	Knickerbocker	Ogren	Sarna	Wynia
Forsythe	Knuth	Olsen, S.	Scheid	Spk. Vanasek
Frederick	Larsen	Orenstein	Schreiber	
Greenfield	Lasley	Osthoff	Seaberg	

Those who voted in the negative were:

Anderson, G.	Dempsey	Krueger	Onnen	Thiede
Anderson, R.	Frerichs	Lieder	Pelowski	Tjornhom
Beard	Gruenes	Marsh	Poppenhagen	Tompkins
Begich	Haukoos	McDonald	Quist	Tunheim
Bertram	Hugoson	McEachern	Redalen	Uphus
Blatz	Jacobs	McPherson	Reding	Valento
Brown	Jennings	Milbert	Richter	Voss
Burger	Jensen	Miller	Riveness	Waltman
Carlson, D.	Johnson, R.	Nelson, C.	Rukavina	Wenzel
Carlson, L.	Johnson, V.	O'Connor	Simoneau	Winter
Carruthers	Kelso	Olson, E.	Sparby	
Dauner	Kinkel	Olson, K.	Steensma	
DeBlieck	Kostohryz	Omann	Swiggum	

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

Wynia moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

SPECIAL ORDERS, Continued

CALL OF THE HOUSE LIFTED

Knuth moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

S. F. No. 2111 which was temporarily laid over earlier today was again reported to the House.

Knuth moved to amend S. F. No. 2111, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 116I.015, subdivision 3, is amended to read:

Subd. 3. [RULES.] (a) The environmental quality board shall adopt rules governing the routing of pipelines. The rules apply only to the route of pipelines and may not set safety standards for the construction of pipelines.

(b) The rules must:

(1) require that a person proposing construction of a pipeline submit to the board one preferred route for the pipeline and evidence of consideration of alternatives;

(2) provide for notice of proposed pipeline routes to local units of government and to owners and lessees of property along the routes being considered;

(3) provide for public hearings on proposed pipeline routes, which may follow the board's procedures for public hearings on proposed power line routes and electrical generating plant sites;

(4) provide criteria that the board will use in determining pipeline routes, which must include the existence of populated areas, consideration of local government land use laws including ordinances adopted under section 299J.05, and the impact of the proposed pipeline on the natural environment;

(5) provide a procedure that the board will follow in issuing pipeline routing permits and require the board to issue the permits within nine months after the permit application is received by the board, unless the board extends this deadline for cause;

(6) provide for the payment of fees by persons proposing to construct pipelines to cover the costs of the board in implementing this section;

(7) allow the board to provide exemptions from all or part of the pipeline routing permit application process in emergencies or if the board determines that the proposed pipeline will not have a significant impact on humans or the environment;

(8) require exemption determinations to be made within 90 days after an application; and

(9) require that a person who has constructed a pipeline, to the extent possible, restore the area affected by the pipeline to the natural conditions that existed immediately before construction of the pipeline, provided that this restoration is compatible with the safe operation, maintenance, and inspection of the pipeline.

(c) The rules do not apply to temporary use of a route for purposes other than installation of a pipeline, to securing survey or geological data, to repair or replacement of an existing pipeline within the existing right-of-way, or to minor relocation of less than three-quarters of a mile of an existing pipeline. The rules do not apply to construction of new pipeline in a right-of-way in which pipeline has been constructed before July 1, 1988, or in a right-of-way that has been approved by the board after July 1, 1988, except when the board determines that there is a significant chance of an adverse effect on the environment or that there has been a significant change in land use or population density in or near the right-of-way since the first construction of pipeline in the right-of-way, or since the board first approved the right-of-way.

Sec. 2. Minnesota Statutes 1987 Supplement, section 216D.01, subdivision 5, is amended to read:

Subd. 5. [EXCAVATION.] "Excavation" means an activity that moves, removes, or otherwise disturbs the soil at a depth of 18 inches or greater by use of a motor, engine, hydraulic or pneumatically-

powered tool, or machine-powered equipment of any kind, or by explosives. Excavation does not include:

(1) the repair or installation of agricultural drainage tile for which notice has been given as provided by section 116I.07, subdivision 2;

(2) the extraction of minerals;

(3) the opening of a grave in a cemetery;

(4) normal maintenance of roads and streets if the maintenance does not change the original grade and does not involve the road ditch; or

(5) plowing, cultivating, planting, harvesting, and similar operations in connection with growing crops, landscaping, or gardening, unless any of these activities disturbs the soil to a depth of 18 12 inches or more.

Sec. 3. Minnesota Statutes 1986, section 299F.56, subdivision 1, is amended to read:

Subdivision 1. As used in sections 299F.56 to 299F.64 and section 19, the terms defined in this section shall have the meanings given them.

Sec. 4. Minnesota Statutes 1986, section 299F.56, subdivision 2, is amended to read:

Subd. 2. "The federal Natural Gas Pipeline Safety Act of 1968 of the United States" shall mean Public Law Number 90-481, Statutes at Large, volume 82, page 720, 90th Congress, S. 1166, approved August 12, 1968 means United States Code, title 49, sections 1671 to 1686.

Sec. 5. Minnesota Statutes 1986, section 299F.56, is amended by adding a subdivision to read:

Subd. 2a. "The federal Hazardous Liquid Pipeline Safety Act" means United States Code, title 49, sections 2001 to 2014.

Sec. 6. Minnesota Statutes 1986, section 299F.56, subdivision 4, is amended to read:

Subd. 4. "Gas" means natural gas, liquefied natural gas, flammable gas, or gas which is toxic or corrosive, except that. "Gas" shall not include also includes liquefied petroleum gas in distribution systems.

Sec. 7. Minnesota Statutes 1986, section 299F.56, is amended by adding a subdivision to read:

Subd. 4a. "Hazardous liquid" means "hazardous liquid" and "highly volatile liquid" as defined in Code of Federal Regulations, title 49, section 195.2.

Sec. 8. Minnesota Statutes 1986, section 299F.56, is amended by adding a subdivision to read:

Subd. 4b. "Liquefied natural gas" means natural gas or synthetic gas having methane (CH₄) as its major constituent that has been changed to a liquid or semisolid.

Sec. 9. Minnesota Statutes 1986, section 299F.56, subdivision 6, is amended to read:

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 Commission under the Natural Gas Act of the United States.

Sec. 10. Minnesota Statutes 1986, section 299F.56, is amended by adding a subdivision to read:

Subd. 6a. "Hazardous liquid pipeline facilities" includes, without limitation, new and existing pipe, rights-of-way, and any equipment, facility, or building used or intended for use in the transportation of hazardous liquids.

Sec. 11. Minnesota Statutes 1987 Supplement, section 299F.57, subdivision 1, is amended to read:

299F.57 [MINIMUM SAFETY STANDARDS STANDARDS; GAS PIPELINES.]

Subdivision 1. The commissioner shall, by order, establish minimum safety standards for the transportation of gas and gas pipeline facilities. Such standards may apply to the design, installation, inspection, testing, construction, extension, operation, replacement, and maintenance of gas pipeline facilities. The standards may not prescribe the location or routing of a pipeline facility. Standards affecting the design, installation, construction, initial inspection, and initial testing shall not be applicable to pipeline facilities in existence on the date such standards are adopted. Such safety

standards shall be practicable and designed to meet the need for pipeline safety. In prescribing such standards, the commissioner shall consider:

- (a) relevant available pipeline safety data;
- (b) whether such standards are appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of any proposed standards;
- (d) the extent to which any such standards will contribute to public safety; and
- (e) the existing standards established by the Secretary of Transportation of the United States pursuant to the federal Natural Gas Pipeline Safety Act of 1968 of the United States.

Provided, however, that the commissioner shall not be empowered to adopt any such standards as to the transportation of gas or to pipeline facilities which are subject to the jurisdiction of the Federal ~~Power~~ Energy Regulatory Commission under the Natural Gas Act of the United States, except as provided in sections 299J.01 to 299J.17.

Sec. 12. Minnesota Statutes 1987 Supplement, section 299F.57, is amended by adding a subdivision to read:

Subd. 1a. [ADOPTION OF FEDERAL STANDARDS.] The federal safety standards adopted as Code of Federal Regulations, title 49, parts 192 and 193, are adopted.

Sec. 13. Minnesota Statutes 1987 Supplement, section 299F.58, is amended to read:

299F.58 [CERTIFICATIONS AND REPORTS.]

The commissioner is authorized to make ~~such~~ certifications and reports to the United States Secretary of Transportation as may be required from time to time under the federal Natural Gas Pipeline Safety Act of 1968 of the United States.

Sec. 14. Minnesota Statutes 1986, section 299F.59, is amended to read:

299F.59 [COMPLIANCE WITH STANDARDS.]

Subdivision 1. Each person who engages in the transportation of gas or hazardous liquids or who owns or operates gas or hazardous liquid pipeline facilities shall:

(a) at all times after the date any applicable safety standard established under sections 299F.56 to 299F.64 and section 19 takes effect comply with the requirements of such standard;

(b) file and comply with a plan of inspection and maintenance required by sections 299F.56 to 299F.64 and section 19; and

(c) permit access to or copying of records, and make reports or provide information, and permit entry or inspection, as required by sections 299F.56 to 299F.64 and section 19.

Subd. 2. Nothing in sections 299F.56 to 299F.64 and section 19 shall affect the common law or statutory tort liability of any person.

Sec. 15. Minnesota Statutes 1987 Supplement, section 299F.62, is amended to read:

299F.62 [PLAN FOR INSPECTION AND MAINTENANCE; GAS PIPELINES.]

Each person who engages in the transportation of gas or who owns or operates gas pipeline facilities subject to sections 299F.56 to 299F.64 shall file with the commissioner a plan for inspection and maintenance of each such pipeline facility owned or operated by such person, and any changes in such plan, in accordance with the rules prescribed by the commissioner. On finding that such plan is inadequate to achieve safe operation, the commissioner shall, after notice and opportunity for a hearing, require such plan to be revised. The plan required by the commissioner shall be practicable and designed to meet the need for pipeline safety. In determining the adequacy of any such plan, the commissioner shall consider the following:

- (a) relevant available pipeline safety data;
- (b) whether the plan is appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of the plan; and
- (d) the extent to which such plan will contribute to public safety.

Sec. 16. Minnesota Statutes 1987 Supplement, section 299F.63, subdivision 1, is amended to read:

Subdivision 1. Each person who engages in the transportation of gas or who owns or operates gas pipeline facilities shall establish and maintain such records, make such reports, and provide such information as the commissioner may reasonably require to determine whether such person has acted or is acting in compliance with

sections 299F.56 to 299F.64 and the standards established under sections 299F.56 to 299F.64. Each such person shall, upon request of an officer, employee, or agent authorized by the commissioner, permit such officer, employee, or agent to inspect books, papers, records and documents relevant to determining whether such person has acted or is acting in compliance with sections 299F.56 to 299F.64 and the standards established pursuant to sections 299F.56 to 299F.64. For purposes of enforcement of sections 299F.56 to 299F.64, officers, employees, or agents authorized by the commissioner, upon presenting appropriate credentials to the individual in charge, are authorized to enter upon, at reasonable times, gas pipeline facilities, and to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such facilities. Each such inspection shall be commenced and completed with reasonable promptness.

Sec. 17. [299F.631] [INSPECTION FEE.]

Subdivision 1. [ASSESSMENT AND DEPOSIT OF FEE.] From each pipeline operator subject to the intrastate pipeline inspection authority under sections 299F.56 to 299F.64 and section 19, the commissioner shall assess and collect an inspection fee in an amount calculated under subdivisions 2 and 4. The assessment of the inspection fee must be made no fewer than 30 days after the end of the quarter. If an operator does not pay the fee within 60 days after the assessment was mailed, the commissioner may impose a delinquency fee of ten percent of the quarterly inspection fee and interest at the rate of 15 percent per year on the portion of the fee not paid. Fees collected under this section must be credited to the pipeline safety account.

Subd. 2. [CALCULATION OF FEE.] (a) For each quarter that an inspection fee is to be assessed, the commissioner shall calculate the total actual expenses and obligations incurred by the office of pipeline safety in implementing sections 299F.56 to 299F.64 and section 19. The calculation must not include:

- (1) expenses that will be reimbursed by the federal government;
- (2) expenses attributable to follow-up inspections necessitated by the failure of a pipeline facility to comply with safety standards;
- (3) expenses attributable to investigations of specific pipeline facilities;
- (4) expenses attributable to inspections of newly constructed pipelines over 2,000 feet in length;
- (5) expenses attributable to the inspection of facilities carrying liquefied natural gas, and hazardous liquids; 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.

(b) The commissioner shall assess each pipeline operator for a pro rata share of the expenses and obligations calculated under paragraph (a), based on the number of meters in service on the preceding December 31.

(c) The expenses and obligations described in paragraph (a), clauses (2), (3), (4), and (5) must be directly charged to the appropriate pipeline operators on a quarterly basis. 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.

Subd. 3. [EMERGENCY RULES.] The commissioner may adopt emergency rules to implement this section.

Subd. 4. [SUPPORT COSTS.] The commissioner shall calculate the general support costs of the office of pipeline safety for the preceding quarter, and add to the inspection fee calculated under subdivision 2 the share of those costs that is proportionate to the amount of time spent by the office in implementing sections 299F.56 to 299F.64 and section 19 with respect to that pipeline operator.

Sec. 18. Minnesota Statutes 1987 Supplement, section 299F.64, is amended to read:

299F.64 [FEDERAL MONEY.]

The commissioner may accept any and all moneys provided for or made available to this state by the United States of America or any department or agency thereof with respect to prescribing, setting, and enforcing rules and safety standards for the transportation of natural and other gas, and hazardous liquids, by pipelines in accordance with the provisions of federal law and any rules or regulations promulgated thereunder and the commissioner is further authorized to do any and all things, not contrary to the laws of this state, required of this state by such federal law and the rules and regulations promulgated thereunder in order to obtain such federal money.

Sec. 19. [299F.641] [INTRASTATE HAZARDOUS LIQUID PIPELINES.]

Subdivision 1. [JURISDICTION.] The commissioner has regulatory jurisdiction over the safety standards and practices of in-

trastate hazardous liquid pipeline facilities and the transportation of hazardous liquids associated with those facilities.

Subd. 2. [FEDERAL STANDARDS ADOPTED.] The federal safety standards adopted as Code of Federal Regulations, title 49, part 195, are adopted. The commissioner may adopt additional or more stringent safety standards for intrastate pipeline facilities and the transportation of hazardous liquids associated with those facilities, if the state standards are compatible with the federal standards. The standards may not prescribe the location or routing of a pipeline facility.

Subd. 3. [ENFORCEMENT.] The commissioner must establish and implement an inspection program to enforce the standards adopted under subdivision 2. The program must be established and implemented in a manner that fully complies with requirements for state certification under United States Code, title 49, section 2004.

Subd. 4. [PROTECTION OF PIPELINE FACILITIES.] The commissioner must encourage and promote programs designed to prevent damage to hazardous liquid pipeline facilities as a consequence of demolition, excavation, tunneling, or construction activity.

Subd. 5. [INVESTIGATIONS; RECORD KEEPING.] (a) The commissioner may, to the extent necessary to carry out the enforcement responsibilities of this section, conduct investigations, make reports, issue subpoenas, conduct hearings, require the production of relevant documents and records, take depositions, and conduct research, testing, development, demonstration, and training activities.

(b) The commissioner may require each person who engages in the transportation of hazardous liquids or who owns or operates pipeline facilities to establish and maintain records, and to make reports and provide information to the commissioner. The records and other information must be made available as the commissioner orders to enable the commissioner to determine whether the person has acted or is acting in compliance with this section and the standards or orders adopted under this section.

(c) Officers, employees, or agents authorized by the commissioner, on presenting appropriate credentials to the person in charge, may enter upon, inspect, and examine, at reasonable times and in a reasonable manner, the records and properties of persons to the extent the records and properties are relevant to determine whether the persons have acted or are acting in compliance with this section and the standards adopted under this section.

(d) An accident report made by an officer, employee, or agent of the office of pipeline safety is available for use in any civil, criminal, or other judicial proceeding arising out of the accident. The officer, employee, or agent may be required to testify in the proceedings as

to the facts developed in the investigation. A report made available to the public need not identify individuals. All reports on research projects, demonstration projects, and other related activities are public information.

(e) All information reported to or obtained by the commissioner under this subdivision that contains or relates to a trade secret referred to in United States Code, title 18, section 1905, is confidential for the purpose of that section, except that the information may be disclosed to other officers or employees concerned with enforcing this section. Nothing in this section authorizes the withholding of information by the commissioner from a duly authorized committee of the legislature.

Subd. 6. [INSPECTION AND MAINTENANCE PLAN.] (a) Each person who engages in the transportation of hazardous liquids or who owns or operates hazardous liquid pipeline facilities must prepare, maintain, and carry out a current written plan for inspection and maintenance of each facility used in that transportation and owned or operated by that person as prescribed by the commissioner. The commissioner may, by regulation, also require persons who engage in the transportation of hazardous liquids or who own or operate pipeline facilities subject to this section to file the plans for approval. A plan required by this subdivision must be practicable, designed to meet the need for pipeline safety, and available to the commissioner on request. The plan must enhance the commissioner's ability to discover a condition that causes a significant change or restriction in the operation of the pipeline facilities or constitutes a hazard to life or property.

(b) If the commissioner finds that a plan required under this subdivision is inadequate to achieve safe operation of pipeline facilities, the commissioner may, after notice and opportunity for a hearing, require the plan to be revised. In determining the adequacy of a plan filed under this section, the commissioner shall consider:

(1) relevant available pipeline safety data;

(2) whether the plan is appropriate for the particular type of pipeline transportation or facility;

(3) the reasonableness of the plan; and

(4) the extent to which the plan will contribute to public safety.

Subd. 7. [ANNUAL CERTIFICATION REPORT.] The commissioner must file an annual certification report with the secretary of the federal Department of Transportation. The report must include:

(1) the name and address of each person subject to the safety jurisdiction of the commissioner under this section;

(2) all accidents or incidents reported during the preceding 12 months by each person that involved personal injury requiring hospitalization, fatality, or property damage exceeding \$5,000 (whether or not sustained by a person subject to the safety jurisdiction of the office), and all other significant accidents, together with a summary of the commissioner's investigation as to the cause and circumstances surrounding the accident or incident;

(3) the record maintenance, reporting, and inspection program carried out by the commissioner to enforce compliance with the federal safety standards, including a detailed description of the number of inspections made of pipeline facilities during the preceding 12 months; and

(4) other information as the commissioner or federal law or rule may require.

The report included with the first annual certification need not show information unavailable at that time.

Subd. 8. [CIVIL RELIEF] The safety standards adopted under this section may be enforced as is provided for gas pipeline facilities under sections 299F.60 and 299F.61, and penalties collected must be paid to the commissioner for deposit in the state treasury and credit to the pipeline safety account.

Sec. 20. Minnesota Statutes 1987 Supplement, section 299J.12, subdivision 2, is amended to read:

Subd. 2. [CALCULATION OF FEE.] Fees for pipelines governed by section 299F.63, subdivision 4, must be established as provided in the rules adopted under that section. For other interstate pipelines subject to the inspection authority granted under sections 299J.01 to 299J.11, for each calendar year that an inspection fee is to be assessed, the commissioner shall calculate the total number of miles of pipeline to be inspected, the total cost of inspection, and the percentage of the total miles to be inspected that are or will be operated by each pipeline operator. Each pipeline operator must be assessed a portion of the total inspection costs equal to the percentage of the total miles of pipeline to be operated by the pipeline operator, but the total fee may not exceed \$5 for each mile of the operator's pipeline.

Sec. 21. [HAZARDOUS MATERIALS RESPONSE TEAMS; STUDY.]

The commissioner of the department of public safety shall conduct

a study to determine the need for hazardous materials response teams, training standards for and equipment needs of such teams, and potential implementation of teams including locating, directing and coordinating them. The study must take into account the hazardous materials response and reporting requirements of the Superfund Amendments and Reauthorization Act, Public Law Number 99-499, 100 Stat. 1613 (1986). The commissioner shall report the results of the study to the committee on regulated industries and the committee on environment and natural resources in the house of representatives and the committee on public utilities and energy and the committee on environment and natural resources in the senate by December 31, 1988.

Sec. 22. [APPROPRIATION.]

The unexpended balance of funds appropriated to the commissioner of public safety by Laws 1987, chapter 353, section 41, for fiscal year 1988 does not cancel but is available for fiscal year 1989.

Sec. 23. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 299F.63, subdivision 4, is repealed.

Sec. 24. [EFFECTIVE DATE.]

Section 6 is effective July 1, 1989, with respect to the extension of the jurisdiction of the commissioner of public safety to intrastate liquefied petroleum gas facilities and the transportation of liquefied petroleum gas associated with these facilities. Section 23 is effective January 1, 1989."

The motion prevailed and the amendment was adopted.

Knuth and Johnson, V., moved to amend S. F. No. 2111, as amended, as follows:

Page 3, line 25, strike "or"

Page 3, line 27, strike everything after "crops"

Page 3, line 28, strike "gardening"

Page 3, line 29, delete the new language and reinstate the stricken language

Page 3, line 29, before the period insert "; or

(6) landscaping or gardening unless one of the activities disturbs the soil to a depth of 12 inches or more"

The motion prevailed and the amendment was adopted.

S. F. No. 2111, A bill for an act relating to public utilities; pipeline safety; authorizing the office of pipeline safety to inspect and regulate intrastate pipeline facilities carrying liquefied natural gas, liquefied petroleum gas, and hazardous liquids; adopting federal safety regulations; removing the depth limitation for the one call excavation notice system; providing for the calculation of pipeline inspection fees; appropriating money; amending Minnesota Statutes 1986, sections 299F.56, subdivisions 1, 2, 4, 6, and by adding subdivisions; and 299F.59; Minnesota Statutes 1987 Supplement, sections 116I.015, subdivision 3; 216D.01, subdivision 5; 299F.57, subdivision 1, and by adding a subdivision; 299F.58; 299F.62; 299F.63, subdivision 1; 299F.64; and 299J.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 299F; repealing Minnesota Statutes 1987 Supplement, section 299F.63, subdivision 4.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately following Special Orders pending for today, Tuesday, April 12, 1988:

H. F. No. 1839; and S. F. Nos. 1086, 1590, 2402, 2025, 1708, 462, 2275, 1462, 1937, 2266, 2292, 2451, 412, 1900, 203 and 1932.

MOTION TO FIX THE TIME
OF ADJOURNMENT

Himle moved that when the House adjourns today it adjourn until 9:00 a.m., Friday, April 15, 1988.

A roll call was requested and properly seconded.

The question was taken on the Himle motion and the roll was called. There were 39 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Bennett	Ferichs	McDonald	Quist	Sviggun
Blatz	Gutknecht	McKasy	Richter	Swenson
Boo	Haukoos	McPherson	Rose	Thiede
Burger	Heap	Miller	Schafer	Tjornhom
Clausnitzer	Himle	Morrison	Schreiber	Tompkins
DeRaad	Hugoson	Omann	Seaberg	Valento
Forsythe	Johnson, V.	Pauly	Shaver	Waltman
Frederick	Marsh	Poppenhagen	Stanis	

Those who voted in the negative were:

Anderson, G.	Greenfield	Krueger	Olson, E.	Scheid
Anderson, R.	Hartle	Larsen	Olson, K.	Segal
Battaglia	Jacobs	Lasley	Orenstein	Simoneau
Bauerly	Jaros	Lieder	Osthoff	Skoglund
Beard	Jefferson	Long	Otis	Solberg
Begich	Jennings	McEachern	Pappas	Sparby
Bertram	Jensen	McLaughlin	Pelowski	Trimble
Brown	Johnson, A.	Milbert	Peterson	Tunheim
Carlson, L.	Johnson, R.	Minne	Price	Uphus
Carruthers	Kahn	Munger	Quinn	Vellenga
Clark	Kalis	Murphy	Reding	Voss
Cooper	Kelly	Nelson, C.	Rest	Wagenius
Dauner	Kelso	Nelson, D.	Rice	Welle
Dawkins	Kinkel	Nelson, K.	Riveness	Wenzel
DeBlicek	Kludt	Neuenschwander	Rodosovich	Wynia
Dille	Knuth	O'Connor	Rukavina	Spk. Vanasek
Dorn	Kostohryz	Ogren	Sarna	

The motion did not prevail.

SPECIAL ORDERS, Continued

H. F. No. 1839 was reported to the House.

Rest moved that H. F. No. 1839 be continued on Special Orders for one day. The motion prevailed.

S. F. No. 1086 was reported to the House.

Krueger moved to amend S. F. No. 1086, as follows:

Page 2, after line 6, insert:

"Subd. 4. [ADDITIONAL ACQUISITIONS.] Any bank holding company, other than a reciprocating state bank holding company as defined in section 48.92, subdivision 8, that directly or indirectly acquires control of a bank located in this state under the provisions of this section may acquire additional bank assets through the expenditure of an amount not to annually exceed five percent of the Minnesota assets of the acquired bank holding company as of December 31 of the preceding year. The restrictions within this subdivision apply only until the bank holding company making an acquisition under this section becomes a reciprocating state bank holding company. This section shall not prohibit the bank holding company from being granted a charter for a de novo bank or from establishing de novo detached facilities pursuant to Minnesota law."

The motion prevailed and the amendment was adopted.

S. F. No. 1086, A bill for an act relating to commerce; permitting certain charitable trusts to dispose of certain bank assets; proposing coding for new law in Minnesota Statutes, chapter 501.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Begich	Brown	Clark	DeBlicke
Anderson, R.	Bennett	Burger	Clausnitzer	Dempsey
Battaglia	Bertram	Carlson, D.	Cooper	DeRaad
Bauerly	Blatz	Carlson, L.	Dauner	Dille
Beard	Boo	Carruthers	Dawkins	Dorn

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

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

S. F. No. 1590 was reported to the House.

Lieder moved to amend S. F. No. 1590, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1987 Supplement, section 117.52, subdivision 1, is amended to read:

Subdivision 1. [LACK OF FEDERAL FUNDING.] In all acquisitions undertaken by any acquiring authority and in all voluntary rehabilitation carried out by a person pursuant to acquisition or as a consequence thereof, in which, due to the lack of federal financial participation, relocation assistance, services, payments and benefits under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Statutes at Large, volume 84, page 1804 (1971), United States Code, title 42, section 4601, et seq. sections 4601 to 4655, as amended by the Surface Transportation and Uniform Relocation Assistance Act of 1987, Public Law 100-17, sections 401 to 418, Statutes at Large, volume 101, pages 246 to 256 (1987), are not available, the acquiring authority, as a cost of acquisition, shall provide all relocation assistance, services, payments and benefits required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended by the Surface Transportation and Uniform Relocation Assistance Act of 1987, and those regulations adopted pursuant thereto by the United States Department of Housing and Urban Development, and either (1) in effect as of January 1, 1984 August 1, 1988, or (2) becoming effective after January 1, 1984, following a public hearing and comment. Comments received by an acquiring authority within

30 days after the public hearing must be reviewed and a written response provided to the individual or organization who initiated the comment. The response and comments may be addressed in another public hearing by the acquiring authority before approval.

Sec. 2. Minnesota Statutes 1986, section 161.20, is amended by adding a subdivision to read:

Subd. 5. [ACCEPTANCE OF PRIVATE FUNDS.] Notwithstanding sections 7.09 to 7.12, the commissioner may accept on behalf of the state, gifts, grants, or contributions for purposes pertaining to the activities of the department. Funds received under this subdivision must be deposited in the trunk highway fund and are annually appropriated to the commissioner for the purpose for which they are given.

Sec. 3. Minnesota Statutes 1986, section 173.085, is amended to read:

173.085 [STAR CITY SIGNS.]

Subdivision 1. [AUTHORITY TO ERECT.] (a) A county or lesser populated statutory or home rule charter city of Minnesota that has received instruction and expertise from the department of energy and economic development on attracting and retaining businesses for the county or city and subsequently has been designated and annually recertified as a star county or star city for economic development by that department may erect star county or star city signs upon payment of a fee required under section 173.13, subdivision 4, to the department of transportation. In the case of star cities, one sign may be erected at each approach to the city within the right-of-way of an interstate or other highway that passes inside the city limits. In the case of star counties, one sign may be erected within the right-of-way of an interstate or other highway at or near the point where the highway enters the county.

(b) Notwithstanding the provisions of paragraph (a), a lesser populated statutory or home rule charter city that has an official sign in an adjacent area of an approach of an interstate highway passing through or near the city as of August 1, 1985 may replace that sign with a star city sign upon payment of a fee required under section 173.13, subdivision 4, to the department of transportation. A county that has an official sign on the right-of-way or adjacent area of an interstate highway at the point where the highway enters the county may replace that sign with a star county sign on payment of a fee required under section 173.13, subdivision 4, to the department of transportation.

Subd. 2. [SIGN STANDARDS.] The department of transportation shall design and manufacture the star county and star city sign signs to specifications not contrary to other federal and state

highway sign standards and substantially similar to those star city signs approved for display on state highways as of August 1, 1985.

Sec. 4. Minnesota Statutes 1987 Supplement, section 272.01, subdivision 3, is amended to read:

Subd. 3. The provisions of subdivision 2 shall not apply to:

(a) Federal property for which payments are made in lieu of taxes in amounts equivalent to taxes which might otherwise be lawfully assessed;

(b) Real estate exempt from ad valorem taxes and taxes in lieu thereof which is leased, loaned, or otherwise made available to telephone companies or electric, light and power companies upon which personal property consisting of transmission and distribution lines is situated and assessed pursuant to sections 273.37, 273.38, 273.40 and 273.41, or upon which are situated the communication lines of express, railway, telephone or telegraph companies, and pipelines used for the transmission and distribution of petroleum products;

(c) Property presently owned by any educational institution chartered by the territorial legislature;

(d) Indian lands;

(e) Property of any corporation organized as a tribal corporation under the Indian Reorganization Act of June 18, 1934, (Statutes at Large, volume 48, page 984);

(f) Real property owned by the state and leased pursuant to section 161.23 or 161.431, and acts amendatory thereto;

(g) Real property owned by a seaway port authority on June 1, 1967, upon which there has been constructed docks, warehouses, tank farms, administrative and maintenance buildings, railroad and ship terminal facilities and other maritime and transportation facilities or those directly related thereto, together with facilities for the handling of passengers and baggage and for the handling of freight and bulk liquids, and personal property owned by a seaway port authority used or usable in connection therewith, when said property is leased to a private individual, association or corporation, but only when such lease provides that the said facilities are available to the public for the loading and unloading of passengers and their baggage and the handling, storage, care, shipment, and delivery of merchandise, freight and baggage and other maritime and transportation activities and functions directly related thereto, but not including property used for grain elevator facilities; it being the declared policy of this state that such property when so leased is

public property used exclusively for a public purpose, notwithstanding the one-year limitation in the provisions of section 273.19;

(h) Notwithstanding the provisions of clause (g), when the annual rental received by a seaway port authority in any calendar year for such leased property exceeds an amount reasonably required for administrative expense of the authority per year, plus promotional expense for the authority not to exceed the sum of \$100,000 per year, to be expended when and in the manner decided upon by the commissioners, plus an amount sufficient to pay all installments of principal and interest due, or to become due, during such calendar year and the next succeeding year on any revenue bonds issued by the authority, plus 25 percent of the gross annual rental to be retained by the authority for improvement, development, or other contingencies, the authority shall make a payment in lieu of real and personal property taxes of a reasonable portion of the remaining annual rental to the county treasurer of the county in which such seaway port authority is principally located. Any such payments to the county treasurer shall be disbursed by the treasurer on the same basis as real estate taxes are divided among the various governmental units, but if such port authority shall have received funds from the state of Minnesota and funds from any city and county pursuant to Laws 1957, chapters 648, 831 and 849 and acts amendatory thereof, then such disbursement by the county treasurer shall be on the same basis as real estate taxes are divided among the various governmental units, except that the portion of such payments which would otherwise go to other taxing units shall be divided equally among the state of Minnesota and said county and city.

Sec. 5. Minnesota Statutes 1987 Supplement, section 272.121, is amended to read:

272.121 [CURRENT TAX ON DIVIDED PARCELS.]

Subdivision 1. [CERTIFICATION OF PAYMENT.] Except as provided in subdivision 2, if a deed or other instrument conveys a parcel of land that is less than a whole parcel of land as described in the current tax list, the county auditor shall not transfer or divide the land in the auditor's official records, and the county recorder shall not file and record the instrument, unless the instrument of conveyance contains a certification by the county treasurer that the taxes due in the current tax year for the whole parcel have been paid. This certification is in addition to the certification for delinquent tax required by section 272.12.

Subd. 2. [EXCEPTIONS.] No certification of current tax paid is required when the parcel is being conveyed to a governmental body or for any sheriff's or referee's certificate of sale or other instrument if a certification of delinquent tax for the instrument is not required under section 272.12. For purposes of this section, "governmental

body" means the state, an agency of the state, a county, a home rule charter city, a statutory city, and a town.

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~~ 1,686.4

General - 393.7

Special Revenue - 3

Trunk Highway - ~~1,060.8~~ 1,070.8

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.

Sec. 7. [REPEALER.]

Minnesota Statutes 1986, section 360.015, subdivision 20, is repealed.

Sec. 8. [EFFECTIVE DATE.]

Section 2 is effective July 1, 1988. Sections 4 to 7 are effective the day following final enactment."

Delete the title and insert:

"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; increasing complement of department of public safety; 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; Laws 1987, chapter 358, section 5, subdivision 1; repealing Minnesota Statutes 1986, section 360.015, subdivision 20."

The motion prevailed and the amendment was adopted.

S. F. No. 1590, 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; 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; 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.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 2402, A bill for an act relating to criminal procedure; updating the wiretap law to conform to modern electronic communication technologies; providing procedures for interception of wire, electronic, or oral communication; regulating use of pen registers and trap and trace devices; prescribing penalties; amending Minnesota Statutes 1986, section 626A.01, subdivisions 3, 4, 5, 6, 8, 9, and by adding subdivisions; 626A.02, subdivisions 1, 2, and by adding subdivisions; 626A.03, subdivisions 1, and 2; 626A.05, subdivision 1; 626A.06, subdivisions 3, 4, 5, 6, and by adding subdivisions; 626A.08, subdivision 1; 626A.09, subdivisions 1, 2, 3, 4, and 5; 626A.10, subdivisions 1 and 2; 626A.11, subdivisions 1 and 2, and by adding a subdivision; 626A.12, subdivision 1, and by adding a subdivision; 626A.13; Minnesota Statutes 1987 Supplement, section 626A.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626A; repealing Minnesota Statutes 1986, sections 626A.01 to 626A.04; 626A.05, as amended; and 626A.06 to 626A.23.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2055 which was temporarily laid over earlier today was again reported to the House.

Vellenga moved to amend S. F. No. 2055, as follows:

Page 4, delete lines 19 to 27

The motion prevailed and the amendment was adopted.

Clark offered an amendment to S. F. No. 2055, as amended.

POINT OF ORDER

Schreiber raised a point of order pursuant to rule 3.9 that the Clark amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

S. F. No. 2055, A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based treatment; defining procedures for community-based commitment; requiring procedures for release before commitment

and provisional discharge; appropriating money; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.03, subdivision 5; 253B.09, subdivision 1; 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding a subdivision; and 253B.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 2025 was reported to the House.

Voss moved to amend S. F. No. 2025, as follows:

Delete everything after the enacting clause and insert:

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

Subdivision 1. [DELIVERY REQUIRED.] Upon written request, A good and valid satisfaction of mortgage in recordable form shall be

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

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

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

Sec. 3. [57.02] [DEFINITIONS.]

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

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

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

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

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

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

Subd. 7. [GENERAL MORTGAGE BROKER.] "General mortgage broker" means a person who directly or indirectly brokers, places,

assists in placement, or finds mortgage loans for others or offers to broker, place, assist in placement, or find mortgage loans for others.

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

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

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

(b) The term includes (1) an officer or employee of a mortgage banker who is authorized to solicit or negotiate loans and who regularly solicits or negotiates loans, and (2) a person who is responsible for the day to day management of a branch office or offices of a mortgage banker.

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

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

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

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

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

Subd. 14. [REFERRAL FEE.] “Referral fee” means any thing of

value including, but not limited to, a payment, advance, fund, loan, commission, gift, service, special privilege, or similar consideration offered or received, directly or indirectly, in return for the referral of a mortgage loan application.

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.

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

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

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

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

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

(3) banks, savings banks, savings associations, and credit unions organized under the laws of this state, and banks, savings banks, savings associations, and credit unions organized under the laws of the United States that have offices in this state from which deposits are accepted pursuant to the laws of this state or the United States, and their employees, provided, however, that subsidiaries and service corporations of these institutions are not exempt from the requirements of this chapter;

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

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

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

(7) persons acting as fiduciaries with respect to an employee

pension benefit plan qualified under the Internal Revenue Code who make mortgage loans solely to plan participants from plan assets;

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

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

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

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

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

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

Subdivision 1. [FORM.] An application for a license under this section must be made in writing, and on a form approved by the commissioner.

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

(1) the name and address of the applicant;

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

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

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

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

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

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

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

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

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

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

Subd. 4. [EXPERIENCE.] An applicant for a mortgage banker license shall have at least one corporate officer with two years of

mortgage origination experience within the previous four years. The experience requirement may be waived if the applicant is, in the opinion of the commissioner, otherwise qualified by reason of education or practical experience.

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

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

Sec. 7. [57.06] [FEES.]

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

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

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

(3) \$10 for each transfer;

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

(5) \$5 for a name change;

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

(7) \$5 for a duplicate license.

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

Sec. 8. [57.07] [EXAMINATIONS.]

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

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

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

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

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

(c) The commissioner may approve courses of study offered in educational institutions of higher learning in this state, including degree programs, or courses of study developed by and offered under the auspices of national or state trade associations or private schools. The commissioner shall not approve any course offered by, sponsored by, or affiliated with any person or company otherwise licensed by the commissioner.

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

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

(b) A person applying for a loan officer or individual mortgage broker license who was not employed by a mortgage banker or

general mortgage broker on or before February 1, 1988, is not required to satisfy the educational requirements of paragraph (a) until the second year after licensure.

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

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

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

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

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

(d) A person who becomes unlicensed for reasons other than a revocation or suspension of a license may have the license reinstated without complying with the educational requirements of section 8, subdivision 3, if the person has been unlicensed for less than 24 months and reports 15 hours of continuing education credit for each year.

Sec. 10. [57.09] [RENEWALS.]

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

(b) The commissioner may require a licensee to file an annual report with the commissioner that sets forth the information and is

in the form the commissioner requires regarding the business conducted by the licensee during the preceding calendar year.

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

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

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

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

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

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

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

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

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

(5) charge an unreasonable fee;

(6) pay a referral fee;

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

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

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

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

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

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

the failure of the borrower to furnish the necessary insurance or renewal thereof;

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

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

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

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

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

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

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

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

(18) use or cause to be published any advertisement which contains any reference to the fact that the mortgage banker, loan officer, general mortgage broker, or individual mortgage broker is regulated or supervised by the commissioner;

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

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

(21) fail to make available or mail to a payor, within three business days of a request from the payor, an appraisal for which

payment has been received by the mortgage banker or loan officer, in the event the borrower's loan application has failed to meet the mortgage banker's requirements for approval provided the appraisal is in the possession of the mortgage banker at the time of the request;

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

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

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

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

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

(3) receive compensation from a borrower in connection with any mortgage loan transaction in which the general mortgage broker or individual mortgage broker is the mortgage banker, loan officer, or a principal stockholder, partner, trustee, director, or officer of the mortgage banker;

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

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

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

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

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

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

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

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

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

Subd. 3. [PENALTIES.] Notwithstanding section 8.31, no borrower shall have a cause of action against any person violating the provisions of this section.

Sec. 13. [57.13] [CANCELLATION.]

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

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

In addition to the powers granted in section 45.027, subdivision 7, the commissioner may deny, suspend, or revoke any mortgage

banker's, general mortgage broker's, loan officer's, or individual mortgage broker's license issued under this chapter for:

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 18. [57.18] [RULES.]

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

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

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

(a) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase or rental of an interest or estate in real estate, or advertises or holds out as engaged in these activities;

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

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

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

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

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

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

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

82.18 [EXCEPTIONS.]

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

(a) a licensed practicing attorney acting solely as an incident to

the practice of law if the attorney complies in all respects with the trust account provisions of this chapter;

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

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

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

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

(f) public officers while performing their official duties;

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

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

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

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

(k) any person who offers to sell or sells a business opportunity which is a franchise registered pursuant to chapter 80C, when acting solely to sell the franchise;

(l) any person who contracts with or solicits on behalf of a provider a contract with a resident or prospective resident to provide continuing care in a facility, pursuant to the Continuing Care Facility

Disclosure and Rehabilitation Act (chapter 80D), when acting solely as incident to the contract;

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

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

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

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

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

Sec. 22. [COMMERCE DEPARTMENT REPORT.]

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

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

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

(2) water that backs up through sewers or drains or overflows

within a sump pump or other type of system designed to remove water from around a foundation.

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

Sec. 23. [APPROPRIATION.]

\$37,800 is appropriated from the general fund to the commissioner of commerce for the purposes of administering sections 2 to 18 and is available until June 30, 1989. The approved complement of the department of commerce is increased by one position.

Sec. 24. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 82.175, is repealed.

Sec. 25. [EFFECTIVE DATE; APPLICABILITY.]

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

Delete the title and insert:

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

The motion prevailed and the amendment was adopted.

S. F. No. 2025, A bill for an act relating to financial institutions; 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; prescribing penalties; appropriating money; amending Minnesota Statutes 1986, sections

56.01; and 82.18; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1987 Supplement, sections 47.206, subdivision 6; and 82.175.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

The Speaker called Long to the Chair.

S. F. No. 1708 was reported to the House.

Scheid moved to amend S. F. No. 1708, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 52.08, is amended to read:

52.08 [ANNUAL MEETING.]

At the annual meeting the credit union shall elect a board of directors of not less than five members, a supervisory committee of three members, and may elect a credit committee of not less than three members, all to hold office for the terms provided in the bylaws and until successors qualify. Some or all of the terms of office may be staggered, as provided in the bylaws. A record of the names and addresses of the members of the board and committees and the officers shall be filed with the commissioner of commerce within ten days of their election. ~~No~~ A full time manager of a credit union ~~shall~~ may be a director of a credit union operating under this chapter.

The organization meeting shall be the first annual meeting.

Sec. 2. Minnesota Statutes 1986, section 52.19, is amended to read:

52.19 [EXPULSION OR WITHDRAWAL OF MEMBERS.]

Subdivision 1. A member may be expelled by a two-thirds vote of the members present at a special meeting called to consider the matter, but only after a hearing. A member may also be expelled by the board of directors in accordance with a procedure and policy under subdivision 2. Any member may withdraw from the credit union at any time, but notice of withdrawal may be required. All amounts paid on shares or as deposits of an expelled or withdrawing member, with any dividends or interest accreted thereto, to the date thereof, shall, as funds become available and after deducting all amounts due from the member to the credit union and an amount as necessary to honor outstanding share drafts drawn against the accounts of the member, be paid to the member. The credit union may require 60 days' notice of intention to withdraw shares and 30 days' notice of intention to withdraw deposits, except that a credit union shall not at any time require notice of withdrawal of funds subject to withdrawal by share drafts. Withdrawing or expelled members shall have no further right in the credit union, but are not, by the expulsion or withdrawal, released from any remaining liability to the credit union.

Subd. 2. The board of directors may adopt a procedure and policy for expulsion of members for nonparticipation in the affairs of the credit union. The policy must be based on:

(1) failure to purchase and maintain at least one credit union share or to pay entrance or membership fees, if any; or

(2) causing monetary loss to the credit union.

If adopted, written notice of the procedure and policy and their effective date shall be mailed not less than 30 days before their effective date to each member of the credit union at the member's

address on the credit union records. Each new member shall be provided written notice of the procedure and policy before or upon applying for membership."

The motion prevailed and the amendment was adopted.

S. F. No. 1708, A bill for an act relating to credit unions; permitting managers to be directors; providing conditions for the expulsion of members; amending Minnesota Statutes 1986, sections 52.08; and 52.19.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 462, A bill for an act relating to marriage dissolution; providing a date for valuing marital assets; providing for partial distribution of marital assets; requiring parties to file a statement of assets and liabilities; providing that parties owe each other a fiduciary duty with respect to marital assets; amending Minnesota Statutes 1986, sections 518.54, subdivision 5; and 518.58.

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 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Carruthers Dempsey Poppenhagen Scheid

The bill was passed and its title agreed to.

S. F. No. 2275 was reported to the House.

Pappas moved to amend S. F. No. 2275, as follows:

Page 18, line 12, delete everything after "child"

Page 18, line 13, delete everything before the period

The motion prevailed and the amendment was adopted.

S. F. No. 2275, A bill for an act relating to juveniles; eliminating statutory references to "dependency" and "neglect" and substituting the term "child in need of protection or services"; eliminating juvenile court jurisdiction over children who are "habitually disobedient"; transferring alleged truants and runaways to the court's

protective services jurisdiction; transferring certain young alleged delinquents to the court's protective services jurisdiction; limiting the duration of the court's continuing jurisdiction over truants; expanding the court's dispositional authority in certain child protection cases; limiting the juvenile court's contempt authority over nondelinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivisions 21, 22, 23, and by adding a subdivision; 260.111, subdivisions 1, 3, and by adding a subdivision; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 4 and 4a; 260.171, subdivisions 1 and 4; 260.172, subdivision 1; 260.173, subdivision 3; 260.181, subdivision 4; 260.191, subdivisions 1, 4, and by adding a subdivision; 260.195; 260.235; 260.255; 260.291, subdivision 1; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 260.155, subdivision 1; 260.156; and 260.221; repealing Minnesota Statutes 1986, sections 260.015, subdivisions 6 and 10; 260.103; and 260.194.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 1462 was reported to the House.

Clark moved to amend S. F. No. 1462, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6, is amended to read:

Subd. 6. "Trust account" means, for purposes of this chapter, a savings account, negotiable order of withdrawal account, demand deposit or checking account maintained for the purpose of segregating trust funds from other funds. A trust account ~~shall not must~~ be an interest bearing account ~~except by agreement of the parties and subject to rules of the commissioner, paying the current passbook savings account rate of interest and shall must~~ not allow the financial institution a right of set off against money owed it by the licensee.

Sec. 2. Minnesota Statutes 1986, section 82.24, is amended by adding a subdivision to read:

Subd. 8. [ACCRUED INTEREST.] (a) Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the state treasurer for deposit in the housing trust fund account created under section 5 unless otherwise specified pursuant to an expressed written agreement between the parties to a transaction.

(b) For an account created under paragraph (a), each broker shall direct the depository bank to:

(1) pay the interest, less reasonable transaction costs, on the average monthly balance in the account, or as otherwise computed in accordance with the depository bank's standard accounting practice, at least quarterly, to the state treasurer; and

(2) send a statement to the state treasurer showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charges deducted, and the account balance for the period in which the report is made.

The state treasurer shall deposit five percent of the amount collected under this subdivision in the real estate education, research, and recovery fund established in section 88.34, subdivision 1. The state treasurer may use up to five percent of the amount collected under this subdivision, but not more than \$12,000 annually, to administer and allocate the money collected under this subdivision. The remaining amount collected under this subdivision

must be deposited in the housing trust fund account established in section 5.

Sec. 3. Minnesota Statutes 1986, section 82.34, subdivision 6, is amended to read:

Subd. 6. The commissioner may expend money as appropriated for the following purposes:

(a) To promote the advancement of education and research in the field of real estate for the benefit of those licensed under this chapter;

(b) To underwrite educational seminars and other forms of educational projects for the benefit of real estate licensees;

(c) To establish a real estate chair or courses at Minnesota state institutions of higher learning for the purpose of making such courses available to licensees and the general public;

(d) To contract for a particular educational or research project in the field of real estate to further the purposes of this chapter;

(e) To pay the costs of the real estate advisory council established under section 82.30; ~~and~~

(f) To pay any reasonable costs and disbursements, excluding attorney's fees, incurred in defending actions against the real estate education, research and recovery fund including the cost of mailing or publication of notice pursuant to subdivisions 12 and 14; and

(g) For projects to provide information to the public on housing issues, including but not limited to, environmental safety and housing affordability.

Sec. 4. Minnesota Statutes 1986, section 82.34, subdivision 15, is amended to read:

Subd. 15. Any sums received by the commissioner pursuant to any provisions of this section shall be deposited in the state treasury, and credited to the real estate education, research and recovery fund, and said sums shall be allocated exclusively for the purposes provided in this section. All moneys in the fund are appropriated annually to the commissioner for the purposes of this section.

All money credited to the fund under section 2 may only be used for purposes under subdivision 6, clause (g). Beginning in 1990, the commissioner must, on February 1 of each year, review the amount of money spent or allocated for uses under subdivision 6, clause (g), for the previous calendar year. If the amount spent or allocated is

less than the amount deposited in the fund under section 2 during the same calendar year, the difference must be transferred from the fund to the housing trust fund account established in section 5.

Sec. 5. [462A.201] [HOUSING TRUST FUND ACCOUNT.]

Subdivision 1. [CREATION.] (a) The housing trust fund account is created as a separate account in the housing development fund.

(b) The housing trust fund account consists of:

- (1) money appropriated and transferred from other state funds;
- (2) interest accrued from real estate trust accounts as provided under section 2;
- (3) gifts, grants, and donations received from the United States, private foundations, and other sources; and
- (4) money made available to the agency for the purpose of the account from other sources.

Subd. 2. [LOW-INCOME HOUSING.] The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units. At least 75 percent of the units must be rented to or cooperatively owned by persons and families whose income at the time the person or family originally occupied the unit was at or below 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2. In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 360 days or until the permanent rules are adopted, whichever occurs first.

Subd. 3. [MATCHING FUNDS.] The agency may use money from the housing trust fund account to match federal, local, or private money to be used for projects authorized under subdivision 2.

Subd. 4. [ADVISORY COMMITTEE.] The agency shall establish an eight member advisory committee under section 15.059 to advise or assist the agency in providing loans or grants from the housing

trust fund account. Members of the committee must represent the interests of realtors, lenders, nonprofit developers, apartment owners, low income persons, housing advocates, advocates for the homeless, and single or multifamily builders. Members of the committee shall be reimbursed for expenses but shall not receive any other compensation for services on the committee. 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."

Delete the title and insert:

"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."

The motion prevailed and the amendment was adopted.

Clark moved to amend S. F. No. 1462, as amended, as follows:

Page 1, line 20, after "the" insert "highest"

Page 2, line 6, delete "depository bank" and insert "financial institution"

Page 2, line 9, delete "depository bank's" and insert "financial institution's"

Page 2, line 16, delete everything after "shall" and insert "credit the amount"

Page 2, delete lines 17 to 22

Page 2, line 23, delete "must be deposited in" and insert "to"

Page 3, line 12, delete "For projects"

Page 3, line 24, delete "2" and insert "5"

Page 3, lines 29 and 30, delete "deposited in" and insert "credited to"

Page 3, line 30, delete "2" and insert "5"

Page 5, line 9, before the period insert "and the agency related to the development and implementation of the program described in this section"

Page 5, after line 9, insert:

"Subd. 5. [TRANSFERS FOR EDUCATION.] On July 15 and January 15 each year the agency shall transfer from the housing trust account to the real estate education, research, and recovery fund established in section 82.34, subdivision 1, five percent of the money credited to the housing trust fund account under section 2 during the preceding six months. The amount necessary to make the transfers is appropriated from the housing trust account."

Page 5, line 10, delete "5" and insert "6"

Page 5, line 17, before the period insert "at the time of initial occupancy"

Page 5, after line 17, insert:

"Sec. 6. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment."

The motion prevailed and the amendment was adopted.

S. F. No. 1462, A bill for an act relating to housing; creating a low-income housing trust account; providing for the uses of the account; placing certain requirements on real estate trust accounts; appropriating money; 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.

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 101 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Anderson, G.
Anderson, R.

Battaglia
Beard

Begich
Bennett

Bertram
Blatz

Burger
Carlson, D.

Carlson, L.	Johnson, R.	Milbert	Pauly	Simoneau
Carruthers	Kahn	Minne	Pelowski	Skoglund
Clark	Kalis	Morrison	Peterson	Solberg
Clausnitzer	Kelly	Munger	Price	Sparby
Cooper	Kelso	Murphy	Quinn	Stanius
Dawkins	Kinkel	Nelson, C.	Redalen	Steensma
DeBlicck	Kludt	Nelson, K.	Reding	Swenson
Dille	Knickerbocker	Neuenschwander	Rest	Tjornhom
Dorn	Knuth	O'Connor	Rice	Tompkins
Greenfield	Kostohryz	Ogren	Riveness	Trimble
Gruenes	Krueger	Olsen, S.	Rodosovich	Uphus
Heap	Larsen	Olsen, K.	Rose	Valento
Himle	Lasley	Omann	Rukavina	Vellenga
Jacobs	Long	Orenstein	Sarna	Voss
Jaros	McDonald	Osthoff	Scheid	Wagenius
Jefferson	McEachern	Otis	Seaberg	Welle
Jennings	McKasy	Ozment	Segal	Wenzel
Johnson, A.	McLaughlin	Pappas	Shaver	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Bauerly	Frederick	Johnson, V.	Poppenhagen	Thiede
Bishop	Frerichs	Marsh	Quist	Tunheim
Brown	Gutknecht	McPherson	Richter	Waltman
Dauner	Haukoos	Miller	Schafer	Winter
Dempsey	Hugoson	Olson, E.	Schreiber	
DeRaad	Jensen	Onnen	Sviggum	

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

Johnson, A., was excused for the remainder of today's session.

S. F. No. 1937 was reported to the House.

Jefferson moved to amend S. F. No. 1937, as follows:

Page 5, after line 7, insert:

"If property is seized without process under clause (3), subclause (i), the county attorney must institute a forfeiture action under section 11 as soon as is reasonably possible."

Page 12, delete lines 9 to 22 and insert:

"Subd. 5. [DISTRIBUTION OF MONEY.] Seventy percent of the money or proceeds from the sale of forfeited property, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be forwarded to the appropriate agency for deposit as a supplement to its operating fund or similar fund for use in law enforcement, and 20 percent must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes. The remaining ten percent of the money or proceeds must be forwarded within 60 days

after resolution of the forfeiture to the state treasury and credited to the crime victim and witness account established under section 609.101. Any local police relief association organized under chapter 423, which received or was entitled to receive the proceeds of any sale made under this section before the effective date of sections 1 to 15, shall continue to receive and retain the proceeds of these sales."

The motion prevailed and the amendment was adopted.

Schreiber and Long moved to amend S. F. No. 1937, as amended, as follows:

Page 2, after line 26, insert:

"Sec. 3. Minnesota Statutes 1986, section 383B.128, subdivision 1, is amended to read:

Subdivision 1. Each municipality in which conduct alleged in a misdemeanor complaint occurs shall pay to Hennepin county for the maintenance cost of the inmate convicted thereon and sentenced to confinement in the corrections facility the sum per diem as it may cost the county for the average maintenance per inmate. The administrator and superintendent shall at the first meeting of the county board in August of each year submit for the board's approval a determination of the maintenance cost per diem per inmate of the corrections facility which shall be based upon the actual costs, records of receipts, disbursements, and other data for the preceding year, adjusted by applying to the preceding years' rate any cost of living increase or decrease for the year ending June 30 of the current year. The costs shall not include the cost, not to exceed \$1 per day per inmate, of the premises or structures of the corrections facility or of any permanent improvements or repairs. The superintendent shall render monthly bills to the municipalities for the maintenance costs provided for by this section."

Page 13, line 19, after "Sections 1" insert ", 2, and 4"

Page 13, line 20, after the period insert "Section 3 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Hennepin county board of commissioners."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 28, after the semicolon, insert "including the cost of

facilities and improvements in calculating the confinement per diem for the Hennepin county corrections facility;"

Page 1, line 29, after "6;" insert "383B.128, subdivision 1;"

A roll call was requested and properly seconded.

The question was taken on the Schreiber and Long amendment and the roll was called. There were 113 yeas and 15 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Carruthers	Forsythe	Krueger	Otis	Skoglund
Clark	Kelly	McLaughlin	Pappas	Vellenga
Dawkins	Knuth	Orenstein	Riveness	Welle

The motion prevailed and the amendment was adopted.

Gruenes and Bertram moved to amend S. F. No. 1937, as amended, as follows:

Page 2, after line 26, insert:

"Sec. 3. Minnesota Statutes 1986, section 387.212, is amended to read:

387.212 [CONTINGENT FUND.]

The board of county commissioners in any county may create a sheriff's contingent fund and may credit thereto not more than \$3,000 \$10,000. The money in such fund may be used for the advancement and reimbursement of expenses of the sheriff and the sheriff's office. Such moneys shall be disbursed by the county treasurer in accordance with rules and regulations prescribed by the board. Any balance remaining at the end of the year shall be transferred to the revenue fund."

Renumber the sections in sequence

Correct the cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1937, as amended, was read for the third time.

Jefferson moved that S. F. No. 1937, as amended, be continued on Special Orders for one day. The motion prevailed.

There being no objection, S. F. No. 1821 which was continued earlier today was again reported to the House.

Seaberg, Blatz, Kelly, Solberg, Quinn, Bishop and Olsen, S., moved to amend S. F. No. 1821, as follows:

Pages 1 to 3, delete section 2

Renumber the remaining sections

Page 7, delete section 6

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, delete line 4

Page 1, line 13, delete "Minnesota"

Page 1, delete line 14

Page 1, line 15, delete "1,"

The motion prevailed and the amendment was adopted.

S. F. No. 1821, A bill for an act relating to crimes; police pursuit; requiring certain driver's manual information; providing for civil forfeiture of vehicle used to flee a peace officer; requiring local governments to establish pursuit procedures and training requirements by October 1, 1989; authorizing peace officer standards and training board to assist local governments in establishing procedures and training requirements; requiring reporting of all police pursuits to department of public safety; amending Minnesota Statutes 1986, sections 171.13, by adding a subdivision; 626.843, subdivision 1; and 626.845, subdivision 1; Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

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 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Olson, K.

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

S. F. No. 2266 was reported to the House.

Carruthers moved to amend S. F. No. 2266, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 626.559, subdivision 1, is amended to read:

Subdivision 1. [JOB CLASSIFICATION; CONTINUING AND PRESERVICE EDUCATION.] The commissioner of human services, for employees subject to the Minnesota merit system, and directors of county personnel systems, for counties not subject to the Minnesota merit system, shall establish a job classification consisting exclusively of persons with the specialized knowledge, skills, and experience required to satisfactorily perform child protection duties pursuant to section 626.556, subdivisions 10, 10a, and 10b who have completed preservice training under section 2. Only individuals who meet the criteria for this job classification are eligible for employment as child protection workers.

All child protection workers or social services staff having responsibility for child protective duties under section 626.556, subdivisions 10, 10a, and 10b, shall receive 15 hours of continuing education or in-service training each year. The local social service agency shall submit an annual plan for the provision of these hours of education and training to the commissioner of human services for approval.

Sec. 2. [626.5591] [CHILD PROTECTION WORKERS; TRAINING; ADVISORY COMMITTEE.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meaning given unless the specific context indicates otherwise:

(a) "Child protection agency" means an agency authorized to receive reports, conduct assessments and investigations, and make determinations pursuant to section 626.556, subdivision 10.

(b) "Child protection services" means the receipt, classification, and assessment of reports of child abuse and neglect, including (1) the assessment of risk to a child alleged to have been abused, (2) interviews of a person alleged to have abused a child and the child or children involved in the report, and interviews with persons having facts or knowledge necessary to assess the level of risk to a child and the need for protective intervention, (3) the gathering of written or evidentiary materials, (4) the recording of case findings, and (5) other actions required by section 626.556, administrative rule, or agency policy, but excluding administrative practices necessary solely for the collection of data.

(c) “Competency-based training” means a course of experiential and didactic instructional activity which is based upon specifically stated and clearly measurable instructional objectives and which requires demonstration of the achievement of a particular standard of skills and knowledge for satisfactory completion.

(d) “Preservice training” means training provided to local child protection workers before they perform official job duties in a local child protection agency.

(e) “Early inservice training” means training provided to a local child protection worker after the person has begun to perform child protection duties, but before the expiration of six months of job service.

(f) “Ongoing inservice training” means training provided to a local child protection worker after the person has performed an initial six months of job service.

Subd. 2. [TRAINING PROGRAM.] The commissioner of human services shall develop and implement a program of competency-based training which provides instruction for child protection workers who are hired to provide child protection services on or after the effective date of this section. The program shall include: (1) compulsory preservice training for child protection workers; and (2) early inservice training for child protection workers that includes work-site observation and evaluation, and demonstrated application of skills and knowledge. This training shall be made available throughout the state at reasonable intervals. The training shall be coordinated with ongoing inservice child protection worker training, but shall not include that training.

Sec. 3. [626.5592] [STEERING COMMITTEE.]

Subdivision 1. [APPOINTMENT.] The commissioner of human services shall appoint a steering committee to assist in the implementation of section 2.

Subd. 2. [MEMBERSHIP.] The steering committee shall consist of the following members:

(1) two individuals who are in a supervisory capacity in a local child protection agency;

(2) two individuals who are child protection workers with significant experience;

(3) one individual who has expertise in training and development;

(4) one law enforcement officer; and

(5) three individuals who have particular expertise in any aspect of child protection services described in section 2.

Subd. 3. [DUTIES.] The steering committee shall:

(1) advise the commissioner regarding the format and content of training to be provided under section 2;

(2) review and approve a two-year plan for implementation of section 2;

(3) make recommendations as to the staffing and operation of section 2;

(4) submit a semiannual report to the legislature on the implementation of section 2; and

(5) review implementation steps on a regular basis, and recommend necessary changes in department or public policy.

Subd. 4. [COMPENSATION.] The steering committee shall serve without compensation.

Sec. 4. [631.047] [APPOINTMENT OF CHILD INTERMEDIARY IN CERTAIN CHILD ABUSE CASES; PILOT PROGRAM.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Child abuse" means any act which involves a minor victim and which constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.255, 609.342, 609.343, 609.344, 609.345, 609.377, or 609.378.

(b) "Significant relationship" means a relationship as defined by Minnesota Statutes, section 609.341, subdivision 15.

(c) "Child" means a person under the age of 18 who is the alleged victim of child abuse perpetrated by an adult who has a significant relationship with the child victim.

Subd. 2. [ESTABLISHMENT OF PILOT PROGRAM.] Until July 1, 1989, a county board may establish a three-year pilot project authorizing the appointment of a child intermediary under this section and setting forth criteria for selecting and training the intermediary and monitoring the program. The intermediaries may be paid or may be volunteers, but shall function independently of the county human services agency, the county attorney's office, local law enforcement agencies, and the public defender's office.

By January 1, 1991, a county participating in the program must report to the legislature the interim results of its pilot program. The county must submit a final report of the results of the program to the legislature by January 1, 1993.

Subd. 3. [APPOINTMENT BY COURT.] In a county with a pilot program established under subdivision 2, a child intermediary may be appointed by the district court at the time a criminal charge is filed alleging child abuse against a child by an adult who has a significant relationship with that child. In making the appointment, the court shall consider the person's background in and familiarity with the judicial process, social service programs, and child abuse. If a guardian ad litem or other representative has been appointed to represent the child in concurrent judicial proceedings, the district court shall appoint the same individual to be the child intermediary if possible and if qualifications are met. The court must not appoint as a child intermediary a person who is likely to be a witness in any proceeding associated with the alleged child abuse.

Subd. 4. [DUTIES.] A child intermediary's duties include the following:

(1) protecting the child from unnecessary further trauma by marshalling and coordinating the delivery of available resources and special services to the child and the child's family;

(2) advising the court as to the child's special needs with regard to pretrial interviews, deposition or trial testimony, and the expediting of proceedings, and with respect to the child's ability to understand the process;

(3) advising the prosecuting attorney as to a child's ability to cooperate with the prosecution, and the potential effects of the proceedings on the child; and

(4) guaranteeing that the rights established for victims in section 611A.037 are extended to the child or to the child intermediary on the child's behalf.

Subd. 5. [POWERS.] A child intermediary has the power to:

(1) gain access to all reports, records, and other data relating to assessments, evaluations, or examinations of the child, not including attorneys' work product; and

(2) make motions or objections to motions and petition the court for the appointment of an attorney for the intermediary if necessary to adequately protect the best interests of the child.

The intermediary may not introduce evidence or examine or cross-examine witnesses in the presence of the jury.

Subd. 6. [WITNESS PRIVILEGE.] Notwithstanding section 595.02, subdivision 1, child intermediaries appointed in child abuse cases under this section may not be compelled to testify in any court action or proceeding about any opinion or information received from or about the child victim in the course of serving as an intermediary.

Delete the title and insert:

“A bill for an act relating to child abuse; providing for the training of child protection workers; providing a pilot program for child intermediaries in child abuse situations; amending Minnesota Statutes 1986, section 626.559, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 626 and 631.”

The motion prevailed and the amendment was adopted.

Kelly moved to amend S. F. No. 2266, as amended, as follows:

Page 1, after line 9, insert:

“Section 1. Minnesota Statutes 1986, section 626.559, is amended by adding a subdivision to read:

Subd. 1a. [CHILD PROTECTION WORKER PRESERVICE EDUCATION.] Any individual who seeks employment as a child protection worker after the commissioner of human services has implemented the preservice training program developed under section 2, subdivision 2, must complete preservice training in order to be eligible for employment as a child protection worker.

Sec. 2. [626.5591] [CHILD PROTECTION WORKERS; TRAINING; ADVISORY COMMITTEE.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meaning given unless the specific context indicates otherwise:

(a) “Child protection agency” means an agency authorized to receive reports, conduct assessments and investigations, and make determinations pursuant to section 626.556, subdivision 10.

(b) “Child protection services” means the receipt and assessment of reports of child maltreatment and the provision of services to families and children when maltreatment has occurred or when there is risk of maltreatment. These services include: (1) the

assessment of risk to a child alleged to have been abused or neglected; (2) interviews of any person alleged to have abused or neglected a child and the child or children involved in the report, and interviews with persons having facts or knowledge necessary to assess the level of risk to a child and the need for protective intervention; (3) the gathering of written or evidentiary materials; (4) the recording of case findings and determinations; and (5) other actions required by section 626.556, administrative rule, or agency policy, but excluding administrative practices necessary solely for the collection of data.

(c) "Competency-based training" means a course of instruction that provides both information and skills practice, which is based upon clearly stated and measurable instructional objectives, and which requires demonstration of the achievement of a particular standard of skills and knowledge for satisfactory completion.

(d) "Preservice training" means training provided to local child protection workers before they perform official job duties in a local child protection agency.

(e) "Probationary training" means training provided to a local child protection worker after the person has begun to perform child protection duties, but before the expiration of six months of employment as a child protection worker. This probationary training shall occur during the performance of job duties and must include an evaluation of the employee's application of skills and knowledge.

(f) "Inservice training" means training provided to a local child protection worker after the person has performed an initial six months of employment as a child protection worker.

Subd. 2. [TRAINING PROGRAM; DEVELOPMENT.] The commissioner of human services shall develop a program of competency-based training which provides instruction for child protection workers who are hired to provide child protection services on or after the effective date of this section. The program shall include compulsory preservice and probationary training for child protection workers.

Subd. 3. [TRAINING PROGRAM; IMPLEMENTATION.] If the commissioner of human services obtains adequate private funding to implement the training program developed under subdivision 2, the commissioner shall implement the training program and make it available throughout the state at reasonable intervals. The training shall be coordinated with inservice child protection worker training, but shall not include that training.

If the commissioner is unable to obtain adequate private funding to implement the training program, the commissioner shall file a report with the legislature on or before January 31, 1989 which

estimates the amount of funding necessary to implement the training program.

Sec. 3. [626.5592] [STEERING COMMITTEE.]

Subdivision 1. [APPOINTMENT.] The commissioner of human services shall appoint a steering committee to assist in the development and, if funding is obtained, the implementation of section 2.

Subd. 2. [MEMBERSHIP.] The steering committee shall consist of the following members:

(1) two individuals who are in a supervisory capacity in a local child protection agency;

(2) two individuals who are child protection workers with significant experience;

(3) one individual who has expertise in training and development;

(4) one law enforcement officer;

(5) three individuals who have particular expertise in any aspect of child protection services described in section 2; and

(6) three individuals from among the general public.

Subd. 3. [DUTIES.] The steering committee shall advise the commissioner regarding the format and content of the training program developed under section 2. If funding is obtained to implement the training program, the steering committee shall also:

(1) review and approve a two-year plan for implementation of section 2;

(2) make recommendations as to the staffing and operation of section 2;

(3) submit an annual report to the legislature on the implementation of section 2; and

(4) review implementation steps on a regular basis, and recommend necessary changes in department or public policy.

Subd. 4. [COMPENSATION.] The steering committee shall serve without compensation."

Renumber remaining sections

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

S. F. No. 2266, A bill for an act relating to child abuse; authorizing counties to establish pilot programs; allowing the appointment of a child intermediary in certain criminal child abuse proceedings; prescribing powers and duties of the intermediary.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed, as amended, 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.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2182:

Munger; Wynia; Anderson, G.; Bishop and Osthoff.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2150:

Peterson, Rukavina and Knickerbocker.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1643:

Kelly, Pappas and Quist.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1966:

- Blatz, Jennings and Bauerly.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2255:

Winter, Brown and McDonald.

MOTIONS AND RESOLUTIONS

Johnson, A., moved that H. F. No. 1678 be returned to its author. The motion prevailed.

Redalen moved that H. F. No. 2682 be returned to its author. The motion prevailed.

Neuenschwander moved that H. F. No. 2075 be returned to its author. The motion prevailed.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, April 13, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, April 13, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives