

## STATE OF MINNESOTA

## SEVENTY-FIFTH SESSION—1988

## NINETY-SECOND DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 20, 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 Lenard Huebscher, Grace Baptist Church, Stillwater, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Simoneau was excused.

Jaros was excused until 6:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding

day. Anderson, G., 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 S. F. No. 2183 have been placed in the members' files.

#### PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

April 13, 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. 521, relating to lake improvement districts; providing for notice of their annual meetings.

H. F. No. 2039, relating to corrections; making various housekeeping and technical changes.

H. F. No. 2132, relating to human services; authorizing a representative payee for general assistance to drug dependent persons.

H. F. No. 2358, relating to state lands; authorizing sale of certain tax-forfeited lands that border public water in East Grand Forks, Polk county.

H. F. No. 2629, relating to minerals; authorizing the commissioner of natural resources to lease certain severed mineral interests.

Sincerely,

RUDY PERPICH  
Governor

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

April 14, 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. 289, relating to the city of St. Paul; setting the maximum amounts and other conditions for the issuance of capital improvement bonds.

H. F. No. 577, relating to termination of parental rights; clarifying the purposes of the laws on termination of parental rights; altering certain grounds and procedures for termination of parental rights; providing for a study of placement prevention and family reunification services.

H. F. No. 1111, relating to crimes; providing that it is a prima facie case for reference for prosecution as an adult if a child is alleged to have committed an aggravated felony against the person as a member of an organized gang; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from lawful custody; providing for custody of minors.

H. F. No. 1224, relating to local government; permitting the establishment of a joint economic development authority in Cook county.

H. F. No. 1302, relating to Itasca county; permitting the county to levy a tax for economic development; providing for a reverse referendum.

H. F. No. 1469, relating to traffic regulations; providing for restrictions on vehicles transporting firewood on trunk highways.

H. F. No. 1796, relating to counties; exempting the issuance of certain county bonds from the election requirement; authorizing county building fund levies.

H. F. No. 1836, relating to crimes; providing for proof of prior convictions at sentencing hearings and in certain criminal prosecutions.

H. F. No. 1846, relating to environment; authorizing inspection of certain records kept by waste facilities; providing penalties.

H. F. No. 2022, relating to agriculture; adding members to the state agricultural society.

H. F. No. 2059, relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses.

H. F. No. 2092, relating to environment; authorizing sanitary districts to apply for and receive assistance from the waste management board for certain solid waste programs.

H. F. No. 2216, relating to natural resources; ratifying and affirming the settlement agreement arising from litigation concerning certain treaty related claims of Chippewa Indians; prescribing powers and duties of the commissioner of natural resources in relation to the settlement agreement; appropriating money.

H. F. No. 2224, relating to landlord tenant law; providing an action for damages for accepting rent on condemned property.

H. F. No. 2470, relating to crimes; increasing the penalties for issuing dishonored checks with aggregate value greater than \$250; specifying the appropriate prosecutor for certain violations.

H. F. No. 2637, relating to the city of Farmington; permitting the sale of certain tax-forfeited land.

Sincerely,

**RUDY PERPICH**  
Governor

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

April 15, 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>
	521	504	April 13	April 13
	2039	505	April 13	April 13
	2132	506	April 13	April 13
	2358	507	April 13	April 13
	2629	508	April 13	April 13
1867		509	April 13	April 13
1882		510	April 13	April 13
2096		511	April 13	April 13
2243		512	April 13	April 13
	289	513	April 14	April 14
	577	514	April 14	April 14
	1111	515	April 14	April 14
	1224	516	April 14	April 14
	1302	517	April 14	April 14
	1469	518	April 14	April 14
	1796	519	April 14	April 14
	1836	520	April 14	April 14

	1846	521	April 14	April 14
	2022	522	April 14	April 14
	2059	523	April 14	April 14
	2092	524	April 14	April 14
	2216	525	April 14	April 14
	2224	526	April 14	April 14
	2470	527	April 14	April 14
	2637	528	April 14	April 14
1018		529	April 14	April 14
1328		530	April 14	April 14
1561		531	April 14	April 14
1620		532	April 14	April 14
1700		533	April 14	April 14
1795		534	April 14	April 14
1879		535	April 14	April 14
2117		536	April 14	April 14
2191		537	April 14	April 14

Sincerely,

JOAN ANDERSON GROWE  
Secretary of State

### INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Wenzel introduced:

H. F. No. 2820, A bill for an act relating to public safety; restoring the 1986 law on parking for handicapped persons; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1987 Supplement, section 169.345; and Laws 1987, chapter 355, section 9.

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

Wenzel introduced:

H. F. No. 2821, A bill for an act relating to financial institutions; requiring pipeline company to provide legal description of easement for specific property subject to mortgages, under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 116L.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Wenzel introduced:

H. F. No. 2822, A bill for an act relating to motor vehicles; providing that adjutant general may retain special national guard license plates on leaving office; amending Minnesota Statutes 1986, section 168.12, subdivision 2c.

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

Wenzel introduced:

H. F. No. 2823, A bill for an act relating to taxation; repealing the tax on petroleum and special fuels used by barges; repealing Minnesota Statutes 1987 Supplement, sections 296.02, subdivision 2b; and 296.025, subdivision 2b.

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

Wenzel, Bauerly, Thiede, Dempsey and Valento introduced:

H. F. No. 2824, A bill for an act relating to public employees; providing that public safety dispatchers are essential employees; amending Minnesota Statutes 1986, section 179A.03, subdivision 7.

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

Wenzel introduced:

H. F. No. 2825, A bill for an act relating to counties; providing for elections to fill certain vacancies; amending Minnesota Statutes 1986, section 375.08.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Clark, Greenfield and Carlson, L., introduced:

H. F. No. 2826, A resolution memorializing the Regents of the University of Minnesota in support of the current funding levels for baccalaureate nursing programs.

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

#### HOUSE ADVISORIES

The following House Advisories were introduced:

Rest and Long introduced:

H. A. No. 93, A proposal to study the current motor vehicle registration system.

The advisory was referred to the Committee on Transportation.

Pappas, Kelly and DeRaad introduced:

H. A. No. 94, A proposal to study parentage laws.

The advisory was referred to the Committee on Judiciary.

Frerichs introduced:

H. A. No. 95, A proposal to resolve disputes between power companies on service territories.

The advisory was referred to the Committee on Regulated Industries.

Clark; Nelson, D.; Munger and Trimble introduced:

H. A. No. 96, A proposal to study reducing toxicity in waste incinerator ash and emissions.

The advisory was referred to the Committee on Environment and Natural Resources.

Kelly, Pappas, Carruthers, Dawkins and Blatz introduced:

H. A. No. 97, A proposal to study the right to a speedy trial.

The advisory was referred to the Committee on Judiciary.

Ogren and Trimble introduced:

H. A. No. 98, A proposal for a study of the health and other aspects of irradiated food.



The advisory was referred to the Committee on Health and Human Services.

McLaughlin, Jefferson and Osthoff introduced:

H. A. No. 99, A proposal to study the need for certain transit services.

The advisory was referred to the Committee on Transportation.

Trimble, Rukavina, Begich, Pappas and Dawkins introduced:

H. A. No. 100, A proposal to study the growth of electronic surveillance of employees.

The advisory was referred to the Committee on Labor-Management Relations.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 453

A bill for an act relating to state investments; limiting investments in companies doing business in Northern Ireland; protecting public pension investment policy; authorizing early unreduced retirement under the rule of 90 for the Minnesota state retirement system and the teachers retirement association; amending Minnesota Statutes 1986, sections 354.44, subdivision 6; 354A.23, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 352.116, by adding a subdivision; 354A.31, subdivision 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 11A.

April 18, 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. 453, 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. 453 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [11A.241] [INVESTMENT IN NORTHERN IRELAND.]

Subdivision 1. [LIST OF INVESTMENTS.] (a) By January 1 of each year, the state board shall:

(1) compile a list of corporations that, directly or through a subsidiary, do business in Northern Ireland and in whose stocks or obligations the board has invested under section 11A.24, subdivision 3 or 5; and

(2) determine whether each corporation on the list has, during the preceding year, taken affirmative action to eliminate religious or ethnic discrimination in Northern Ireland.

(b) In making the determination required by clause (2) of paragraph (a), the state board shall consider whether a corporation has, during the preceding year, taken substantial action designed to lead toward the achievement of the following goals:

(1) increasing representation of persons from underrepresented religious groups at all levels in its workforce;

(2) providing adequate security for employees who are members of minority religious groups, both at the workplace and while traveling to and from work;

(3) creating a climate in the workplace free from religious or political provocation;

(4) publicly advertising all job openings and making special recruiting efforts to attract applicants from underrepresented religious groups;

(5) providing that layoff, recall, and termination procedures do not favor workers who are members of particular religious groups;

(6) abolishing job reservations, apprenticeship restrictions, and differential employment criteria that discriminate on the basis of religious or ethnic origin;

(7) developing new programs and expanding existing programs to prepare current employees who are members of minority religious groups for skilled jobs;

(8) establishing procedures to assess, identify, and recruit employees who are members of minority religious groups and who have potential for advancement; and

(9) appointing senior management employees to oversee affirmative action efforts and the setting of timetables for carrying out clauses (1) to (8).

Subd. 2. [AFFIRMATIVE ACTION POLICY.] Whenever feasible, the board shall sponsor, cosponsor, or support shareholder resolutions designed to encourage corporations in which the board has invested to pursue a policy of affirmative action in Northern Ireland.

Subd. 3. [DIVESTMENT NOT REQUIRED.] Nothing in this section may be construed to require the state board to dispose of existing investments or to make future investments that violate sound investment policy for public pensions."

Delete the title and insert:

"A bill for an act relating to state investments; encouraging corporations in Northern Ireland to pursue affirmative action policies; proposing coding for new law in Minnesota Statutes, chapter 11A."

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

House Conferees: RICHARD "RICH" O'CONNOR, BERT MCKASY AND JAMES I. RICE.

Senate Conferees: JEROME M. HUGHES, RANDOLPH W. PETERSON AND ALLAN H. SPEAR.

O'Connor moved that the report of the Conference Committee on H. F. No. 453 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 453, A bill for an act relating to state investments; limiting investments in companies doing business in Northern Ireland; protecting public pension investment policy; authorizing early unreduced retirement under the rule of 90 for the Minnesota state retirement system and the teachers retirement association; amending Minnesota Statutes 1986, sections 354.44, subdivision 6; 354A.23, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 352.116, by adding a subdivision; 354A.31, subdivision 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 11A.

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

The question was taken on the repassage of the bill and the roll was called. There were 110 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dille	Gutknecht	Himle	Richter	Thiede
Forsythe	Heap	Quist	Schafer	

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 2396

A bill for an act relating to education; authorizing the sale of college savings bonds; requiring a market study and plan; authorizing the issuance of zero coupon bonds; exempting a specified amount of bonds from consideration in financial aid eligibility; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16A.

April 19, 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. 2396, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2396 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [COLLEGE SAVINGS BONDS: MARKET AND FEASIBILITY STUDY.]

Subdivision 1. [REPORT REQUIRED.] The commissioner of finance, in cooperation with the higher education coordinating board, shall study and report to the legislature by September 1, 1988, on the market for and feasibility of college savings bonds. "College savings bonds" are state general obligation bonds on which interest is accrued and compounded annually but not paid until maturity, commonly known as zero coupon bonds. Sale and marketing efforts should be directed to Minnesota residents of low and moderate income whose children or grandchildren are likely to pursue higher education.

Subd. 2. [FINDINGS.] The report must include findings on the following:

(1) the parental income levels at which a student is no longer eligible for state scholarship and grant assistance, but at which the cost of higher education may create severe financial hardship for the student's family;

(2) an estimate of the number of parents in this state at the income levels described in clause (1) whose children are likely to pursue higher education, including their social, economic, and geographic characteristics;

(3) the impact of the availability of financial aid on the savings practices of parents of future students and the extent to which the availability of college savings bonds might increase the amount saved;

(4) the estimated demand of parents and relatives for college savings bonds each year and over the next five years, and the estimated periodic rate of purchase;

(5) the demand for bonds of various denominations and the smallest denomination that can be sold and issued economically to those parents and relatives;

(6) the demand of parents and relatives for bonds of various maturities, and the implications of a variety of maturity dates for potential students and post-secondary institutions;

(7) a marketing strategy for the college savings bond program including strategies to:

(i) inform parents and relatives about the availability of the bonds;

(ii) take orders for the bonds;

(iii) insure that the bonds are purchased by residents of low and moderate income throughout this state; and

(iv) market the bonds at the lowest cost to the state;

(8) the demand of various institutions for the bonds, including business corporations, nonprofit corporations, and foundations, and a strategy to ensure that purchase of the bonds by these entities will not prevent individuals and parents and relatives of future students from buying them;

(9) the limitations, if any, that should be placed on bond purchasers' use of the bonds;

(10) an estimate of the cost of the strategy to market and underwrite the bonds; and

(11) the amount, if any, of bonds purchased for the benefit of a student that should not be considered in determining the financial need of an applicant for a state scholarship or grant under Minnesota Statutes, section 136A.121, or a part-time grant under Minnesota Statutes, section 136A.132.

Subd. 3. [RECOMMENDATIONS.] The commissioner of finance may not sell college savings bonds under section 2 until reports have been submitted to the chair of the senate committee on education and the chair of the house of representatives committee on higher education and the commissioner has received their advisory recommendations on whether and how to sell the bonds.

## Sec. 2. [ZERO COUPON BONDS.]

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

(a) "Compounded maturity amount" means the sum of the stated principal amount plus the interest payable at maturity on zero coupon bonds.

(b) "Serial maturity bonds" means bonds maturing on a specified day in two or more consecutive years and bearing interest at a specified rate payable periodically to maturity or prior redemption.

(c) "Zero coupon bonds" means bonds in a stated principal amount, maturing on a specified date or dates, and bearing interest that accrues and compounds to and is payable only at maturity or upon prior redemption of the bonds.

Subd. 2. [AUTHORIZATION.] When authorized by law to issue state general obligation bonds, the commissioner may issue all or part of the bonds as serial maturity bonds or as zero coupon bonds or a combination of the two. Except as otherwise provided by this section, bonds, including zero coupon bonds, must be issued and sold as provided under Minnesota Statutes, section 16A.641. The amount of bonds that may be issued under this section may not exceed the amount of authorized, but previously unissued, bonds for higher education facilities. Higher education facilities include capital projects for the University of Minnesota, the state universities, community colleges, and technical institutes. The stated principal amount of zero coupon bonds must be used to determine the principal amount of bonds issued under the laws authorizing issuance of state general obligation bonds.

Subd. 3. [MARKETING PLAN.] Based on the results of the study required under section 1, the commissioner and the higher education coordinating board shall develop a plan for marketing college savings bonds. The marketing plan must include appropriate disclosures to potential buyers, including information on the types of savers for whom long-term, tax-exempt bonds may not be appropriate investments. The program must also include strategies to:

(1) inform parents and relatives about the availability of the bonds;

(2) take orders for the bonds;

(3) target the sale of the bonds to Minnesota residents whose progeny are likely to seek higher education; and

(4) market the bonds at the lowest cost to the state.

Before implementing the marketing plan, the commissioner of finance and the higher education coordinating board shall seek the advisory recommendations of the chairs of the senate finance and house of representatives appropriations committees about the plan.

Subd. 4. [SALE.] Except as otherwise provided in this subdivision, zero coupon bonds, or a series of bonds including zero coupon bonds, must be sold at public sale at a price not less than 98 percent of their stated principal amount. No state trunk highway bond may be sold for a price of less than par and accrued interest. The commissioner may sell bonds directly to the public or to financial institutions for prompt resale to the public upon the terms, conditions, and restric-

tions the commissioner prescribes. The commissioner should make bonds available for sale to financial institutions located in neighborhoods where low or moderate income persons reside. The commissioner may enter into all contracts considered necessary or desirable to accomplish the sale in an economical manner. The commissioner may contract for investment banking and banking services only after receiving competitive proposals for the services.

Subd. 5. [DENOMINATIONS; MATURITIES.] Based on the results of the study required under section 1, the commissioner shall determine the appropriate denominations and maturities for the bonds. The legislature intends to make bonds available in as small denominations as is feasible given the costs of marketing and administering the bond issue. Bonds in denominations of \$1,000 must be made available. If not economical, the minimum denomination bonds need not be made available for bonds of all maturities. For purposes of this subdivision, "denomination" means the compounded maturity amount of the bond.

Subd. 6. [SINKING FUND.] The commissioner's order authorizing the issuance of zero coupon bonds must also establish a separate sinking fund account for the zero coupon bonds in the state bond fund. There is annually appropriated from the general fund to each zero coupon bond account, beginning in the year in which the zero coupon bonds are issued, an amount not less than the sum of:

(1) the total stated principal amount of the zero coupon bonds that would have matured from their date of issue to and including the second July 1 following the transfer of appropriated money, if the bonds matured serially in an equal principal amount in each year during their term and in the same month as their stated maturity date; plus

(2) the total amount of interest accruing on the stated principal amount of the bonds and on interest previously accrued, from the bonds' date of issue to and including the second July 1 following the transfer of appropriated money; less

(3) the amount in the sinking fund account for the payment of the compounded maturity amount of the bonds, including interest earnings on amounts in the account. This appropriation is in lieu of all other appropriations made with respect to zero coupon bonds. The appropriated amounts must be transferred from the general fund to the sinking fund account in the state bond fund by December 1 of each year.

### Sec. 3. [APPROPRIATION.]

The amount necessary to pay for the cost of the marketing study under section 1, subdivision 2, and the marketing plan under section 2, subdivision 3, is appropriated to the commissioner of finance out



of the proceeds of the college savings bonds. The cost of the marketing study must not exceed \$60,000.

Sec. 4. [REPEALER.]

Sections 1 to 3 are repealed December 31, 1989.

Sec. 5. [EFFECTIVE DATE.]

This act is effective the day following final enactment and applies to authorizations of state bonds under laws enacted before or after the effective date of this act."

Delete the title and insert:

"A bill for an act relating to education; authorizing the sale of college savings bonds; requiring a market and feasibility study and report; authorizing the issuance of zero coupon bonds; appropriating money."

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

House Conferees: LYNDON R. CARLSON, JOHN T. ROSE AND LEONARD "LEN" PRICE.

Senate Conferees: MICHAEL O. FREEMAN, DONNA C. PETERSON AND JAMES C. PEHLER.

Carlson, L., moved that the report of the Conference Committee on H. F. No. 2396 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2396, A bill for an act relating to education; authorizing the sale of college savings bonds; requiring a market study and plan; authorizing the issuance of zero coupon bonds; exempting a specified amount of bonds from consideration in financial aid eligibility; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16A.

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 129 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	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	Price	Thiede
Boo	Jacobs	McPherson	Quinn	Tjornhom
Brown	Jefferson	Milbert	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
DeBlieck	Kinkel	Ogren	Sarna	Wenzel
Dempsey	Kludt	Olsen, S.	Schafer	Winter
DeRaad	Knickerbocker	Olson, E.	Scheid	Wynia
Dorn	Knuth	Olson, K.	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Omann	Seaberg	

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

### MESSAGES FROM THE SENATE

The following messages were received from 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. 2344, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting fees; authorizing suburban Hennepin regional park district to acquire land for Lake Minnetonka regional park without local consent; amending Minnesota Statutes 1986, sections 3.9223, subdivision 5; 3.9225, subdivision 5; 3.9226, subdivision 5; 10A.01, by adding a subdivision; 10A.25, subdivision 10; 10A.31, subdivision 5; 14.07, subdivisions 1 and 2; 14.47, subdivision 8; 15A.082, subdivision 3; 16B.24, subdivisions 9 and 10; 17.105, subdivision 4; 18.191; 85.012, by adding a subdivision; 89.001, by adding a subdivision; 89.01, by adding a subdivision; 89.19; 116.18, by adding a subdivision; 116.48, by adding subdivisions; 116J.615, by adding a subdivision; 222.63, subdivisions 2 and 4; 296.16, by adding a subdivision; 296.421, by adding a subdivision;

and 611.215, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.885; 3C.035, subdivision 2; 3C.11, subdivision 2; 3C.12, subdivision 7; 8.15; 14.08; 41A.065, subdivision 8; 43A.08, subdivision 1a; 85.055, subdivision 1; 105.44, subdivision 10; 115C.02, subdivision 13; 116C.712, subdivision 5; 116J.941, subdivision 1; 116J.966, subdivision 1; 116O.03, subdivision 2; 116O.04, subdivision 1; 116O.06, subdivision 1; 161.52; 480.236; 480.241, subdivision 2; and 611.24; Laws 1985, First Special Session chapter 15, section 4, subdivision 6; Laws 1986, chapter 441, section 14; Laws 1987, chapter 348, section 48, subdivision 3; Laws 1987, chapter 357, section 27, subdivision 2; and Laws 1987, chapter 404, sections 20, subdivision 6; and 22, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 4; 89; and 115C; repealing Minnesota Statutes 1986, sections 3C.055; 3C.057; 5.13; 10A.32, subdivision 3b; and 16A.625; and Laws 1987, chapter 358, section 31.

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. FLAHAVERN, 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. 1526, A bill for an act relating to transportation; including certain all-terrain vehicles in the definition of motor vehicle for registration purposes; defining limousines and providing for their registration; allowing seven digits on personalized license plates and providing for personalized plate fees; authorizing special license plates for veterans; allowing the commissioner of public safety to determine the fee for ex-POW license plates; restricting certain farm trailers to being towed at a maximum speed of 30 miles per hour; exempting certain vehicles from brake requirements; permitting tinted glass on side and rear windows of limousines; providing for star county signs; providing for a tax on sale of collector vehicles in lieu of the motor vehicle excise tax; imposing a penalty; amending Minnesota Statutes 1986, section 168.011, subdivision 4, and by adding a subdivision; 168.12, subdivision 2a; 168.125; 169.145; 169.67, subdivisions 3 and 4; 169.71, subdivision 4; 169.82; 173.085; 297B.02, subdivision 2, and by adding a subdivision; and 297B.025; proposing coding for new law in Minnesota Statutes, chapter 168.

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 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. 2468, A bill for an act relating to economic development; authorizing the commissioner to award set-aside procurements to local small businesses; amending Minnesota Statutes 1986, section 16B.19, subdivision 5; Minnesota Statutes 1987 Supplement, sections 16B.19, subdivision 6; and 645.445, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Anderson, G., moved that the House concur in the Senate amendments to H. F. No. 2468 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2468, A bill for an act relating to economic development; authorizing the commissioner to report on geographical distribution of set-aside awards for small businesses; amending Minnesota Statutes 1986, section 16B.19, subdivision 5; Minnesota Statutes 1987 Supplement, section 645.445, subdivision 5.

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

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

Those who voted in the affirmative were:

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

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

The bill was repassed, as amended by the Senate, 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.

Larsen was excused between the hours of 6:00 p.m. and 8:00 p.m.

## CALL OF THE HOUSE

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

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

Voss  
Wagenius

Waltman  
Welle

Wenzel  
Winter

Wynia  
Spk. Vanasek

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.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1749

A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

April 20, 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. 1749, 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. 1749 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 296.02, subdivision 1b, is amended to read:

Subd. 1b. [RATES IMPOSED.] The gasoline excise tax is imposed at the following rate:

(a) For the period beginning on the first day of the month following the month of final enactment of Laws 1983, chapter 17; or on the first day of the second month following the month of final enactment of Laws 1983, chapter 17 if the date of final enactment of Laws 1983, chapter 17 is within 15 days of the end of the month, and ending December 31, 1983, gasoline is taxed at the rate of 16 cents per gallon.

(b) For the period on and after January 1, 1984, May 1, 1988, gasoline is taxed at the rate of 17 20 cents per gallon.

Sec. 2. Minnesota Statutes 1987 Supplement, section 296.025, subdivision 2a, is amended to read:

Subd. 2a. [TAX IMPOSED FOR RAILROAD USE.] There is imposed an excise tax of, at the same rate of 17 cents per gallon as the gasoline excise tax on special fuel used to propel trains in this state and not otherwise taxed as gasoline. The tax shall be computed by using the same method as the gasoline excise tax imposed for railroad use under section 296.02, subdivision 2a, and shall be payable at the times, in the manner, and by the persons specified in this chapter.

Sec. 3. Minnesota Statutes 1987 Supplement, section 296.025, subdivision 2b, is amended to read:

Subd. 2b. [TAX IMPOSED FOR BARGE USE.] There is imposed an excise tax of, at the same rate of 17 cents per gallon as the gasoline excise tax on special fuel used to propel barges in this state and not otherwise taxed as gasoline. The tax shall be computed by using the same method as the gasoline excise tax imposed for barge use under section 296.02, subdivision 2b, and shall be payable at the times, in the manner, and by the persons specified in this chapter.

Sec. 4. Minnesota Statutes 1986, section 296.026, subdivision 2, as amended by Laws 1988, chapter 450, section 4, is amended to read:

Subd. 2. [PERMIT FEES IMPOSED.] The fees for annual alternate fuel permits are based on each vehicle's mileage in the preceding year and are as follows:

Gross Vehicle Weight	Fee
Under 6,000 pounds	<del>\$7.50</del> <u>\$8.80</u> per 1,000 miles
6,001 - 12,000 pounds	<del>\$ 9</del> <u>\$10.60</u> per 1,000 miles
12,001 - 18,000 pounds	<del>\$16</del> <u>\$18.80</u> per 1,000 miles
18,001 - 26,000 pounds	<del>\$23</del> <u>\$27.10</u> per 1,000 miles
26,001 - 36,000 pounds	<del>\$27</del> <u>\$31.80</u> per 1,000 miles
Over 36,000 pounds	<del>\$34</del> <u>\$40.00</u> per 1,000 miles

A log with validating receipts pertaining to the vehicle's out of state mileage may be supplied to the commissioner of public safety at the time of permit application to be subtracted from the actual mileage for the purpose of calculating the permit fee. If no true cumulative mileage figures are available for the preceding year, the fee charged under this section must be based on 15,000 miles driven within the state.

The fee for a permit required by this section must be calculated

based on the number of unexpired months remaining in the registration year of the vehicle as measured from the date of the occurrence of the event requiring the permit.

Sec. 5. Minnesota Statutes 1987 Supplement, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited to the ~~highway user tax distribution fund and the transit assistance fund~~ as provided in this subdivision, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.

Five (b) Thirty percent of the money collected and received under this chapter after June 30, 1988, and before July 1, 1991, must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment as provided in this section. Of the money deposited under this section, follows: 75 percent must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.

(c) Thirty percent of the money collected and received under this chapter after June 30, 1991, must be deposited in the trunk highway fund and the transit assistance fund for apportionment as follows: 75 percent must be credited to the trunk highway fund and the remaining 25 percent must be credited to the transit assistance fund.

(b) (d) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the



highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period.

Sec. 6. [TRANSPORTATION STUDY BOARD.]

Subdivision 1. [BOARD CREATED; MEMBERSHIP.] A transportation study board is created to consist of the following members:

(1) four members of the senate, with not more than three of the same political party, appointed by the senate committee on committees;

(2) four members of the house of representatives, with not more than three of the same political party, appointed by the speaker of the house;

(3) thirteen members appointed by the governor, with at least one member but not more than two members from each congressional district. The governor shall appoint members so that at least one member represents each of the following:

(i) business, commerce and industry;

(ii) labor;

(iii) agriculture;

(iv) tourism;

(v) natural resources industries; and

(vi) local government.

Vacancies on the board shall be filled by the appointing authority. The board shall elect from among its members a chair, who must be a member of the legislature, and other officers as it deems necessary.

Subd. 2. [STUDIES.] (a) The board shall conduct a study of Minnesota's surface transportation needs into the 21st century and recommend a program for making transportation improvements to meet those needs.

(b) The board shall consider state policy toward highways, transit and rail service, including:

(1) state transportation goals and objectives;

(2) the present level of transportation service in Minnesota and the feasibility and desirability of alternative levels of service;

(3) how statewide and regional transportation planning is done and investment priorities determined, and whether changes are needed in these processes; and

(4) the extent to which the state should contribute financially to local and regional transportation activities.

(c) The board shall consider methods of providing more cost-effective transportation service, including:

(1) increased use of public-private partnerships;

(2) present and alternative methods of relating transportation expenditures to benefits;

(3) potential cost-saving measures in the department of transportation, including changes in department staffing levels; and

(4) departmental procedures for bid-letting and establishment of design standards.

(d) The board shall consider whether additional funding is required to accomplish transportation goals and objectives, and if so, desirable and feasible sources of revenue, including non-traditional sources.

Subd. 3. [COMPENSATION.] The compensation of nonlegislator members and their removal from office are as provided in Minnesota Statutes, section 15.059. Members who are legislators must be compensated in the same manner as for other legislative meetings. Compensation for legislators and nonlegislators must be paid from the appropriation in section 7, paragraph (a).

Subd. 4. [REPORTS.] The board shall make a preliminary report to the chairs of the senate and house committees on transportation, the senate committee on finance and the house committee on appropriations not later than March 15, 1989. The board shall make

a final report to the legislature and governor on its findings and recommendations not later than January 15, 1991.

Subd. 5. [STAFF ASSISTANCE.] The commission may by contract obtain the services of consultants as it deems necessary, and all consultant contracts must be approved by the legislative coordinating commission. The board may obtain the assistance of the legislative auditor in carrying out its duties. The commissioners of transportation, administration, public safety and planning shall cooperate with the board in conducting its studies and provide assistance and information as the board requires.

Sec. 7. [APPROPRIATION.]

(a) \$300,000 is appropriated from the highway user tax distribution fund to the transportation study board for the purposes of section 6. This appropriation is available until January 15, 1991.

(b) \$11,933,000 is appropriated from the general fund for fiscal year 1989 for the purposes indicated. One-half of the amounts in clauses (1) and (2) must be transferred to the funds indicated on July 15, 1988, and one-half on January 15, 1989.

(1) To the highway user tax distribution fund \$8,950,000

(2) To the transit assistance fund 2,983,000

(c) \$117,000,000 is appropriated to the commissioner of transportation for fiscal year 1989 for highway development. Of this amount:

\$71,900,000 is from the trunk highway fund;

\$34,600,000 is from the county state-aid highway fund; and

\$10,500,000 is from the municipal state-aid street fund.

In spending this appropriation, the commissioner shall give priority to highway projects that were programmed for 1988-1989 highway development but were deferred.

(d) \$4,800,000 is appropriated to the commissioner of transportation for fiscal year 1989 from the trunk highway fund for construction support.

(e) \$10,500,000 is appropriated to the commissioner of transportation for fiscal year 1989 from the trunk highway fund for program delivery.

## Sec. 8. [REPEALER.]

Laws 1987, chapter 268, article 18, section 5, is repealed.

## Sec. 9. [EFFECTIVE DATE.]

Sections 1, 2, and 3 are effective May 1, 1988, and apply to gasoline and special fuel in distributor storage on that date. Section 4 is effective May 1, 1988. Section 6 is effective the day following final enactment. Sections 5, 7, and 8 are effective July 1, 1988, except that the appropriation in section 7, paragraph (a), is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to transportation; increasing the excise tax on gasoline and special fuel to 20 cents per gallon; increasing the fees for alternate fuel permits; providing for the distribution of motor vehicle excise tax revenue; creating a transportation study board; repealing the contingent income tax increase provision; appropriating money; amending Minnesota Statutes 1986, sections 296.02, subdivision 1b; and 296.026, subdivision 2, as amended; Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1; repealing Laws 1987, chapter 268, article 18, section 5."

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

House Conferees: HENRY J. KALIS, BERNARD L. LIEDER, ARTHUR W. SEABERG, BOB JENSEN AND DOUGLAS W. CARLSON.

Senate Conferees: CLARENCE M. PURFEERST, LEROY A. STUMPF, KEITH LANGSETH, GARY M. DECramer AND MARILYN M. LANTRY.

Kalis moved that the report of the Conference Committee on H. F. No. 1749 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Kalis motion and the roll was called.

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

There were 71 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Krueger	Olson, E.	Scheid
Anderson, R.	Greenfield	Lasley	Olson, K.	Seaberg
Battaglia	Jefferson	Lieder	Orenstein	Segal
Bertram	Jennings	McEachern	Osthoff	Skoglund
Bishop	Jensen	McLaughlin	Otis	Solberg
Brown	Johnson, A.	Milbert	Pappas	Sparby
Carlson, D.	Johnson, R.	Minne	Pauly	Steensma
Carlson, L.	Kahn	Munger	Peterson	Trimble
Carruthers	Kalis	Murphy	Price	Tunheim
Clark	Kelly	Nelson, C.	Reding	Vellenga
Cooper	Kelso	Nelson, D.	Rice	Welle
Dauner	Kludt	Nelson, K.	Riveness	Wenzel
DeBlicek	Knuth	Neuenschwander	Rodosovich	Winter
Dille	Kostohryz	Ogren	Rukavina	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Beard	Frerichs	Marsh	Quinn	Swenson
Begich	Gruenes	McKasy	Quist	Thiede
Bennett	Gutknecht	McPherson	Redalen	Tjornhom
Blatz	Hartle	Miller	Rest	Tompkins
Boo	Haukoos	Morrison	Richter	Uphus
Burger	Heap	O'Connor	Rose	Valento
Clausnitzer	Himle	Olsen, S.	Sarna	Voss
Dawkins	Hugoson	Omman	Schafer	Wagenius
Dempsey	Jacobs	Onnen	Schreiber	Waltman
DeRaad	Johnson, V.	Ozment	Shaver	
Forsythe	Kinkel	Pelowski	Stanius	
Frederick	Knickerbocker	Poppenhagen	Sviggum	

The motion prevailed.

H. F. No. 1749, A bill for an act relating to transportation; increasing the tax on gasoline and special fuel to 20 cents per gallon; increasing the share of motor vehicle excise tax revenues dedicated to highways and transit to 35 percent; amending Minnesota Statutes 1986, section 296.02, subdivision 1b; and Minnesota Statutes 1987 Supplement, sections 296.025, subdivisions 2a and 2b; and 297B.09, subdivision 1.

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.

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

There were 71 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Bishop	Carlson, L.	Cooper	DeBlicek
Anderson, R.	Brown	Carruthers	Dauner	Dille
Battaglia	Carlson, D.	Clark	Dawkins	Dorn

Greenfield	Kludt	Nelson, K.	Redalen	Trimble
Jacobs	Knuth	Neuenschwander	Reding	Tunheim
Jaros	Krueger	Ogren	Rice	Vellenga
Jefferson	Lasley	Olson, E.	Riveness	Welle
Jennings	Lieder	Olson, K.	Rodosovich	Wenzel
Jensen	McEachern	Orenstein	Rukavina	Winter
Johnson, A.	McLaughlin	Osthoff	Scheid	Wynia
Johnson, R.	Milbert	Otis	Seaberg	Spk. Vanasek
Kahn	Minne	Pappas	Segal	
Kalis	Munger	Pauly	Solberg	
Kelly	Murphy	Peterson	Sparby	
Kelso	Nelson, D.	Price	Steensma	

Those who voted in the negative were:

Beard	Frerichs	Marsh	Poppenhagen	Swenson
Begich	Gruenes	McKasy	Quinn	Thiede
Bennett	Gutknecht	McPherson	Quist	Tjornhom
Bertram	Hartle	Miller	Rest	Tompkins
Blatz	Haukoos	Morrison	Richter	Uphus
Boo	Heap	Nelson, C.	Rose	Valento
Burger	Himle	O'Connor	Sarna	Voss
Clausnitzer	Hugoson	Olsen, S.	Schafer	Wagenius
Dempsey	Johnson, V.	Omann	Schreiber	Waltman
DeRaad	Kinkel	Onnen	Skoglund	
Forsythe	Knickerbocker	Ozment	Stanius	
Frederick	Kostohryz	Pelowski	Svigum	

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

## MESSAGES FROM THE SENATE, Continued

The following messages were received from 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. 453, A bill for an act relating to state investments; encouraging corporations in Northern Ireland to pursue affirmative action policies; proposing coding for new law in Minnesota Statutes, chapter 11A.

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 has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2396, A bill for an act relating to education; authorizing the sale of college savings bonds; requiring a market and feasibility study and report; authorizing the issuance of zero coupon bonds; appropriating money.

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. 2407, A bill for an act relating to the state and local governments; providing that municipal volunteers are employees for purposes of tort claims; providing that employees and officers of the world trade center board and greater Minnesota corporation are state employees for purposes of state tort claims; providing that officers and directors of public corporations are immune from liability under standards for nonprofit corporations; clarifying immunity from civil liability for certain athletic officials; amending Minnesota Statutes 1986, sections 317.22, subdivision 4; 317.28; 466.01, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 44A.02, subdivision 3; 116O.03, by adding a subdivision; 116O.04, subdivision 2; 317.201, subdivision 1; 340A.801, subdivisions 1 and 4; 340A.802; and 604.08, subdivision 1.

The Senate has appointed as such Committee:

Messrs. Luther, Cohen and Ramstad.

Said House File is herewith returned to the House.

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:

S. F. No. 63.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 63

A bill for an act relating to motor vehicles; providing that passenger automobile license plates be issued for a six-year period; providing for license plate replacement fees; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5; repealing Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4.

April 19, 1988

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Robert Vanasek  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 63, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 63 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 168.011, is amended by adding a subdivision to read:

Subd. 5a. [REGISTERED OWNER.] “Registered owner” means any person, firm, association, or corporation, other than a secured party, having title to a motor vehicle. If a passenger automobile, as defined in subdivision 7, is under lease for a term of 180 days or more, the lessee is deemed to be the registered owner, for purposes of registration only, provided that the application for renewal of the registration of a passenger automobile described in this subdivision shall be sent to the lessor.

Sec. 2. Minnesota Statutes 1986, section 168.013, subdivision 7, is amended to read:

Subd. 7. [AGENTS.] Any act required herein of an a registered owner may be performed in the registered owner's behalf by a duly authorized agent. Any person having a lien upon, or claim to, any motor vehicle may pay any tax due thereon to prevent the penalty for



delayed registration from accruing, but the registration certificate and number plates shall not be issued until legal ownership is definitely determined.

Sec. 3. Minnesota Statutes 1986, section 168.041, subdivision 7, is amended to read:

Subd. 7. If an a registered owner wishes to sell a motor vehicle during the time its registration plates and registration certificate are impounded or during the time its registration plates bear a special series number, the registered owner may apply to the court which impounded such plates and certificate, for consent to transfer title to the motor vehicle. If the court is satisfied that the proposed sale is in good faith and for a valid consideration, that the registered owner will thereby be deprived of the custody and control of the motor vehicle, and that the sale is not for the purpose of circumventing the provisions of this section, it may certify its consent to the registrar of motor vehicles and return the impounded registration plates and certificates. If during the time the registration plates and certificate of registration are impounded the title to said motor vehicle is transferred by the foreclosure of a chattel mortgage, the cancellation of a conditional sales contract, a sale upon execution, or by decree or order of a court of competent jurisdiction, the court shall order the license plates and registration certificate surrendered to the new registered owner and notify the registrar of motor vehicles of such action. The registrar of motor vehicles shall then transfer the registration plates and registration certificates to the new registered owner.

Sec. 4. Minnesota Statutes 1986, section 168.10, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] Except as provided in subdivisions 1a, 1b, 1c, 1d, 1g, and 1h, every registered owner of any motor vehicle in this state, not exempted by section 168.012 or 168.26, shall as soon as registered ownership of a motor vehicle is acquired and annually thereafter during the period provided in section 168.31, file with the commissioner of public safety on a blank provided by the commissioner a listing for taxation and application for the registration of such vehicle, stating the first, middle and last names, the dates of birth, and addresses of all registered owners thereof who are natural persons, the full names and addresses of all other registered owners, the name and address of the person from whom purchased, make of motor vehicle, year and number of the model, manufacturer's identification number or serial number, type of body, the weight of the vehicle in pounds, for trailers only, its rated load carrying capacity and for buses only, its seating capacity, and such other information as the commissioner may require. Any false statement willfully and knowingly made in regard thereto shall be deemed perjury and punished accordingly. The listing and application for registration by dealers or manufacturers' agents within the

state, of motor vehicles received for sale or use within the state shall be accepted as compliance with the requirements of this chapter, imposed upon the manufacturer.

Registration shall be refused a motor vehicle if the original identification or serial number has been destroyed, removed, altered, covered or defaced. However, if the commissioner is satisfied on the sworn statements of the registered owner or registered owners or such other persons as the commissioner may deem advisable that the applicant is the legal owner, a special identification number in the form prescribed by the commissioner shall be assigned to the motor vehicle. When it has been determined that the number had been affixed to such vehicle in a manner prescribed by the commissioner, the vehicle may thereafter be registered in the same manner as other motor vehicles. In the case of a new or rebuilt motor vehicle manufactured or assembled without an identification or serial number, the commissioner may assign an identification number to the motor vehicle in the same manner as prescribed heretofore.

Sec. 5. Minnesota Statutes 1986, section 168.11, subdivision 1, is amended to read:

Subdivision 1. The registrar shall file such application and, upon approval thereof and upon payment of the motor vehicle tax, as herein provided, together with all arrears and penalties, if any, and upon the delivery to the registrar of the duly endorsed registration certificate of title of the former owner, as hereinafter provided in chapter 168A, ~~or proof of loss provided in lieu thereof~~, shall assign to it a distinctive number and issue to the registered owner a registration certificate, which shall contain the full name and date of birth, place of residence, with street and number, if in a city, and post office address of the registered owner, a specific description of the vehicle, and the number assigned, together with a place on the face of the certificate in which the registered owner shall, immediately upon receipt thereof, place the registered owner's signature and, ~~on the reverse side thereof, an assignment and notice of sale or termination of ownership, with places for the signatures of both seller and purchaser, and a place for assignment of the credit for the tax.~~ The registration certificate shall be retained by the registered owner until expiration ~~or surrender~~, as herein provided. When in administering this chapter convenience or necessity requires, the registration certificate ~~may also be called or referred to as the registration card~~ shall be used in lieu of the certificate of title on vehicles exempt from chapter 168A.

Sec. 6. Minnesota Statutes 1986, section 168.12, subdivision 1, is amended to read:

Subdivision 1. [NUMBER PLATES; VISIBILITY, PERIODS OF ISSUANCE.] The registrar, upon the approval and payment, shall issue to the applicant the number plates required by law, bearing

the state name and the number assigned. The number assigned may be a combination of a letter or sign with figures. The color of the plates and the color of the abbreviation of the state name and the number assigned shall be in marked contrast. The plates shall be lettered, spaced, or distinguished to suitably indicate the registration of the vehicle according to the rules of the registrar, and when a vehicle is registered on the basis of total gross weight, the plates issued shall clearly indicate by letters or other suitable insignia the maximum gross weight for which the tax has been paid. These number plates shall be so treated as to be at least 100 times brighter than the conventional painted number plates. When properly mounted on an unlighted vehicle, these number plates, when viewed from a vehicle equipped with standard headlights, shall be visible for a distance of not less than 1,500 feet and readable for a distance of not less than 110 feet. The registrar shall issue these number plates for the following periods:

(1) Number plates issued pursuant to sections 168.27, subdivisions 16 and 17, and 168.053 shall be for a one-year period;

(2) New number plates issued pursuant to section 168.012, subdivision 1, shall be issued to a vehicle for as long as it is owned by the exempt agency and shall not be transferable from one vehicle to another but may be transferred with the vehicle from one tax exempt agency to another;

(3) Plates issued for passenger automobiles as defined in section 168.011, subdivision 7, ~~motorcycles, motorized bicycles, and motor scooters~~ shall be issued for a ~~six-year~~ seven-year period starting not later than October 1986, or until the next general reissuance of plates every six years thereafter, whichever is less; and, All plates issued under this paragraph must be replaced if they are seven years old or older at the time of annual registration or will become so during the registration period.

(4) Plates for any vehicle not specified in clauses (1), (2) and (3), except for trailers as hereafter provided, shall be issued for the life of the vehicle. Beginning with number plates issued for the year 1981, plates issued for trailers with a total gross weight of 3,000 pounds or less shall be issued for the life of the trailer and shall be not more than seven inches in length and four inches in width.

In a year in which plates are not issued, the registrar shall issue for each registration a tab or sticker to designate the year of registration. This tab or sticker shall show the calendar year or years for which issued, and is valid only for that period. The number plates, number tabs, or stickers issued for a motor vehicle may not be transferred to another motor vehicle during the period for which it is issued.

Notwithstanding any other provision of this subdivision, number

plates issued to a vehicle which is used for behind-the-wheel instruction in a driver education course in a public school may be transferred to another vehicle used for the same purpose without payment of any additional fee. The registrar shall be notified of each transfer of number plates under this paragraph, and may prescribe a form for notification.

Sec. 7. Minnesota Statutes 1986, section 168.12, subdivision 2a, is amended to read:

Subd. 2a. [PERSONALIZED LICENSE PLATES.] Personalized license plates must be issued to an applicant for registration of a passenger automobile, van, or pickup truck, motorcycle, or self-propelled recreational vehicle, upon compliance with the laws of this state relating to registration of the vehicle and upon payment of a one-time fee of \$100 in addition to the registration tax required by law for the vehicle. The commissioner shall designate a replacement fee for personalized license plates that is calculated to cover the cost of replacement. This fee must be paid whenever the law requires the personalized license plates to be replaced. In lieu of the numbers assigned as provided in subdivision 1, personalized license plates must have imprinted on them a series of not more than six numbers and letters in any combination. When an applicant has once obtained personalized plates, the applicant shall have a prior claim for similar personalized plates in the next succeeding year that plates are issued if application is made for them at least 30 days before the first date that registration can be renewed. The commissioner of public safety shall adopt rules in the manner provided by chapter 14, regulating the issuance and transfer of personalized license plates. No words or combination of letters placed on personalized license plates may be used for commercial advertising, be of an obscene, indecent, or immoral nature, or be of a nature that would offend public morals or decency. The call signals or letters of a radio or television station are not commercial advertising for the purposes of this subdivision.

Notwithstanding the provisions of subdivision 1, personalized license plates issued under this subdivision may be transferred to another motor vehicle owned or jointly owned by the applicant, upon the payment of a fee of \$5, which must be paid into the state treasury and credited to the highway user tax distribution fund. The registrar may by rule provide a form for notification.

Notwithstanding any law to the contrary, if the personalized license plates are lost, stolen, or destroyed, the applicant may apply and shall receive duplicate license plates bearing the same combination of letters and numbers as the former personalized plates upon the payment of a \$5 fee.

The fee prescribed for personalized license plates must be paid only in those years in which the number plate itself is issued, and

must not be payable in a year in which a year plate, tab, or sticker is issued in lieu of a number plate.

Fees from the sale of permanent and duplicate personalized license plates must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 8. Minnesota Statutes 1986, section 168.12, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL FEE.] In addition to any fee otherwise authorized or any tax otherwise imposed upon any motor vehicle, the payment of which is required as a condition to the issuance of any number license plate or plates, the commissioner of public safety may impose a fee of \$2 for a license plate for a motorcycle, motorized bicycle, or motorized sidecar, and ~~\$3~~ \$2 for license plates, other than license plates issued pursuant to section 168.27, subdivisions 16 and 17, for passenger automobiles; ~~provided that no fee is required for plates issued within one calendar year before a general reissuance of plates under subdivision 1.~~ Graphic design license plates shall only be issued for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

Sec. 9. Minnesota Statutes 1986, section 168.13, is amended to read:

#### 168.13 [PROOF OF OWNERSHIP.]

The registrar shall approve no application and issue no number plates for any motor vehicle, ~~except such as may have come direct from the manufacturer, or from another state, unless and until the registration title certificate theretofore issued or proof of loss thereof by sworn statement shall be under chapter 168A is delivered to the registrar, who shall be satisfied from the records that all taxes and fees due hereunder shall have been paid, and endorsements upon the certificate or sworn proof of loss, are in writing, and have been signed by the seller and purchaser, shall furnish proof that the applicant for registration is paying or receiving credit for the tax upon the vehicle of which the applicant is the rightful possessor; or, in case such certificate or proof is not available, the registrar, or the registrar's deputy, shall be satisfied of such fact by personal view of the motor vehicle serial and motor numbers and by proof of the claim of ownership thereof.~~

Motor vehicles brought into Minnesota from other states shall not be registered or have number plates issued therefor until such registration certificate or other evidence of title as may reasonably be required from the registrant within that state be surrendered to the registrar in the same manner as certificates of this state, or in lieu thereof, such view and evidence of the chain of ownership be had

as will assure the payment of the proper tax so long as the motor vehicle shall be in the state.

Sec. 10. Minnesota Statutes 1986, section 168.33, subdivision 3, is amended to read:

Subd. 3. [RECORD.] The registrar shall keep a suitable record of all motor vehicles registered in the registrar's office, indexed, according to registration number, according to name of the registered owner, according to make of motor vehicle and the factory identification number for such makes as are so identified or according to the serial number of such makes as are so identified until the manufacturers thereof adopt and use an identification number, and according to such other information as the registrar shall deem advisable. Duplicates of the certificate of registration shall be used, until a more efficient system is evolved, to make the registration number and registered owner's indexes herein required, and such other copies as are desirable. The registrar may furnish to any one applying therefor transcripts of such records for not less than the cost of preparing the same; provided, that any sums in excess of such cost received by the registrar for furnishing such transcripts shall be paid by the registrar into the state treasury. The registrar shall also furnish copies thereof, without charge, to the chiefs of police of the cities of Minneapolis, St. Paul, and Duluth.

Sec. 11. Minnesota Statutes 1986, section 168A.10, is amended by adding a subdivision to read:

Subd. 6. Every owner or transferor of a motor vehicle who fails or delays for more than 14 days to file the transfer of ownership with the registrar shall pay the registrar a fee of \$2.

Sec. 12. [APPROPRIATION.]

\$103,000 is appropriated from the highway user tax distribution fund to the commissioner of public safety to implement sections 1 to 5, and 9 to 11.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, section 168.30, is repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 6 and 8 are effective January 1, 1989. Section 7 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to motor vehicles; providing for registration of motor vehicles by long-term lessees; providing that passenger automobile license plates be issued for a seven-year period; providing for license plate replacement and late ownership transfer fees; appropriating money; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; 168.013, subdivision 7; 168.041, subdivision 7; 168.10, subdivision 1; 168.11, subdivision 1; 168.12, subdivisions 1, 2a, and 5; 168.13; and 168.33, subdivision 3; 168A.10, by adding a subdivision; repealing Minnesota Statutes 1986, section 168.30."

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

Senate Conferees: MARILYN M. LANTRY, MEL FREDERICK AND CLARENCE M. PURFEERST.

House Conferees: HENRY KALIS, GERALD KNICKERBOCKER AND ALICE M. JOHNSON.

Kalis moved that the report of the Conference Committee on S. F. No. 63 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 63, A bill for an act relating to motor vehicles; providing that passenger automobile license plates be issued for a six-year period; providing for license plate replacement fees; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5; repealing Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4.

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.

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

There were 88 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Forsythe	Kelly	Olson, K.	Scheid
Battaglia	Frederick	Kludt	Omann	Schreiber
Bauerly	Frerichs	Knickerbocker	Onnen	Seaberg
Beard	Greenfield	Knuth	Osthoff	Segal
Bennett	Gruenes	Kostohryz	Otis	Solberg
Bertram	Gutknecht	Lasley	Ozment	Stanius
Bishop	Hartle	Lieder	Pappas	Sviggum
Boo	Haukoos	Marsh	Pauly	Swenson
Brown	Heap	McDonald	Poppenhagen	Tompkins
Burger	Himle	McEachern	Price	Trimble
Carlson, D.	Hugoson	McPherson	Quinn	Tunheim
Carlson, L.	Jacobs	Minne	Redalen	Valento
Clausnitzer	Jefferson	Munger	Riveness	Wenzel
Dauner	Jennings	Murphy	Rodosovich	Winter
Dawkins	Johnson, A.	Nelson, K.	Rose	Wynia
Dempsey	Johnson, V.	O'Connor	Rukavina	Spk. Vanasek
DeRaad	Kahn	Ogren	Sarna	
Dorn	Kalis	Olson, E.	Schafer	

Those who voted in the negative were:

Anderson, G.	Jensen	Milbert	Quist	Tjornhom
Begich	Johnson, R.	Miller	Reding	Uphus
Blatz	Kelso	Nelson, C.	Rest	Voss
Carruthers	Kinkel	Neuenschwander	Richter	Wagenius
Clark	Krueger	Olsen, S.	Shaver	Waltman
Cooper	Long	Orenstein	Skoglund	Welle
DeBlieck	McKasy	Pelowski	Steensma	
Dille	McLaughlin	Peterson	Thiede	

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

The Speaker called Long to the Chair.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON 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.



April 20, 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. 2182, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2182 be further amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### Section 1. [CONSTITUTIONAL AMENDMENT PROPOSED; ENVIRONMENTAL AND NATURAL RESOURCES TRUST FUND.]

Subdivision 1. [AMENDMENT.] The following amendment to the Minnesota Constitution, adding a section to article XI, is proposed to the people. If the amendment is adopted, the section will read as follows:

Sec. 14. A permanent Minnesota environment and natural resources trust fund is established in the state treasury. The principal of the environment and natural resources trust fund must be perpetual and inviolate forever, except appropriations may be made from up to 25 percent of the annual revenues deposited in the fund until fiscal year 1997 and loans may be made of up to five percent of the principal of the fund for water system improvements as provided by law. This restriction does not prevent the sale of investments at less than the cost to the fund, however, all losses not offset by gains shall be repaid to the fund from the earnings of the fund. The net earnings from the fund shall be appropriated in a manner prescribed by law for the public purpose of protection, conservation, preservation, and enhancement of the state's air, water, land, fish, wildlife, and other natural resources.

Subd. 2. [SUBMISSION TO VOTERS.] The proposed amendment must be submitted to the people at the 1988 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to establish a

Minnesota environment and natural resources trust fund for environmental, natural resource, and wildlife purposes?

Yes .....  
No .....

**Sec. 2. [CONSTITUTIONAL AMENDMENT; PROPOSED LOTTERY.]**

Subdivision 1. [AMENDMENT.] The following amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article XIII, section 5, will read as follows:

Sec. 5. The legislature shall not authorize any lottery or the sale of lottery tickets, other than authorizing a lottery and sale of lottery tickets for a lottery operated by the state.

Subd. 2. [SUBMISSION TO VOTERS.] The proposed amendment shall be submitted to the people at the 1988 general election. The question submitted shall be:

“Shall the Minnesota Constitution be amended to permit the legislature to authorize a lottery operated by the state?”

Yes .....  
No .....

**Sec. 3. Minnesota Statutes 1986, section 88.80, subdivision 2, is amended to read:**

Subd. 2. [PILOT PROJECT.] The commissioner shall establish an aspen recycling program pilot project in the highest priority area on state lands in order to develop effective program procedures and practices. With respect to the pilot project, the commissioner may restrict bidding on contracts for the cutting, removal, and disposal of aspens, and for related activities, to loggers and others residing in the pilot project area designated under the program that are financially distressed. The commissioner may establish standards and procedures for awarding logging contracts under section 86.35, notwithstanding chapter 14, relating to eligibility for employment for conservation work projects.

**Sec. 4. Minnesota Statutes 1987 Supplement, section 116C.69, subdivision 3, is amended to read:**

Subd. 3. [FUNDING; ASSESSMENT.] The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site and route designation, from an assessment made

quarterly, at least 30 days before the start of each quarter, by the board against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

Until June 30, 1992, the assessment shall also include an amount sufficient to cover 60 percent of the costs to the pollution control agency of achieving, maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45, reprinting informational booklets on acid rain, and costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. The director of the pollution control agency must prepare a work plan and budget and submit them annually by June 30 to the pollution control agency board. The agency board must take public testimony on the budget and work plan. After the agency board approves the work plan and budget they must be submitted annually to the legislative commission on ~~Minnesota resources waste management~~ for review and recommendation before an assessment is levied. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all these utilities, multiplied by 0.333, as determined by the board. The assessment shall be credited to the special revenue fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision plus 60 percent of the annual budget of the pollution control agency for achieving, maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45, for reprinting informational booklets on acid rain, and for costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board and the pollution control agency for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 5. [116P.01] [FINDINGS.]

The legislature finds that all Minnesotans share the responsibility to ensure wise stewardship of the state's environment and natural resources for the benefit of current citizens and future generations. Proper management of the state's environment and natural resources includes and requires foresight, planning, and long-term activities that allow the state to preserve its high quality

environment and provides for wise use of its natural resources. The legislature also finds that to undertake such activities properly, a long-term, consistent, and stable source of funding must be provided.

Sec. 6. [116P.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 5 to 17.

Subd. 2. [ADVISORY COMMITTEE.] "Advisory committee" means the advisory committee created in section 10.

Subd. 3. [BOARD.] "Board" means the state board of investment.

Subd. 4. [COMMISSION.] "Commission" means the Minnesota future resources commission.

Subd. 5. [NATURAL RESOURCES.] "Natural resources" includes the outdoor recreation system under section 86A.04 and regional recreation open space systems as defined under section 473.351, subdivision 1.

Subd. 6. [TRUST FUND.] "Trust fund" means the Minnesota environment and natural resources trust fund established under Minnesota Constitution, article XI, section 14.

Sec. 7. [116P.03] [TRUST FUND NOT TO SUPPLANT EXISTING FUNDING.]

(a) The trust fund may not be used as a substitute for traditional sources of funding environmental and natural resources activities, but the trust fund shall supplement the traditional sources, including those sources used to support the criteria in section 12, subdivision 1. The trust fund must be used primarily to support activities whose benefits become available only over an extended period of time.

(b) The commission must determine the amount of the state budget spent from traditional sources to fund environmental and natural resources activities before and after the trust fund is established and include a comparison of the amount in the report under section 13, subdivision 7.

Sec. 8. [116P.04] [TRUST FUND ACCOUNT]

Subdivision 1. [ESTABLISHMENT OF ACCOUNT AND INVESTMENT.] A Minnesota environment and natural resources trust fund, under article XI, section 14, of the Minnesota Constitution, is established as an account in the state treasury. The

commissioner of finance shall credit to the trust fund the amounts authorized under this section and section 14. The state board of investment shall ensure that trust fund money is invested under section 11A.24. All money earned by the trust fund must be credited to the trust fund. The principal of the trust fund and any unexpended earnings must be invested and reinvested by the state board of investment.

Subd. 2. [LOTTERY PROCEEDS.] Through the first five full fiscal years, during which proceeds from the lottery are received, the commissioner of finance shall credit one-half of the net lottery proceeds from the state-operated lottery to the trust fund. Thereafter, the commissioner shall credit up to one-half, as determined by law each biennium, of the net proceeds from the state-operated lottery to the trust fund.

Subd. 3. [REVENUE.] Revenue collected in accordance with subdivision 2 must be deposited monthly in the trust fund account. Nothing in sections 5 to 16 limits the source of contributions to the trust fund.

Subd. 4. [GIFTS AND DONATIONS.] Gifts and donations, including land or interests in land, may be made to the trust fund. Noncash gifts and donations must be disposed of for cash as soon as the board prudently can maximize the value of the gift or donation. Gifts and donations of marketable securities may be held or be disposed of for cash at the option of the board. The cash receipts of gifts and donations of cash or capital assets and marketable securities disposed of for cash must be credited immediately to the principal of the trust fund. The value of marketable securities at the time the gift or donation is made must be credited to the principal of the trust fund and any earnings from the marketable securities are earnings of the trust fund.

Subd. 5. [AUDITS REQUIRED.] (a) The commission shall select a certified public accountant annually to audit the trust fund. The audit must be given to the governor and the legislature and be available to the public.

(b) The legislative auditor shall audit trust fund expenditures to ensure that the money is spent for the purposes provided in the commission's budget plan.

Sec. 9. [116P.05] [MINNESOTA FUTURE RESOURCES COMMISSION.]

(a) A Minnesota future resources commission of 16 members is created, consisting of the chairs of the house and senate committees on environment and natural resources, the chairs of the house appropriations and senate finance committees, six members of the senate appointed by the subcommittee on committees of the com-

mittee on rules and administration, and six members of the house appointed by the speaker. The commission shall develop a budget plan for expenditures from the trust fund and shall adopt a strategic plan as provided in section 12.

(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources account under section 17. At least two members from the senate and two members from the house must be from the minority caucus. Members are entitled to reimbursement for per diem expenses plus travel expenses incurred in the services of the commission.

(c) Members shall appoint a chair who shall preside and convene meetings as often as necessary to conduct duties prescribed by this chapter.

(d) Members shall serve on the commission until their successors are appointed.

(e) Vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out their duties, and vacancies shall be filled in the same manner under paragraph (a).

(f) The commission may adopt bylaws and operating procedures to fulfill their duties under sections 5 to 17.

#### Sec. 10. [116P.06] [ADVISORY COMMITTEE.]

(a) An advisory committee of 11 citizen members shall be appointed by the governor to advise the Minnesota future resources commission on project proposals to receive funding from the trust fund and the development of budget and strategic plans. The governor shall appoint at least one member from each congressional district. The governor shall appoint the chair.

(b) The governor's appointees must be confirmed with the advice and consent of the senate. The membership terms, compensation, removal, and filling of vacancies for citizen members of the advisory committee are governed by section 15.0575.

#### Sec. 11. [116P.07] [RESOURCES CONGRESS.]

The commission must convene a resources congress at least once every biennium. The congress must be open to all interested individuals. The purpose of the congress is to collect public input necessary to allow the commission, with the advice of the advisory committee, to develop a strategic plan to guide expenditures from the trust fund. The congress also may be convened to receive and review reports on trust fund projects.

Sec. 12. [116P.08] [TRUST FUND EXPENDITURES; EXCEPTIONS; PLANS.]

Subdivision 1. [EXPENDITURES.] Money in the trust fund may be spent only for:

(1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;

(2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;

(3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;

(4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;

(5) capital projects for the preservation and protection of unique natural resources;

(6) activities that preserve or enhance fish, wildlife, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;

(7) administrative and investment expenses incurred by the state board of investment in investing deposits to the trust fund; and

(8) administrative expenses subject to the limits in section 13.

Subd. 2. [EXCEPTIONS.] Money from the trust fund may not be spent for:

(1) purposes of environmental compensation and liability under chapter 115B and response actions under chapter 115C;

(2) purposes of municipal water pollution control under the authority of chapters 115 and 116, including combined sewer overflow under section 116.162;

(3) costs associated with the decommissioning of nuclear power plants;

(4) hazardous waste disposal facilities;

(5) solid waste disposal facilities; or

(6) projects or purposes inconsistent with the strategic plan.

Subd. 3. [STRATEGIC PLAN REQUIRED.] (a) The commission shall adopt a strategic plan for making expenditures from the trust fund, including identifying the priority areas for funding for the next six years. The reinvest in Minnesota program must be reviewed by the advisory committee, resources congress and commission during the development of the strategic plan. The strategic plan must be updated every two years. The plan is advisory only. The commission shall submit the plan, as a recommendation, to the house of representatives appropriations and senate finance committees by January 1 of each odd-numbered year.

(b) The advisory committee shall work with the resources congress to develop a draft strategic plan to be submitted to the commission for approval. The commission shall develop the procedures for the resources congress.

(c) The commission may accept or modify the draft of the strategic plan submitted to it by the advisory committee before voting on the plan's adoption.

Subd. 4. [BUDGET PLAN.] (a) Funding may be provided only for those projects that meet the categories established in subdivision 1.

(b) Projects submitted to the commission for funding may be referred to the advisory committee for recommendation, except that research proposals first must be reviewed by the peer review panel. The advisory committee may review all project proposals for funding and may make recommendations to the commission on whether:

(1) the projects meet the standards and funding categories set forth in sections 5 to 16;

(2) the projects duplicate existing federal, state, or local projects being conducted within the state; and

(3) the projects are consistent with the most recent strategic plan adopted by the commission.

(c) The commission must adopt a budget plan to make expenditures from the trust fund for the purposes provided in subdivision 1. The budget plan must be submitted to the governor for inclusion in the biennial budget and supplemental budget submitted to the legislature.

(d) Money in the trust fund may not be spent except under an appropriation by law.

Subd. 5. [PUBLIC MEETINGS.] All advisory committee and



commission meetings must be open to the public. The commission shall attempt to meet at least once in each of the state's congressional districts during each biennium.

Subd. 6. [PEER REVIEW.] (a) Research proposals must include a stated purpose, timeline, potential outcomes and an explanation of the need for the research. All research proposals must be reviewed by a peer review panel before receiving an appropriation from the trust fund.

(b) In conducting research proposal reviews, the peer review panel shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data;

(2) comment on the need for the research and about similar existing information available, if any;

(3) comment on whether the research proposed meets the categories of subdivision 1; and

(4) report to the commission and advisory committee on clauses (1) to (3).

(c) The peer review panel also must review completed research proposals that have received an appropriation from the trust fund and comment and report upon whether the project reached the intended goals.

Subd. 7. [PEER REVIEW PANEL MEMBERSHIP.] (a) The peer review panel must consist of at least five but not more than 11 members who are knowledgeable in general research methods, including but not limited to the areas of air quality research, water research, forest research, fish and wildlife management research, environmental health research, and soil conservation research. Not more than two members of the panel may be employees of state agencies.

(b) Members of the peer review panel shall be selected by the commission and serve four-year staggered terms according to section 15.059. The commission may select additional temporary members for any research proposal deemed to be too technical for adequate peer review by the panel in paragraph (a). Members of the peer review panel shall elect a chair every two years who shall be responsible for convening meetings of the panel as often as is necessary to fulfill its duties as prescribed in this section. Compensation of panel members is governed by section 15.059, subdivision 3.

## Sec. 13. [116P:09] [ADMINISTRATION.]

Subdivision 1. [ADMINISTRATIVE AUTHORITY.] The commission may appoint legal and other personnel and consultants necessary to carry out functions and duties of the commission. Permanent employees shall be in the unclassified service. In addition, the commission may request staff assistance and data from any other agency of state government as needed for the execution of the responsibilities of the commission and advisory committee and an agency must promptly furnish it.

Subd. 2. [LIAISON OFFICERS.] The commission shall request each department or agency head of all state agencies with a direct interest and responsibility in any phase of environment and natural resources to appoint, and the latter shall appoint for the agency, a liaison officer who shall work closely with the commission and its staff. The designated liaison officer shall attend all meetings of the advisory committee to provide assistance and information to committee members when necessary.

Subd. 3. [APPRAISAL AND EVALUATION.] The commission shall obtain and appraise information available through private organizations and groups, utilizing to the fullest extent possible studies, data and reports previously prepared or currently in progress by public agencies, private organizations, groups, and others, concerning future trends in the protection, conservation, preservation, and enhancement of the state's air, water, land, forests, fish, wildlife, native vegetation, and other natural resources. Any data compiled by the commission shall be made available to any standing or interim committee of the legislature upon the request of the chair of the respective committee.

Subd. 4. [PERSONNEL.] Persons who are employed by a state agency to work on a project and are paid by an appropriation from the trust fund or Minnesota future resources account are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons for a project is authorized.

Subd. 5. [ADMINISTRATIVE EXPENSE.] (a) The administrative expenses of the commission and advisory committee shall be paid from the Minnesota future resources account until June 30, 1995.

(b) After June 30, 1995, the expenses of the commission and advisory committee combined may not exceed an amount equal to two percent of the total earnings of the trust fund in the preceding fiscal year.

(c) The commission and the advisory committee must include a reasonable amount for their administrative expense in the budget plan for the trust fund.

Subd. 6. [CONFLICT OF INTEREST.] A commission member, advisory committee member, peer review panelist, or an employee of the commission, may not participate in or vote on a decision of the commission, advisory committee, or peer review panel relating to an organization in which the member, panelist, or employee has either a direct or indirect personal financial interest. While serving on the legislative commission, advisory committee, or peer review panel, or being an employee of the commission, a person shall avoid any potential conflict of interest.

Subd. 7. [REPORT REQUIRED.] The commission shall, by July 1 of each even-numbered year, submit a report to the governor, the chairs of the house appropriations and senate finance committees and the chairs of the house and senate committees on environment and natural resources. Copies of the report must be available to the public. The report must include:

- (1) a copy of the current strategic plan;
- (2) a description of each project receiving money from the trust fund and Minnesota future resources account during the preceding two years;
- (3) a summary of any research project completed in the preceding two years;
- (4) recommendations to implement successful projects and programs into a state agency's standard operations;
- (5) to the extent known by the commission, descriptions of the projects anticipated to be supported by the trust fund and Minnesota future resources account during the next two years;
- (6) the source and amount of all revenues collected and distributed by the commission, including all administrative and other expenses;
- (7) a description of the trust fund's assets and liabilities;
- (8) any findings or recommendations that are deemed proper to assist the legislature in formulating legislation;
- (9) a list of all gifts and donations with a value over \$1,000;
- (10) a comparison of the amounts spent by the state for environment and natural resources activities through the most recent fiscal year; and

(11) a copy of the most recent certified financial and compliance audit.

Sec. 14. [116P.10] [ROYALTIES, COPYRIGHTS, PATENTS.]

The trust fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the trust fund equal to the percentage of the project's total funding provided by the trust fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the trust fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the trust fund. Before a project is included in the budget plan, the commission may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the trust fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the trust fund.

Sec. 15. [116P.11] [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

(a) The amount biennially available from the trust fund for the budget plan developed by the commission consists of the interest earnings from the trust fund generated in the preceding two fiscal years ending on the even-numbered year.

(b) For funding projects through fiscal year 1997, the following additional amounts are available from the trust fund for the budget plans developed by the commission:

(1) for the 1991-1993 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1989 and 1990;

(2) for the 1993-1995 biennium, up to 20 percent of the revenue deposited in the trust fund in fiscal year 1991 and up to 15 percent of the revenue deposited in the fund in fiscal year 1992; and

(3) for the 1995-1997 biennium, up to ten percent of the revenue deposited in the fund in fiscal year 1993 and up to five percent of the revenue deposited in the fund in fiscal year 1994.

(c) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.

Sec. 16. [116P.12] [WATER SYSTEM IMPROVEMENT LOAN PROGRAM.]

Subdivision 1. [LOANS AUTHORIZED.] (a) If the principal of the trust fund equals or exceeds \$200,000,000, the commission may vote

to set aside up to five percent of the principal of the trust fund for water system improvement loans. The purpose of water system improvement loans is to offer below market rate interest loans to local units of government for the purposes of water system improvements.

(b) The interest on a loan shall be calculated on the declining balance at a rate four percentage points below the secondary market yield of one-year United States treasury bills calculated according to section 549.09, subdivision 1, paragraph (c).

(c) An eligible project must prove that existing federal or state loans or grants have not been adequate.

(d) Payments on the principal and interest of loans under this section must be credited to the trust fund.

(e) Repayment of loans made under this section must be completed within 20 years.

(f) The Minnesota public facilities authority must report to the commission each year on the loan program under this section.

Subd. 2. [APPLICATION AND ADMINISTRATION.] (a) The commission must adopt a procedure for the issuance of the water system improvement loans by the public facilities authority.

(b) The commission also must ensure that the loans are administered according to its fiduciary standards and requirements.

Sec. 17. [116P.13] [MINNESOTA FUTURE RESOURCES ACCOUNT.]

Subdivision 1. [REVENUE SOURCES.] The money in the Minnesota future resources account consists of revenue credited under section 297.13, subdivision 1, clause (1).

Subd. 2. [INTEREST.] The interest attributable to the investment of the Minnesota future resources account must be credited to the account.

Subd. 3. [REVENUE PURPOSES.] Revenue in the Minnesota future resources account may be spent for purposes of natural resources acceleration and outdoor recreation, including but not limited to the development, maintenance and operation of the state outdoor recreation system under chapter 86A and regional recreation open space systems as defined under section 473.351, subdivision 1.

Sec. 18. Minnesota Statutes 1987 Supplement, section 297.13, subdivision 1, is amended to read:

Subdivision 1. [CIGARETTE TAX APPORTIONMENT.] Revenues received from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue in a separate and special fund, designated as the tobacco tax revenue fund, in the state treasury and credited as follows:

(a) first to the general obligation special tax bond debt service account in each fiscal year the amount required to increase the balance on hand in the account on each December 1 to an amount equal to the full amount of principal and interest to come due on all outstanding bonds whose debt service is payable primarily from the proceeds of the tax to and including the second following July 1; and

(b) after the requirements of paragraph (a) have been met:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a the Minnesota future resources fund account for purposes of natural resources acceleration as provided in chapter 86;

(2) the revenue produced by two mills of the tax on cigarettes weighing not more than three pounds a thousand and four mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16, provided that, if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16 less any amount credited to the general obligation special tax debt service account under paragraph (a), with respect to bonds issued for the prevention, control, and abatement of water pollution;

(3) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a public health fund, provided that if the tax on cigarettes imposed by United States Code, title 26, section 5701, as amended, is reduced after June 1, 1985, an additional two-tenths of one mill of the tax on cigarettes weighing not more than three pounds a thousand and an additional four-tenths of one mill of the tax on cigarettes weighing more than three pounds a thousand must be credited to the public health fund;

(4) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be credited to the general fund.

Sec. 19. [PERSONNEL TRANSFER.]

All unclassified positions associated with the responsibilities of the legislative commission on Minnesota resources are transferred with their incumbents to the Minnesota future resources commission.

Sec. 20. [TRANSFER OF RIGHTS AND OBLIGATIONS.]

The Minnesota future resources commission is the legal successor in all respects to the legislative commission on Minnesota resources. The rights and obligations under all existing contracts and any right of action to which the legislative commission on Minnesota resources is a party or beneficiary are transferred to the Minnesota future resources commission upon creation.

Sec. 21. [INSTRUCTION TO REVISOR.]

(a) The revisor shall change references to "legislative commission on Minnesota resources" to "Minnesota future resources commission" wherever it appears in the 1988 edition of Minnesota Statutes.

(b) The revisor shall renumber sections 86.33, subdivision 2, as 84.965, subdivision 1; 86.33, subdivision 3, as 84.965, subdivision 2; and 86.78 as 84.966 in the next edition of Minnesota Statutes.

Sec. 22. [REPEALER.]

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 are repealed.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day after final enactment. Sections 3 to 22 are effective the day following adoption by the voters of the constitutional amendment proposed by section 1.

## ARTICLE 2

## GREATER MINNESOTA CORPORATION

Section 1. Minnesota Statutes 1987 Supplement, section 16A.1541, is amended to read:

## 16A.1541 [ADDITIONAL REVENUES; PRIORITY.]

If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money in the following order of priority:

(1) the amount necessary to reduce the property tax levy recognition percent under section 121.904, subdivision 4c, to 24 percent;

(2) the remainder (i) one-half to the greater Minnesota fund, but not to exceed \$120,000,000 and (ii) one-half to the budget and cash flow reserve account until the total amount in the account equals \$550,000,000.

The amounts necessary to meet the requirements of clauses (1) and (2) are appropriated from the general fund.

## Sec. 2. [TRANSFER RETURNED.]

The Greater Minnesota Corporation shall return to the state treasury \$80,500,000 of the money transferred to it under Minnesota Statutes 1987 Supplement, section 16A.1541. The return must be made to the commissioner of finance, who shall credit the receipt to the general fund. The return must be made as soon as is practical, while minimizing any investment losses that might result from early redemption.

Sec. 3. Minnesota Statutes 1987 Supplement, section 1160.12, is amended to read:

## 1160.12 [GREATER MINNESOTA FUND.]

(a) The Greater Minnesota fund is created in the state treasury. The board may require the commissioner of finance to create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund is appropriated to the corporation to be used as provided in this chapter.



(b) The fund consists of:

- (1) money appropriated and transferred from other state funds;
- (2) fees and charges collected by the corporation;
- (3) income from investments and purchases;
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; ~~and~~
- (5) gifts, donations, and bequests made to the corporation; and

(6) through the first five full fiscal years, during which proceeds from the lottery are received, one-half of the net proceeds of the state-operated lottery must be credited to the greater Minnesota corporation fund. Thereafter, up to one-half, as determined by law each biennium, of the net proceeds from the state-operated lottery must be credited to the greater Minnesota corporation fund.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment. Section 3 is effective the day following adoption by the voters of the constitutional amendment proposed by article 1, section 2."

Delete the title and insert:

"A bill for an act relating to public administration; proposing amendments to the Minnesota Constitution: adding a section to article XI establishing an environmental and natural resources trust fund and article XIII, section 5 permitting state-run lotteries; providing for the distribution of lottery proceeds; providing implementing legislation for the trust fund; creating a legislative commission, an advisory committee, and a resources congress; providing for trust fund expenditures; providing for water system improvement loans; creating a Minnesota future resources account; transferring certain functions; requiring a biennial report; changing the distribution of general fund balances; returning certain transferred money to the state treasury; amending Minnesota Statutes 1986, sections 88.80, subdivision 2; Minnesota Statutes 1987 Supplement, sections 16A.1541; 116C.69, subdivision 3; 116O.012; and 297.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 116P; 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."

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

House Conferees: WILLARD MUNGER, GLEN H. ANDERSON, TOM OSTHOFF, ANN WYNIA AND DAVID T. BISHOP.

Senate Conferees: ROGER D. MOE, DONNA C. PETERSON, BOB LESSARD AND FRITZ KNAAK.

Munger moved that the report of the Conference Committee on H. F. No. 2182 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker resumed the Chair.

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.

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.

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

There were 77 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Boo	Frederick	Johnson, R.	McEachern
Anderson, R.	Brown	Greenfield	Kalis	McLaughlin
Battaglia	Carlson, L.	Hartle	Kelso	Milbert
Bauerly	Carruthers	Jacobs	Kinkel	Minne
Beard	Cooper	Jaros	Kludt	Munger
Begich	Dawkins	Jefferson	Knuth	Murphy
Bennett	DeBlieck	Jennings	Krueger	Nelson, C.
Bertram	DeRaad	Jensen	Larsen	Nelson, D.
Bishop	Dorn	Johnson, A.	Lieder	Neuenschwander

O'Connor	Peterson	Rodosovich	Sparby	Wenzel
Ogren	Price	Rose	Swenson	Winter
Omann	Quinn	Rukavina	Trimble	Wynia
Orenstein	Redalen	Sarna	Tunheim	Spk. Vanasek
Osthoff	Reding	Scheid	Uphus	
Pappas	Rest	Segal	Vellenga	
Pelowski	Riveness	Solberg	Welle	

Those who voted in the negative were:

Blatz	Haukoos	Marsh	Ozment	Skoglund
Burger	Heap	McDonald	Ozment	Stanius
Carlson, D.	Himle	McKasy	Pauly	Steensma
Clark	Hugoson	McPherson	Poppenhagen	Svigum
Clausnitzer	Johnson, V.	Miller	Quist	Thiede
Dauner	Kahn	Morrison	Rice	Tjornhom
Dempsey	Kelly	Nelson, K.	Richter	Tompkins
Forsythe	Knickerbocker	Olsen, S.	Schafer	Valento
Frerichs	Kostohryz	Olson, E.	Schreiber	Voss
Gruenes	Lasley	Olson, K.	Seaberg	Wagenius
Gutknecht	Long	Onnen	Shaver	Waltman

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

#### MESSAGES FROM THE SENATE, Continued

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 2565.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 2565

A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; amending Minnesota Statutes 1986, section 84B.11, subdivision 2.

April 20, 1988

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Robert Vanasek  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2565, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 2565 be further amended as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

##### Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1988" and "1989," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1988, or June 30, 1989, respectively.

	SUMMARY BY FUND		
	1988	1989	TOTAL
General	\$2,003,000	\$ 697,000	\$2,700,000
Special Revenue		538,000	538,000
Trunk Highway	-0-	36,600	36,600
<b>TOTAL</b>	<b>\$2,003,000</b>	<b>\$1,271,600</b>	<b>\$3,274,600</b>

#### APPROPRIATIONS Available for the Year Ending June 30

1988	1989
------	------

##### Sec. 2. TRANSPORTATION

The approved complement of the department of transportation is increased by one trunk highway fund position.

The appropriation in Laws 1987, chapter 358, section 2, subdivision 7, paragraph (b), includes \$685,200 the first year and \$685,200 the second year for data processing development. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The funding source for the appropriations in Laws 1987, chapter 358, section 2, subdivision 7, paragraph (b), is changed by shifting \$20,000 the first year and \$21,000 the second year from the trunk highway fund to the state airports fund for data processing development.

### Sec. 3. TRANSPORTATION

#### REGULATION BOARD

36,600

This appropriation is from the trunk highway fund and is added to the appropriation for the same purpose in Laws 1987, chapter 358, section 4. The approved complement of the transportation regulation board is increased by one position in fiscal year 1989.

### Sec. 4. PUBLIC SAFETY

1,940,000

543,000

(a) The approved complement of the department of public safety is increased by eight positions in the special revenue fund.

(b) \$1,940,000 is to pay the state's share of the costs of damage to individual and public property that is eligible for payment assistance under the presidential declaration of a major disaster, FEMA-0797-DR. The unencumbered balance remaining in the first year does not cancel and is available for the second year.

(c) \$5,000 is for printing of driver's license renewal notice communications about organ donation. The department

may accept materials or contributions from voluntary or other organizations to aid the organ donor program.

(d) \$538,000 is appropriated from the bureau of criminal apprehension account in the special revenue fund. Of this amount, \$430,000 is for laboratory activities and \$108,000 is for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity.

#### Sec. 5. AGRICULTURE

Oak Wilt Control	20,000	40,000
------------------	--------	--------

This appropriation is added to the appropriation for oak wilt control in Laws 1987, chapter 358, section 7, subdivision 2. The approved complement of the department of agriculture is increased by one position. The department shall cooperate with the department of natural resources and the University of Minnesota in Oak Wilt control activities. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

#### Sec. 6. BOARD OF WATER AND SOIL RESOURCES

Comprehensive Local Water Planning	43,000	172,000
------------------------------------	--------	---------

The approved complement of the board of water and soil resources is increased by three positions. The unencumbered balance remaining in the first year does not cancel but is available for the second year.

#### Sec. 7. CHARITABLE GAMBLING CONTROL BOARD

Increased Enforcement		250,000
-----------------------	--	---------

The approved complement of the charitable gambling control board is increased by six positions.

The charitable gambling control board shall promulgate emergency rules to limit the amount charged for lease or rental of space used for charitable gambling purposes. The rules shall include, but not be limited to, a formula which assures a fair and equitable charge per square foot.

Sec. 8. MINNESOTA HISTORICAL SOCIETY

145,000

(a) \$20,000 is for a grant to the Minnesota Humanities Commission

This appropriation is available only as matched dollar for dollar by federal money.

(b) \$25,000 is for new exhibits and a film for the Lindbergh Interpretive Center at Little Falls, to be available until the project has been completed or abandoned.

(c) \$40,000 is for a joint venture with the Hubert H. Humphrey Institute of Public Affairs for the purpose of converting certain audio-visual collections of the society into a form usable by the institute for exhibit purposes. The collection items to be converted will be selected by the institute with the society's prior approval.

(d) \$40,000 is for a St. Anthony Falls heritage interpretive zone and heritage board.

(e) \$20,000 is for a grant to the Southwest Regional Development Commission to conduct a detailed feasibility study and planning for a facility to be located on marked interstate highway No. 90 in Jackson, Rock, or Nobles county to be known as the Prairieland Expo Center. The purpose of the proposed center is to promote local attractions which have historical or historically related significance.

The Southwest Regional Development Commission shall submit a report to the legislature by February 15, 1989, on the results of the study and planning efforts.

Sec. 9. BOARD OF THE ARTS

75,000

This appropriation is to be distributed as follows:

\$27,800 is for regional arts councils.

\$47,200 is for, on a prorated basis using the same percentages applied to the fiscal year 1988 distribution, the following groups:

Group I

Group II

Series Presentors

Artists in Education

Artist Assistance

A.C.C. Craft Fair

Sec. 10. MILITARY ORDER OF THE PURPLE HEART

Veterans' Assistance

10,000

This appropriation is to assist veterans in the preparation and presentation of claims to the United States government for compensation and other benefits to which they are entitled as a result of disabilities incurred in military service.

Sec. 11. [SPECIAL TOWN ROAD ACCOUNT.]

Subdivision 1. [ACCOUNT CREATED.] There is created in the state treasury a special town road account, consisting of money credited under subdivision 2.

Subd. 2. [ACCOUNT FUNDED.] Notwithstanding Minnesota



Statutes, section 297B.09 or other law, in the fiscal year ending June 30, 1989, the first \$250,000 which would otherwise be credited to the highway user tax distribution fund under Minnesota Statutes, section 297B.09, must be set aside and credited to the special town road account created in subdivision 1.

Subd. 3. [DISTRIBUTION OF ACCOUNT.] The commissioner shall distribute money in the special town road account and provide for distribution of money in the fund among towns for the purpose of aiding in the maintenance of town roads which provide substantial access to a state park, state institution, or unit of the state outdoor recreation system as defined in Minnesota Statutes, section 86A.04. The formula must give priority in the distribution of money in the fund to those towns maintaining town roads which provide access to a state park.

Subd. 4. [TERMINATION OF ACCOUNT.] The account created in subdivision 1 expires June 30, 1990. The state treasurer shall credit all undistributed money in the account on that date to the highway user tax distribution fund.

Subd. 5. [REPEALER.] This section is repealed effective July 1, 1990.

Sec. 12. Minnesota Statutes 1986, section 84B.11, subdivision 2, is amended to read:

Subd. 2. The committee shall conduct meetings and research into all matters related to the establishment and operation of Voyageurs National Park, and shall make such recommendations to the United States National Park Service and other federal and state agencies concerned, regarding operation of the park as the committee deems advisable. A copy of each recommendation shall be filed with the legislative reference library. The committee shall not apply for and accept money from public or private sources other than the legislature, except that the committee may apply for and receive up to \$25,000 per biennium in money from private sources. Subject to the availability of legislative appropriation or other funding therefor, the committee may employ staff and may contract for consulting services relating to matters within its authority.

Sec. 13. [138.76] [PURPOSE.]

The legislature finds that the St. Anthony Falls area in Hennepin county and the city of Minneapolis has a concentration of outstanding and distinctive historical and architectural resources. There is a need to develop a comprehensive plan to interpret historical resources in that area to start the process of encouraging development of that area's historical resources. Sections 13 to 17 provide incentives for a joint board to develop and implement a comprehensive interpretive plan for the St. Anthony Falls area, complementing

existing planning and development activities on the riverfront by using state, federal, and local funding for historic interpretation.

Sec. 14. [138.77] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 13 to 17.

Subd. 2. [BOARD.] "Board" means the St. Anthony Falls heritage board created in section 15.

Subd. 3. [CITY COUNCIL.] "City council" means the city council of the city of Minneapolis.

Subd. 4. [HERITAGE INTERPRETIVE ZONE; ZONE.] "Heritage interpretive zone" or "zone" means the land and water area including air rights that begins at the intersection of Second Street North and Plymouth Avenue, crossing the Mississippi River on Plymouth Avenue; thence along the east bank of the Mississippi River to Hennepin Avenue; thence northeasterly on Hennepin Avenue to University Avenue; thence easterly on University Avenue to I 35W; thence southwesterly across the river to Second Street South; thence along Second Street South and Second Street North to the point of beginning.

Subd. 5. [MAYOR.] "Mayor" means the mayor of the city of Minneapolis.

Subd. 6. [PARK BOARD.] "Park board" means the park and recreation board of the city of Minneapolis.

Subd. 7. [PLAN.] "Plan" means a comprehensive interpretive plan for the heritage enterprise zone.

Subd. 8. [PRESERVATION COMMISSION.] "Preservation commission" means the heritage preservation commission of the city of Minneapolis.

Subd. 9. [PRESERVATION OFFICE.] "Preservation office" means the state historic preservation office.

Subd. 10. [SOCIETY.] "Society" means the Minnesota historical society.

Sec. 15. [138.78] [ST. ANTHONY FALLS HERITAGE BOARD.]

Subdivision 1. [MEMBERSHIP.] There is a St. Anthony Falls heritage board consisting of ten members with the director of the Minnesota historical society as chair. The members include the mayor, two members each from the city council and the park board,

and one each from the preservation commission, the preservation office, Hennepin county historical society, and the society.

Subd. 2. [REPORT.] The board shall report its actions to the appropriate policy committees of the legislature in the first year of each biennium.

Subd. 3. [COMPREHENSIVE PLAN.] The board shall develop and make available to interested parties a comprehensive interpretive plan for interpretation of significant historical components in the zone. The plan must include, but is not limited to, significant historic and natural features such as the river, bridges, buildings, machinery that is part of the milling story, underground canals, stone paving, waterfall, railway components, and a heritage trail system that interlocks historic features of the zone. The plan must evaluate significant historic resources and interpretive options that will tell the story of the zone and its relationship to the city and the state.

Subd. 4. [GRANTS.] The board may make grants and shall establish procedures to evaluate plans submitted for grants.

Subd. 5. [COMPENSATION.] Board members may be compensated for expenses in accordance with section 15.0575, subdivision 3.

Sec. 16. [138.79] [GRANTS.]

The board may provide project assistance grants for the interpretation of historical resources that are a part of the plan. These grants must relate to a historical resource identified in the plan and may not exceed half of the cost of interpreting a specific historical resource.

Sec. 17. [138.80] [ZONE COORDINATOR.]

The Minnesota historical society is the coordinator of the heritage interpretive zone and has a responsibility for public education relating to the zone and for certification of all historical resources established in the plan. The society may use up to four percent of funds appropriated for sections 13 to 17 for coordination. The coordinator must be on the staff of the Minnesota historical society and shall serve as secretary to the board.

Sec. 18. [138.81] [MATCH.]

The city of Minneapolis and the park board shall provide match in money or in kind for the project under sections 13 to 17 on a dollar for dollar basis.

Sec. 19. Minnesota Statutes 1987 Supplement, section 171.29, subdivision 2, is amended to read:

Subd. 2. (a) A person whose drivers license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the person's drivers license is reinstated.

(b) A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$200 fee before the person's drivers license is reinstated to be credited as follows:

(1) 25 percent shall be credited to the trunk highway fund;

(2) 50 percent shall be credited to a separate account to be known as the county probation reimbursement account. Money in this account is may be appropriated to the commissioner of corrections for the costs that counties assume under Laws 1959, chapter 698, of providing probation and parole services to wards of the commissioner of corrections. This money is provided in addition to any money which the counties currently receive under section 260.311, subdivision 5; and

(3) 25 ten percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and shall be divided as follows: eight percent for laboratory costs; two percent for carrying out the provisions of section 299C.065;

(4) 15 percent shall be credited to a separate account to be known as the alcohol impaired driver education account. Money in the account is may be appropriated to the commissioner of education for grants to develop alcohol impaired driver education programs in elementary, secondary, and post-secondary schools. The state board of education shall establish guidelines for the distribution of the grants. The commissioner of education shall report to the legislature by January 15, 1988, on the expenditure of grant funds under this clause. Each year the commissioner may use \$100,000 to administer the grant program and other traffic safety education programs.

Sec. 20. [ALCOHOL IMPAIRED DRIVER EDUCATION ACCOUNT.]

Notwithstanding Minnesota Statutes, section 171.29, subdivision 2, for the period July 1, 1988 through June 30, 1989, the amount credited to the alcohol impaired driver education account shall be 15 percent and ten percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public

safety and shall be divided as follows: eight percent for laboratory costs; two percent for carrying out the provisions of section 299C.065.

Sec. 21. Minnesota Statutes 1986, section 611A.71, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The Minnesota crime victim and witness advisory council is established and shall consist of ~~12~~ 15 members.

Sec. 22. Minnesota Statutes 1986, section 611A.71, subdivision 4, is amended to read:

Subd. 4. [COMPENSATION.] Each member of the council shall serve without compensation. However, members of the council shall receive expenses in the same manner and amount as provided in the commissioner's plan under section 43A.18, subdivision 2; provided that payments for expenses incurred must be paid from the existing appropriation for the administrative portion of the operating budget for the crime victims reparations activity.

Sec. 23. [REPEALER.]

Sections 13 to 18 are repealed, effective July 1, 1997.

Sec. 24. [EFFECTIVE DATE.]

This article is effective the day following final enactment, except that section 19 is effective July 1, 1989, and section 20 is effective July 1, 1988.

## ARTICLE 2

### TRANSIT

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1988" and "1989," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1988, or June 30, 1989, respectively.

**APPROPRIATIONS**  
Available for the Year  
Ending June 30

1988                      1989

**Sec. 2. TRANSPORTATION**

(a) Non-Metropolitan Transit Assistance	3,580,000
---	-----------

This appropriation is added to the appropriations for the same purposes in Laws 1987, chapter 358, section 2.

(b) Light Rail Transit	4,170,000
------------------------	-----------

Notwithstanding the provisions of Minnesota Statutes, section 174.32, this appropriation is for distribution to regional railroad authorities in the metropolitan area if matched by other funds on a dollar for dollar basis for planning, preliminary engineering, design, and construction of light rail transit facilities. None of these funds may be expended by the commissioner for administrative costs.

The appropriations in this section are from the transit assistance fund.

Funds appropriated for light rail transit should be considered as base level funding for presentation in the 1990-1991 biennial budget.

**Sec. 3. REGIONAL TRANSIT BOARD**

(a) Regular Route Service	1,038,000	692,000
---------------------------	-----------	---------

This appropriation may be used only to replace reductions in federal operating assistance to the transit commission or, after replacing all such reductions, to improve regular route transit service levels.

(b) Metro Mobility	2,000,000	4,000,000
--------------------	-----------	-----------

The board may establish policies requiring financial participation by insti-

tutions or organizations that derive special benefits from Metro Mobility services.

By June 1 and December 1, 1988, the board shall submit a report on metro mobility to the chairs of the agriculture, transportation, and semi-states divisions of the house appropriations and senate finance committees and the chairs of the house metropolitan affairs and senate transportation committees, for their advisory comment and recommendation. The report must summarize policies or plans of the board and performance statistics on: service standards, service priorities, complaints, certification, provider contracts, trip reimbursements, and social agency cost sharing. The report must also summarize changes and planned changes in communications, management, and administration.

(c) Social Fares 700,000

This appropriation is available for expenditure only to reimburse a regular route provider for fare revenue lost if senior fares remain unchanged in a general restructuring of regular route fares.

(d) New Service 1,600,000

The appropriations in this section are from the transit assistance fund.

Sec. 4. Minnesota Statutes 1986, section 174.32, subdivision 2, is amended to read:

Subd. 2. [TRANSIT ASSISTANCE FUND; DISTRIBUTION.] (a) A transit assistance fund is created for the purpose of receiving money distributed under section 297B.09. Eighty percent of the receipts of the fund must be placed into a metropolitan account for distribution to recipients located in the metropolitan area and 20 percent into a separate account for distribution to recipients located outside of the metropolitan area. Except as otherwise provided in this subdivision, the regional transit board created by section 473.373 is responsible for distributing assistance from the metropolitan account, and the commissioner is responsible for distributing

assistance from the other account. Money placed in the metropolitan account is available for distribution to regional railroad authorities established under chapter 398A in the metropolitan area, by the commissioner of transportation as provided in paragraph (b).

(b) The commissioner shall request applications from all eligible regional railroad authorities. The commissioner shall establish a reasonable deadline for submittal of applications. The commissioner may not distribute more than 60 percent of the available funds to a single recipient. Before distributing money to any regional railroad authority, the commissioner shall request review and comment on the applications from the metropolitan council and the regional transit board. The council and the board have 60 days to comment. The commissioner shall consider the comments of the council and the board in evaluating applications and distributing funds. Before distributing any funds for construction, the commissioner shall report to the legislature on the use and planned distribution of construction funds.

Sec. 5. Minnesota Statutes 1987 Supplement, section 473.17, is amended to read:

473.17 [COOPERATION IN LIGHT RAIL TRANSIT.]

Notwithstanding section 473.398, the metropolitan council may and the regional transit board shall cooperate with regional rail authorities in the study, planning, and design of regional rail authority light rail transit systems, and the metropolitan transit commission may shall cooperate with regional rail authorities in the operational planning and operation of regional rail authority light rail transit systems.

Sec. 6. [473.4051] [LIGHT RAIL TRANSIT OPERATION.]

The transit commission may enter into an agreement to provide for the operation of a regional rail authority light rail transit system upon completion of construction of the system by the regional rail authority. If a regional rail authority enters into an agreement with the transit commission for the operation of the system, the transit commission must comply with the provisions of section 473.415.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for



regulation of certain activities and practices; requiring studies and reports; providing for certain funds, accounts, and fees; amending Minnesota Statutes 1986, sections 84B.11, subdivision 2; 174.32, subdivision 2; and 611A.71, subdivisions 1 and 4; Minnesota Statutes 1987 Supplement, sections 171.29, subdivision 2; and 473.17; proposing coding for new law in Minnesota Statutes, chapters 138 and 473.”

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

Senate Conferees: KEITH LANGSETH, DARRIL WEGSCHEID, LYLE G. MEHRKENS AND JAMES METZEN.

House Conferees: JAMES I. RICE, JOHN SARNA, ARTHUR W. SEABERG, BERNARD L. “BERNIE” LIEDER AND HENRY J. KALIS.

Rice moved that the report of the Conference Committee on S. F. No. 2565 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2565, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; amending Minnesota Statutes 1986, section 84B.11, subdivision 2.

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.

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

There were 127 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Brown	Dempsey	Heap	Kalis
Anderson, R.	Burger	DeRaad	Himle	Kelly
Battaglia	Carlson, D.	Dille	Jacobs	Kelso
Bauerly	Carlson, L.	Dorn	Jaros	Kinkel
Beard	Carruthers	Forsythe	Jefferson	Kludt
Begich	Clark	Frederick	Jennings	Knickerbocker
Bennett	Clausnitzer	Frerichs	Jensen	Knuth
Bertram	Cooper	Greenfield	Johnson, A.	Kostohryz
Bishop	Dauner	Gruenes	Johnson, R.	Krueger
Blatz	Dawkins	Gutknecht	Johnson, V.	Larsen
Boo	DeBlicek	Hartle	Kahn	Lasley

Lieder	Nelson, D.	Pelowski	Sarna	Trimble
Long	Nelson, K.	Peterson	Schafer	Tunheim
Marsh	Neuenschwander	Poppenhagen	Scheid	Uphus
McDonald	O'Connor	Price	Seaberg	Vellenga
McEachern	Ogren	Quinn	Segal	Voss
McKasy	Olsen, S.	Quist	Shaver	Wagenius
McLaughlin	Olson, E.	Redalen	Skoglund	Waltman
McPherson	Olson, K.	Reding	Solberg	Welle
Milbert	Omann	Rest	Sparby	Wenzel
Miller	Orenstein	Rice	Stanius	Winter
Minne	Osthoff	Richter	Steensma	Wynia
Morrison	Otis	Riveness	Sviggrum	Spk. Vanasek
Munger	Ozment	Rodosovich	Thiede	
Murphy	Pappas	Rose	Tjornhom	
Nelson, C.	Pauly	Rukavina	Tompkins	

Those who voted in the negative were:

Haukoos	Onnen	Swenson
Hugoson	Schreiber	Valento

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

### SPECIAL ORDERS

Wynia moved that the bills on Special Orders for today be continued one day. The motion prevailed.

### GENERAL ORDERS

Wynia moved that the bills on General Orders for today be continued one day. The motion prevailed.

### MOTIONS AND RESOLUTIONS

Beard moved that the names of Begich and Sarna be added as authors on H. F. No. 2181. The motion prevailed.

Tjornhom moved that his name be stricken as an author on H. F. No. 2514. The motion prevailed.

McLaughlin moved that the name of Johnson, A., be added as an author on House Advisory No. 99. The motion prevailed.

Bauerly moved that the names of Olsen, S., and McEachern be added as authors on H. F. No. 1526. The motion prevailed.

Wenzel, Vanasek, Schreiber, Wynia and Beard introduced:

House Resolution No. 61, A House resolution commending Major General James G. Sieben for 46 years of outstanding service to the Armed Forces of the United States and to the Minnesota National Guard.

The resolution was referred to the Committee on Rules and Legislative Administration.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:00 p.m., Monday, April 25, 1988. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Monday, April 25, 1988.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

