

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

TWENTY-SECOND DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 16, 1989

The House of Representatives convened at 2:30 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Father Paul Halloran of the Church of St. Columbanus, Blooming Prairie, Minnesota.

The roll was called and the following members were present:

Abrams	Frerichs	Kostohryz	Onnen	Schreiber
Anderson, G.	Girard	Krueger	Orenstein	Seaberg
Anderson, R.	Greenfield	Lasley	Osthoff	Segal
Battaglia	Gruenes	Lieder	Ostrom	Simoneau
Bauerly	Gutknecht	Limmer	Otis	Skoglund
Begich	Hartle	Long	Ozment	Solberg
Bennett	Hasskamp	Lynch	Pappas	Sparby
Bertram	Haukoos	Macklin	Pauly	Stanis
Bishop	Heap	Marsh	Pellow	Steenma
Blatz	Henry	McDonald	Pelowski	Swigum
Boo	Himle	McEachern	Peterson	Swenson
Brown	Hugoson	McGuire	Poppenhagen	Tjornhom
Burger	Jacobs	McLaughlin	Price	Tompkins
Carlson, D.	Janezich	McPherson	Pugh	Trimble
Carlson, L.	Jaros	Milbert	Quinn	Tunheim
Carruthers	Jefferson	Miller	Redalen	Uphus
Clark	Jennings	Munger	Reding	Valento
Conway	Johnson, A.	Nelson, C.	Rest	Vellenga
Cooper	Johnson, R.	Nelson, K.	Rice	Wagenius
Dauner	Johnson, V.	Neuenschwander	Richter	Waltman
Dawkins	Kahn	O'Connor	Rodosovich	Weaver
Dempsey	Kalis	Ogren	Rukavina	Welle
Dille	Kelly	Olsen, S.	Runbeck	Wenzel
Dorn	Kelso	Olson, E.	Sarna	Williams
Forsythe	Kinkel	Olson, K.	Schafer	Winter
Frederick	Knickerbocker	Omann	Scheid	Wynia
				Spk. Vanasek

A quorum was present.

Beard, Morrison and Murphy were excused.

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

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. Nos. 100, 897 and 331 have been placed in the members' files.

REPORT PURSUANT TO RULE 5.10

Wynia, pursuant to House Rule 5.10, announced that the fiscal impact of H. F. No. 46 will be accounted for in the budget resolution to be adopted by the Minnesota House of Representatives by no later than April 6, 1989.

REPORTS OF STANDING COMMITTEES

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 13, A bill for an act relating to courts; raising the jurisdictional limit on claims heard in conciliation court; amending Minnesota Statutes 1988, sections 487.30, subdivision 1; 488A.12, subdivision 3; 488A.14, subdivision 6; 488A.29, subdivision 3; and 488A.31, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 487.30, subdivision 1, is amended to read:

Subdivision 1. The conciliation court shall hear and determine civil claims if the amount of money or property which is the subject matter of the claim does not exceed ~~\$2,000~~ \$3,500 for the determination thereof without jury trial and by a simple and informal procedure. The rules of the supreme court shall provide for a right of appeal from the decision of the conciliation court to the county court for a trial on the merits. The territorial jurisdiction of a conciliation court shall be coextensive with the county in which the court is established.

Sec. 2. Minnesota Statutes 1988, section 487.30, subdivision 5, is amended to read:

Subd. 5. [SATISFACTION OF JUDGMENT.] If (1) a conciliation court judgment has been docketed in county court for a period of at least 30 days, (2) the judgment is not satisfied, and (3) the parties have not otherwise agreed, the county court shall, upon the request

of the judgment creditor, order the judgment debtor to mail to the judgment creditor information as to the nature, amount, identity, and location of all the debtor's assets, liabilities, and personal earnings. The information shall be provided on a form prescribed by the supreme court and shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The form shall be written in a clear and coherent manner using words with common and everyday meanings, shall summarize the execution and garnishment exemptions and limitations applicable to assets and earnings, and shall permit the judgment debtor to identify on the form those assets and earnings that the debtor considers to be exempt from execution or garnishment. The order shall contain a notice that failure to complete the form and mail it to the judgment creditor within ten days after service of the order may result in a citation for contempt of court unless the judgment is satisfied prior to the expiration of that period. A judgment debtor who intentionally fails to comply with the order of the court may be cited for civil contempt of court. Cash bail posted, as a result of being cited for civil contempt of court under this statute may be ordered made payable to the creditor to satisfy the judgment, either partially or fully.

Sec. 3. Minnesota Statutes 1988, section 488A.12, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try, and determine civil actions at law where the amount in controversy does not exceed the sum of ~~\$2,000~~ \$3,500. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Hennepin.

(b) Notwithstanding the provisions of paragraph (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons in the action may be served anywhere within the state of Minnesota.

(c) Notwithstanding the provisions of paragraph (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff, a resident of Hennepin county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of Hennepin county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This clause does not apply to a

check that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check to the summons before it is issued.

(d) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of Hennepin county under the following conditions:

(1) the student loan or loans were originally awarded in Hennepin county;

(2) the loan or loans are overdue at the time the action is commenced;

(3) the amount sought in any single action does not exceed \$2,000 \$3,500;

(4) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and

(5) the notice states that the educational institution may commence a conciliation court action in Hennepin county to recover the amount of the loan.

Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued.

Sec. 4. Minnesota Statutes 1988, section 488A.14, subdivision 6, is amended to read:

Subd. 6. [REPLEVIN.] If the controversy concerns the ownership or possession, or both, of personal property the value of which does not exceed the sum of \$2,000 \$3,500, the judge may direct an officer of the court to take possession of the property immediately and hold it subject to the further order of the court, without the giving of any bond whatever.

Sec. 5. Minnesota Statutes 1988, section 488A.16, subdivision 8, is amended to read:

Subd. 8. [DOCKETING AND ENFORCEMENT IN MUNICIPAL COURT.] When a judgment has become finally effective under subdivision 2, the judgment creditor may obtain a transcript of the judgment from the court administrator of conciliation court on payment of a fee of 50 cents and file it with the court administrator of the municipal court of the county of Hennepin. After filing of the transcript, the judgment becomes, and is enforceable as, a judgment of the municipal court. No writ of execution or garnishment summons may be issued out of conciliation court. If (1) a conciliation court judgment has been docketed as a municipal court judgment for a period of at least 30 days, (2) the judgment is not satisfied, and (3) the parties have not otherwise agreed, the municipal court shall, upon the request of the judgment creditor, order the judgment debtor to mail to the judgment creditor information as to the nature, amount, identity, and location of all the judgment debtor's assets, liabilities, and personal earnings. The information shall be provided on a form prescribed by the supreme court and shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The form shall be written in a clear and coherent manner using words with common and everyday meanings, shall summarize the execution and garnishment exemptions and limitations applicable to assets and earnings, and shall permit the judgment debtor to identify on the form those assets and earnings that the judgment debtor considers to be exempt from execution or garnishment. The order shall contain a notice that failure to complete the form and mail it to the judgment creditor within ten days after service of the order may result in a citation for contempt of court unless the judgment is satisfied prior to the expiration of that period. A judgment debtor who intentionally fails to comply with the order of the court may be cited for civil contempt of court. Cash bail posted, as a result of being cited for civil contempt of court under this statute may be ordered made payable to the creditor to satisfy the judgment, either partially or fully.

Sec. 6. Minnesota Statutes 1988, section 488A.29, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of ~~\$2,000~~ \$3,500. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.

(b) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section

504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.

(c) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff, resident of Ramsey county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of Ramsey county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This clause does not apply to a check that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check to the summons before it is issued.

(d) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of Ramsey county under the following conditions:

(1) the student loan or loans were originally awarded in Ramsey county;

(2) the loan or loans are overdue at the time the action is commenced;

(3) the amount sought in any single action does not exceed \$2,000 \$3,500;

(4) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and

(5) the notice states that the educational institution may commence a conciliation court action in Ramsey county to recover the amount of the loan.

Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this clause may be

served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued.

Sec. 7. Minnesota Statutes 1988, section 488A.31, subdivision 6, is amended to read:

Subd. 6. [REPLEVIN.] If the controversy concerns the ownership or possession, or both, of personal property the value of which does not exceed the sum of \$2,000 ~~\$3,500~~, the judge may direct an officer of the court to take possession of the property immediately and hold it subject to the further order of the court, without the giving of any bond whatever.

Sec. 8. Minnesota Statutes 1988, section 488A.33, subdivision 7, is amended to read:

Subd. 7. [DOCKETING AND ENFORCEMENT IN MUNICIPAL COURT.] When a judgment has become final under subdivision 2, the judgment creditor may obtain a transcript of the judgment from the administrator of conciliation court and file it with the administrator of the municipal court upon payment of the filing fees as prescribed for the municipal court. After filing of the transcript, the judgment becomes, and is enforceable as, a judgment of the municipal court. A transcript of a judgment payable in installments may not be obtained and filed until 20 days after default in the payment of an installment. No writ of execution nor garnishment summons may be issued out of conciliation court. If (1) a transcript of a judgment has been filed for a period of at least 30 days, (2) the judgment is not satisfied or an installment of it remains overdue, and (3) the parties have not otherwise agreed, the municipal court shall, upon the request of the judgment creditor, order the judgment debtor to mail to the judgment creditor information as to the nature, amount, identity, and location of all the judgment debtor's assets, liabilities, and personal earnings. The information shall be provided on a form prescribed by the supreme court and shall be sufficiently detailed to enable the judgment creditor to obtain satisfaction of the judgment by way of execution on nonexempt assets and earnings of the judgment debtor. The form shall be written in a clear and coherent manner using words with common and everyday meanings, shall summarize the execution and garnishment exemptions and limitations applicable to assets and earnings, and shall permit the judgment debtor to identify on the form those assets and earnings that the judgment debtor considers to be exempt from execution or garnishment. The order shall contain a notice that failure to complete the form and mail it to the judgment creditor within ten days after service of the order may result in a citation for contempt of court unless the judgment is satisfied prior to the expiration of that period. A judgment debtor who intentionally fails to comply with the order of the court may be cited for civil contempt of court. Cash bail posted, as a result of being cited for civil contempt of court

under this statute may be ordered made payable to the creditor to satisfy the judgment, either partially or fully.

Sec. 9. [CONCILIATION COURT STUDY COMMISSION.]

A conciliation court study commission is created. The study commission consists of three persons appointed by the speaker of the house of representatives, one of whom shall be a member of the house of representatives, three persons appointed by the majority leader of the senate, one of whom shall be a member of the senate, and three persons appointed by the supreme court. The study commission shall examine the current and alternative methods of obtaining and enforcing conciliation court judgments and the jurisdictional limits of conciliation court. Not later than January 15, 1990, the study commission shall report its findings to the legislature along with any recommendations for legislative action.

Sec. 10. [CONCILIATION COURT JURISDICTION AMOUNTS.]

Subdivision 1. [INCREASE IN LIMITS.] The conciliation court jurisdictional limits provided in sections 1, 3, 4, 6, and 7 shall increase to \$4,000 on July 1, 1990.

Subd. 2. [REVISOR'S INSTRUCTION.] The revisor of statutes is directed to insert the changes in the conciliation court jurisdictional amount provided by subdivision 1 in Minnesota Statutes 1990, and subsequent editions of the statutes.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 8 are effective July 1, 1989. Section 9 is effective June 1, 1989."

Delete the title and insert:

"A bill for an act relating to courts; raising the jurisdictional limit on claims heard in conciliation court; permitting bail in civil contempt cases to be used to satisfy the judgment; establishing a conciliation court study commission; requiring a report; amending Minnesota Statutes 1988, sections 487.30, subdivisions 1 and 5; 488A.12, subdivision 3; 488A.14, subdivision 6; 488A.16, subdivision 8; 488A.29, subdivision 3; 488A.31, subdivision 6; and 488A.33, subdivision 7."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 46, A bill for an act relating to transportation; increasing amount authorized for state transportation bonds for bridges; amending Laws 1979, chapter 280, sections 1 and 2, as amended.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1

DEFICIENCY APPROPRIATIONS

Section 1. APPROPRIATIONS

The sums shown in the column marked “APPROPRIATIONS” are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal year ending June 30, 1989.

SUMMARY BY FUND

General	\$2,851,500
Special Revenue	642,000
TOTAL	\$3,493,500

APPROPRIATIONS
Available for the Year
Ending June 30, 1989

Sec. 2. EDUCATION AIDS

Department of Education

Education Aids Law Litigation	\$116,000
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This appropriation is added to the appropriation in Laws 1987, chapter 398, article 10, section 2, subdivision 3.

Sec. 3. HIGHER EDUCATION**State University Board****500,000**

This appropriation is to pay a special assessment by the city of Mankato for the cost of reconstruction and improvement of Val Imm Drive and is added to the appropriation in Laws 1987, chapter 401, section 5, subdivision 3.

Sec. 4. HEALTH AND HUMAN SERVICES**Subdivision 1. Human Services****957,000**

This appropriation is to pay the cost of Minnesota supplemental assistance and general assistance medical care to replace medical assistance formerly provided to residents of institutions for mental disease and is added to the appropriation in Laws 1987, chapter 403, article 1, section 2, subdivision 6.

Effective January 1, 1989, and until June 30, 1989, a residential facility certified to participate in the medical assistance program, licensed as a board and care home or nursing home, and declared to be an institution for mental diseases by January 1, 1989, is exempt from the maximum negotiated rate in section 256D.37. The rate for eligible individuals residing in these facilities is the individual's medical assistance rate using the individual's assigned case mix classification. Counties must be reimbursed for payments made between January 1, 1989, and June 30, 1989, to certified nursing homes and board and care homes declared institutions for mental diseases by January 1, 1989, on behalf of persons otherwise eligible for medical assistance, not to exceed the state share of supplemental aid funds expended for each person at the appropriate medical assistance rate.

Effective January 1, 1989, and until June 30, 1989, general assistance medical care may be paid for any person who is over age 18 and would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases. Effective January 1, 1989, and until June 30, 1989, reimbursement under general assistance medical care shall be made for case management services, psychological services, and medical supplies for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases.

Notwithstanding any other law to the contrary, and with the approval of the commissioner of finance, the commissioner of human services may transfer any unencumbered funds from any department account, except the income maintenance entitlement accounts, to the regional treatment salary account during fiscal year 1989. Any such funds moved must be identified to the chair of the senate finance subcommittee on health and human services and the house appropriations division on health and human services.

Subd. 2. Health-Related Boards

The appropriations in this subdivision are from the special revenue fund and are added to the appropriations in Laws 1987, chapter 403, article 1, section 10.

(a) Board of Optometry	4,000
(b) Board of Podiatry	16,000
(c) Board of Pharmacy	10,000
(d) Board of Psychology	6,000

(e) Board of Veterinary Medicine 6,000

Sec. 5. AGRICULTURE, TRANSPORTATION, SEMI-STATE ACTIVITIES

Subdivision 1. Public Safety

Disaster Relief 212,000

This appropriation is added to the appropriation in Laws 1987, chapter 358, section 5, subdivision 3.

Subd. 2. Agriculture

(a) Laboratory Equipment to Test for Aflatoxin 75,000

This appropriation is added to the appropriation in Laws 1987, chapter 358, section 7, subdivision 2.

(b) Costs of Testing for the Varroa Mite 52,000

This appropriation is added to the appropriation in Laws 1987, chapter 358, section 7, subdivision 2.

(c) Haylift 100,000

This appropriation is for another haylift to help farmers who are short of hay to feed their livestock.

Subd. 3. State Historical Society 5,500

This appropriation is to the state archeologist.

Sec. 6. STATE DEPARTMENTS

Subdivision 1. Board of Public Defense

Trial Transcripts 160,000

This appropriation is added to the appropriation in Laws 1987, chapter 404, section 7.

Subd. 2. Attorney General

(a) Education Aids Law Litigation 61,000

This appropriation is added to the appropriation in Laws 1987, chapter 404, section 13, subdivision 4.

(b) LTV and Reserve Bankruptcy Litigation 75,000

This appropriation is added to the appropriation in Laws 1987, chapter 404, section 13, subdivision 5.

Subd. 3. Secretary of State

The reimbursement to the general fund of \$500,000 required by Laws 1987, chapter 356, section 5, subdivision 2, is reduced to \$200,000.

Subd. 4. Administration

Volunteer Services 70,000

This appropriation is added to the appropriation in Laws 1987, chapter 404, section 16, subdivision 2.

Subd. 5. Finance

(a) Biennial Budget System 150,000

This appropriation is added to the appropriation in Laws 1987, chapter 404, section 18, subdivision 4.

(b) College Savings Bonds 22,000

Subd. 6. Employee Relations

Applicant Processing System 40,000

This appropriation is added to the appropriation in Laws 1987, chapter 404, section 31, subdivision 4.

Subd. 7. Natural Resources

(a) Drought Emergency 201,000

This appropriation is added to the appropriation in Laws 1987, chapter 404, section 22, subdivisions 3 and 8.

(b) Park Operations 600,000

This appropriation is from the state park maintenance and operation account in the special revenue fund and is added to the appropriation in Laws 1987, chapter 404, section 22, subdivision 5.

Subd. 8. Veterans Affairs

Veterans Relief 55,000

This appropriation is added to the appropriation in Laws 1987, chapter 404, section 36, subdivision 2.

Sec. 7. Minnesota Statutes 1988, section 148B.40, subdivision 3, is amended to read:

Subd. 3. [MENTAL HEALTH SERVICE PROVIDER.] "Mental health service provider" or "provider" means any person who provides, for a remuneration, mental health services as defined in subdivision 4. It does not include persons licensed by the board of medical examiners under chapter 147; the board of nursing under sections 148.171 to 148.285; or the board of psychology under sections 148.88 to 148.98; the board of social work under sections 148B.18 to 148B.28; the board of marriage and family therapy under sections 148B.29 to 148B.39; or another licensing board if the person is practicing within the scope of the license. In addition, the term does not include employees of the state of Minnesota or any of its political subdivisions while acting within the scope of their public employment; hospital and nursing home social workers exempt from licensure by the board of social work under section 148B.28, subdivision 6, including hospital and nursing home social workers acting as marriage and family counselors within the scope of their employment by the hospital or nursing home; and persons certified

as chemical dependency professionals by the Institute for Chemical Dependency Professionals of Minnesota, Inc.

Sec. 8. Minnesota Statutes 1988, section 148B.42, is amended by adding a subdivision to read:

Subd. 6. [FILING FEE.] The fee for filing as a mental health service provider shall be \$50. This fee shall remain in effect until such time as permanent rules establishing fees for filing under this section are in effect.

Sec. 9. Minnesota Statutes 1988, section 327.20, subdivision 1, is amended to read:

Subdivision 1. [RULES.] No domestic animals or house pets of occupants of manufactured home parks or recreational camping areas shall be allowed to run at large, or commit any nuisances within the limits of a manufactured home park or recreational camping area. Each manufactured home park or recreational camping area licensed under the provisions of sections 327.10, 327.11, 327.14 to 327.28 shall, among other things, provide for the following, in the manner hereinafter specified:

(1) A responsible attendant or caretaker shall be in charge of every manufactured home park or recreational camping area at all times, who shall maintain the park or area, and its facilities and equipment in a clean, orderly and sanitary condition. In any manufactured home park containing more than 50 lots, the attendant, caretaker, or other responsible park employee, shall be readily available at all times in case of emergency.

(2) All manufactured home parks shall be well drained and be located so that the drainage of the park area will not endanger any water supply. No waste water from manufactured homes or recreational camping vehicles shall be deposited on the surface of the ground. All sewage and other water carried wastes shall be discharged into a municipal sewage system whenever available. When a municipal sewage system is not available, a sewage disposal system acceptable to the state commissioner of health shall be provided.

(3) No manufactured home shall be located closer than three feet to the side lot lines of a manufactured home park, if the abutting property is improved property, or closer than ten feet to a public street or alley. Each individual site shall abut or face on a driveway or clear unoccupied space of not less than 16 feet in width, which space shall have unobstructed access to a public highway or alley. There shall be an open space of at least ten feet between the sides of adjacent manufactured homes including their attachments and at least three feet between manufactured homes when parked end to end. The space between manufactured homes may be used for the

parking of motor vehicles and other property, if the vehicle or other property is parked at least ten feet from the nearest adjacent manufactured home position. The requirements of this paragraph shall not apply to recreational camping areas and variances may be granted by the state commissioner of health in manufactured home parks when the variance is applied for in writing and in the opinion of the commissioner the variance will not endanger the health, safety, and welfare of manufactured home park occupants.

(4) An adequate supply of water of safe, sanitary quality shall be furnished at each manufactured home park or recreational camping area. The source of the water supply shall first be approved by the state department of health. At least one water supply outlet shall be provided at convenient locations throughout the manufactured home park or recreational camping area.

(5) All plumbing shall be installed in accordance with the rules of the state commissioner of health and the provisions of the Minnesota plumbing code.

(6) In the case of a manufactured home park with less than ten manufactured homes, a plan for the sheltering or the safe evacuation to a safe place of shelter of the residents of the park in times of severe weather conditions, such as tornadoes, high winds, and floods. The shelter or evacuation plan shall be developed with the assistance and approval of the municipality where the park is located and shall be posted at conspicuous locations throughout the park. Nothing in this paragraph requires the department of health to review or approve any shelter or evacuation plan developed by a park. Failure of a municipality to approve a plan submitted by a park shall not be grounds for action against the park by the department of health if the park has made a good faith effort to develop the plan and obtain municipal approval.

(7) A manufactured home park with ten or more manufactured homes, licensed prior to March 1, 1988, shall provide a safe place of shelter for park residents or a plan for the evacuation of park residents to a safe place of shelter within a reasonable distance of the park for use by park residents in times of severe weather, including tornadoes and high winds. The shelter or evacuation plan must be approved by the municipality by March 1, 1989. The municipality may require the park owner to construct a shelter if it determines that a safe place of shelter is not available within a reasonable distance from the park. A copy of the municipal approval and the plan shall be submitted by the park owner to the department of health. Failure of a municipality to act on a plan submitted by a park is not grounds for action against the park by the department of health if the park has made a good faith effort to develop the plan and obtain municipal approval.

(8) A manufactured home park with ten or more manufactured

homes, receiving a primary license after March 1, 1988, must provide the type of shelter required by section 327.205.

Sec. 10. [EFFECTIVE DATE.]

This article is effective the day after its final enactment.

ARTICLE 2

PROCEEDS OF STRIPPER WELL LITIGATION

Section 1. [STRIPPER WELL LITIGATION.]

Subdivision 1. The appropriations in this section are added to the appropriations made in Laws 1986, chapter 686, article 1, section 37, and are available immediately after enactment.

Subd. 2. \$173,500 is appropriated to the commissioner of administration for a grant to Bemidji State University for research on the biotechnical conversion of peat to energy and other useful products.

Subd. 3. \$272,800 is appropriated to the commissioner of administration for a grant to the University of Minnesota, Crookston, for research on short rotation intensive culture of hybrid poplars for the production of petroleum substitutes.

Subd. 4. \$272,900 is appropriated to the commissioner of administration for a grant to the city of Minneapolis energy office to develop programs for promoting energy efficiency in multifamily buildings and small businesses.

Subd. 5. \$336,000 is appropriated to the commissioner of administration for a grant to the University of Minnesota southwest experiment station for research and on farm adoption of energy efficient and conservation farming methods in Minnesota.

Subd. 6. \$284,000 is appropriated to the commissioner of administration for a grant to the University of Minnesota, St. Anthony Falls hydraulics laboratory for economic hydropower development in Minnesota.

Subd. 7. \$102,500 is appropriated to the commissioner of administration for a grant to the self-reliance center for a demonstration program on low cost furnace efficiency.

Subd. 8. \$45,000 is appropriated to the commissioner of administration for a grant to the Staples technical institute a natural air and low temperature grain drying demonstration project.

Subd. 9. \$107,500 is appropriated to the commissioner of administration for a grant to the energy resource center for a project evaluating domestic hot water supply options in multifamily buildings.

Subd. 10. \$255,000 is appropriated to the commissioner of administration for a grant to upper Minnesota valley regional development commission for research and analysis of the biological, engineering, and economic issues surrounding the lowering of feedstock costs into polyhydroxybutyrate (PHBV) biodegradable plastic resin plants.

Subd. 11. \$57,000 is appropriated to the commissioner of administration for a grant to the University of Minnesota extension service: 4H youth development for a University of Minnesota bicycle promotion program to increase the number of bicycle commuters.

Subd. 12. \$724,000 is appropriated to the commissioner of administration for a grant to the University of Minnesota cold climate research center for research and demonstration projects using alternative sources of energy and to promote energy efficiency in buildings located in cold climates.

Subd. 13. \$100,000 is appropriated to the commissioner of administration for administration of the grants program. One complement position is authorized.

Subd. 14. It is a condition of acceptance of the appropriations made by this section that the agency or entity receiving the appropriation must submit semiannual progress reports and work plans in the form determined by the Minnesota future resources commission.

Sec. 2. [REPEALER.]

Laws 1988, chapter 686, article 1, section 37, subdivision 10, is repealed.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day after its final enactment.

ARTICLE 3

CAPITAL IMPROVEMENTS

Section 1. CAPITAL IMPROVEMENTS APPROPRIATIONS

The sums in the column marked "APPROPRIATIONS" are appropriated from the state building fund, or another named fund, to the state agencies indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this article.

SUMMARY

ADMINISTRATION	\$10,196,000
CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	500,000
NATURAL RESOURCES	4,832,000
POLLUTION CONTROL AGENCY	22,600,000
TRADE AND ECONOMIC DEVELOPMENT	5,000,000
AMATEUR SPORTS COMMISSION	580,000
TECHNICAL INSTITUTES	6,126,000
COMMUNITY COLLEGES	8,237,000
STATE UNIVERSITIES	24,747,000
UNIVERSITY OF MINNESOTA	13,755,000
EDUCATION	3,000,000
HUMAN SERVICES	15,299,000
CORRECTIONS	2,881,000
HEALTH	520,000
VETERANS HOMES BOARD	427,000
JOBS AND TRAINING	100,000
HISTORICAL SOCIETY	165,000
TRANSPORTATION	4,000,000
BOND SALE EXPENSES	120,000
TOTAL	\$123,085,000

General Fund	2,424,000
Transportation Fund	4,000,000
Building Fund	114,661,000
Reinvest in Minnesota Resources Fund	2,000,000

STATE BONDING TOTALS

New Bonding	120,661,000
Canceled Bonding	- 44,800,000
Net Authorizations	75,861,000

Sec. 2. ADMINISTRATION

(a) State Office Building Arbitration Award	3,799,000
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(b) House Renovation	1,700,000
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This appropriation for the remodeling of the House, including the chamber. Any plans developed for the project shall include design requirements for an automated chamber.

(c) Minnesota Public Radio	393,000
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This appropriation is for equipment grants to Minnesota Public Radio.

(d) Handicapped Accessibility	2,000,000
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(e) Asbestos Removal	
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\$1,000,000 of the funds received by the state as a part of the court settlement known as State of Minnesota v. Acands Inc., et al is appropriated from the general fund to the Department of Military Affairs for the purpose of asbestos abatement in state armories and asbestos abatement and code violations at building U-1 at Camp Ripley. Funds for building U-1 are only available upon demonstration to the commissioner of

finance that federal money is available for this project. The balance of the funds received as a part of this settlement are appropriated to the commissioner of administration for the purpose of asbestos removal in state buildings that have been identified as constituting risk factors 5 and 4 in the evaluation studies dated January 18, 1984, and March 21, 1984, or in other subsequent evaluations done by recognized asbestos testing consultants that identify the most hazardous sites.

(f) Administration

1,304,000

This appropriation is to the commissioner of administration from the general fund for agency relocation expenses.

Sec. 3. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

Office Building Planning

500,000

\$125,000 of this appropriation is for the site selection work to select two sites in the capitol area for the construction of future state office buildings to house executive branch agencies and is available immediately upon enactment.

\$375,000 of this appropriation is for the design competition necessary for one office building in the capitol area for housing executive branch agencies.

Sec. 4. NATURAL RESOURCES

(a) Trail Acquisition/Development

1,200,000

Included in this appropriation are funds for appraisal of the Paul Bunyan Trail and engineering and initial development of the Soo Line Trail.

(b) Reinvest in Minnesota

2,000,000

\$1,000,000 of this appropriation is for the State Critical Habitat Match.

(c) Water Bank Program	600,000
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(d) Flood Damage Reduction and Prevention	1,032,000
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Sec. 5. POLLUTION CONTROL AGENCY

Wastewater Treatment	22,600,000
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\$4,700,000 of this appropriation is to be used for loans to municipalities as a match to the federal SRF contribution.

\$2,500,000 of this appropriation is for state grants to match federal grant monies.

\$5,000,000 of this appropriation is for combined sewer overflow.

\$3,000,000 of this appropriation is for supplemental grants to those communities identified in Minnesota Statutes, section 116.18, subdivision 3d.

\$6,000,000 of this appropriation is for supplemental grants to those communities whose fiscal year 1989 grant amounts were reduced or not awarded as a result of the appropriation made in Laws 1988, chapter 686, article 1, section 13, item (f).

\$500,000 of this appropriation is for a grant to the Western Lake Superior Sanitary District for payment of debt service on bonds issued for repair of the rupture of the Cloquet to Duluth pipeline.

\$900,000 of this appropriation is for administration of the wastewater treatment program. An approved complement of 23 positions is authorized.

Any money remaining after all grants and loans have been awarded under this item may be used for the award of grants under Minnesota Statutes, section 116.18, subdivisions 2a and 3a.

Sec. 6. TRADE AND ECONOMIC DEVELOPMENT

Duluth Harbor Dredging

5,000,000

This appropriation is for the dredging of the upper harbor area.

This appropriation is available only upon demonstration to the commissioner of finance that the city of Duluth has matched this appropriation with at least \$1,000,000 in nonstate funds.

Allotment of funds under this section is contingent upon the commissioner of finance determining that the appropriate labor and management organizations have executed agreements assuring that no management lockout or labor strike other than a nationwide strike will halt, delay, or impede shipments to or from the Duluth harbor. Local labor management disputes shall be automatically referred to binding arbitration.

Sec. 7. AMATEUR SPORTS COMMISSION

(a) Kayaking Center

280,000

This appropriation is for the kayaking center at Carlton.

(b) Speed skating and Bandy Center

300,000

This appropriation is for planning of the national ice skating and bandy center in Roseville.

Sec. 8. TECHNICAL INSTITUTES

Subdivision 1. To the state board of vocational technical education for the purposes specified in this section

6,126,000

The state board shall review and report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

Subd. 2. Post-secondary vocational technical construction in the school districts listed in this subdivision

674,000

(a) Independent School District No. 564, Thief River Falls 504,000

This appropriation is added to the appropriation in Laws 1987, chapter 400, section 17, subdivision 2, clause (p), for the same purposes. The total amount of the project may not exceed \$2,708,000.

(b) Independent School District No. 819, Wadena 170,000

This appropriation is added to the appropriation in Laws 1987, chapter 400, section 17, subdivision 2, clause (q), for the same purposes. The total amount of the project may not exceed \$2,321,000.

Subd. 3. Statewide

5,452,000

(a) This appropriation is for statewide capital improvements including roofs, handicapped accessibility, hazardous material abatement, parking lots, electrical, mechanical, and other physical plant repair and replacement 4,488,000

(b) This appropriation is for land acquisition at the following campuses: Bemidji, Detroit Lakes, Pine City, St. Paul and Winona 964,000

Sec. 9. COMMUNITY COLLEGES

Subdivision 1. To the commissioner of administration for the purposes specified in the following subdivisions

8,237,000

Notwithstanding Minnesota Statutes 1988, section 16B.24, subdivision 2, the state board for community colleges shall supervise and control the making of necessary repairs to all state community college buildings and structures during the biennium ending June 30, 1991.

The state board shall review and report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

Subd. 2. Brainerd Community College

6,009,000

This appropriation is to plan, remodel, and construct drama, child care, physical education, computer lab, developmental learning, biology, library, classrooms, campus center, art studio/classroom, offices, parking, and storage areas.

Subd. 3. Southeastern Education Center

328,000

This appropriation is for schematic designs for a facility to be shared by the University of Minnesota, Rochester Community College, and Winona State University.

Subd. 4. Statewide

1,900,000

This appropriation is for statewide capital improvements including roofs, handicapped accessibility, hazardous material abatement, parking lots, electrical, mechanical, and other physical plant repair and replacement.

Sec. 10. STATE UNIVERSITIES

Subdivision 1. To the state university board for the purposes specified in the following subdivisions

24,747,000

Notwithstanding Minnesota Statutes 1988, sections 16B.30 and 16B.31, during the biennium, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of the state university buildings, structures, and improvements provided for in this section. During the biennium, the state university board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act. The board must not direct or permit an expenditure beyond the appropriation, and an agent of the board violating this provision is guilty of a gross misdemeanor.

The board shall review and report to the house appropriations and senate finance committees by January 15 of

each year on the status of the capital improvement projects in this section.

Notwithstanding Minnesota Statutes 1988, section 16B.24, subdivision 2, during the biennium, the state university board shall supervise and control the making of necessary repairs to all state university buildings and structures during the biennium ending June 30, 1991.

Notwithstanding other law, during the biennium, the state university board, on behalf of St. Cloud State and Winona State universities, may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of the universities. The board shall make a written request to the department of administration, real estate management division, indicating the need to acquire property, specify the property to be acquired, and indicate the source and amount of money needed for the acquisition. The board shall proceed with the acquisition consistent with the policies and rules established by the department of administration. Before taking action, the state university board shall consult with the chairs of the senate finance committee and the house appropriations committee about the proposed action. Should either chair object to the proposed purchase, then further action must be suspended pending presentation of the proposal to the legislature for consideration.

During the biennium, the state university board must not prepare final plans and specifications for any construction or major remodeling authorized by this act until it has presented the schematic plans and cost estimates for all elements necessary to complete the project to the chairs of the house appropriations committee and the senate finance committee and the chairs have made their recommendations. The rec-

ommendations are advisory only. "Construction or major remodeling" means construction of a new building, or modifications of a building whose exterior dimension or interior configuration is altered in a material way. Reports on construction or major remodeling must summarize the current status of the individual project, the budget plan, and describe any conditions that are not consistent with the initial request, legislative testimony, or the appropriation. If applicable, schematic design documents must accompany the reports. Reports on projects that are not included in the above definition must be made before awarding bids. The reports must summarize the status of the individual projects, the budget plan, and any departure that may need to be made from the system's initial request. Architectural and design work may continue in accordance with the project schedule unless objections are raised by the chairs. If a situation arises during the planning process that requires a significant departure from the initial request or the appropriation, the state university system must notify the chairs and await their responses before authorizing further work on the plans.

Subd. 2. Bemidji Campus

150,000

This appropriation is to replace the theater lighting in Bangsberg Hall.

Subd. 3. Mankato Campus

11,200,000

This appropriation is to remodel and construct an addition to Memorial Library.

Subd. 4. Metropolitan Campus

480,000

This appropriation is for planning and remodeling of the St. John's site.

Subd. 5. Southwest Campus

365,000

This appropriation is to waterproof tunnels.

Subd. 6. Winona Campus

10,312,000

This appropriation is to construct the health and applied science building.

Subd. 7. Statewide

2,240,000

This appropriation is for statewide capital improvements including roofs and hazardous material abatement.

Subd. 8. Other Provisions

Up to \$350,000 of an unencumbered balance remaining from the money appropriated in 1987 for planning and land acquisition at Winona State University may be used for acquiring additional land adjacent to or in the vicinity of the Winona State campus.

Notwithstanding any law to the contrary, no moneys are appropriated out of the state treasury to pay any amounts under the contract (energy services agreement), and any amendments to the contract, between the state and M.E.S. Corporation for energy services at St. Cloud State University. This section confirms the intent of Laws 1987, chapter 401, section 5, subdivision 3, to limit amounts appropriated for payments to the interest costs for which appropriations were made during the 1988-1989 biennium.

Sec. 11. UNIVERSITY OF MINNESOTA

Subdivision 1. To the regents of the University of Minnesota for the purposes specified in the following subdivisions

13,755,000

The regents shall review and report to the house appropriations and senate finance committees by January 15 of

each year on the status of the capital improvement projects in this section:

Subd. 2: Twin Cities Campus

7,955,000

(a) Plan Walter Library renovation

2,270,000

(b) Plan biological sciences and basic sciences construction projects

5,685,000

Subd. 3: Statewide

5,800,000

This appropriation is for statewide health and life safety improvements.

Subd. 4: Other Provisions

The regents of the University of Minnesota may use nonstate funds for the planning of an addition to Ferguson Hall and for planning of the next phase of the Recreation Sports facility.

In addition to the purpose stated in Laws 1987, chapter 400, section 20, subdivision 8, clause (a), the regents are authorized to use the appropriation to construct an attached greenhouse.

The regents may proceed with the upgrading of the indoor-outdoor track facility.

Sec. 12: EDUCATION

3,000,000

This appropriation is from the state building fund to the commissioner of education for grants to districts under the desegregation capital improvement grant act according to Minnesota Statutes, sections 129B.71 to 129B.73.

Sec. 13: HUMAN SERVICES

Subdivision 1. To the commissioner of administration for the purposes specified in this section

15,299,000

Subd. 2: Anoka Metropolitan Regional Treatment Center

(a) Design a 300-bed regional treatment center 1,839,000

(b) Plan and design metropolitan area facilities 666,000

The commissioner shall include in the plans for recapitalization of Anoka-Metro Regional Treatment Center, plans to develop a separate children's and adolescents mental health treatment program.

(c) Design 80-bed skilled nursing facility, to be located in the metropolitan area 246,000

Subd. 3. Ah-Gwah-Ching State Nursing Home

Replace boilers and make related steam system renovations 683,000

Subd. 4. Systemwide

(a) Upgrade heating, ventilating, and air conditioning equipment in residential and program buildings 6,908,000

Prior to spending funds to upgrade or install heating ventilating and air conditioning equipment in residential and program buildings, the commissioner shall obtain the approval of the governor, after consultation with the legislative advisory commission.

(b) Begin to design, construct, and equip 31 state-operated community service units 4,137,000

(c) Plan and design remodeling of residential buildings to meet standards for skilled nursing facilities 358,000

(d) Plan for renovation or new construction in units serving persons who are mentally ill at the Fergus Falls Regional Treatment Center and the

Moose Lake Regional Treatment Center	462,000
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Subd. 5. Funding for capital projects related to the regional treatment center negotiations are authorized contingent on enactment of legislation implementing the negotiated proposal to reconfigure the regional treatment center system. Prior to the encumbrance of funds for each project, the commissioner of finance shall seek the recommendations and advice of the chairs of the house appropriations committee and the senate finance committee.

Sec. 14. CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes specified in this section	2,881,000
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Subd. 2. Minnesota Correctional Facility—St. Cloud

Replace and reinsulate steam, condensate, sewer, and water lines in utility tunnels	1,265,000
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Subd. 3. Minnesota Correctional Facility—Red Wing

Install and upgrade appropriate fire and safety equipment on boilers #1 and #2	327,000
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Subd. 4. Minnesota Correctional Facility—Stillwater

Complete various projects required to comply with OSHA regulations	393,000
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Subd. 5. Minnesota Correctional Facility—Shakopee

Demolish old Shakopee correctional facility	256,000
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Subd. 6. Systemwide

Repair roofs at various correctional facilities 640,000

Sec. 15. HEALTH

Subdivision 1. To the commissioner of administration for the purposes specified in this section 520,000

Subd. 2. Health Department Building—Minneapolis

(a) Conduct evaluation of Public Health Laboratories ventilation system and make structural changes necessary for adequate ventilation. 260,000

(b) Conduct long-range space utilization study of Public Health Laboratories focusing on safety and changing laboratory technologies. 260,000

Sec. 16. VETERANS HOMES BOARD

Subdivision 1. To the commissioner of administration for the purposes specified in this section 427,000

Subd. 2. Minnesota Veterans Home—Hastings

Convert eight-bed dormitory rooms to four-bed rooms 262,000

Subd. 3. Minnesota Veterans Home—Minneapolis

Demolish Building 5 165,000

Sec. 17. JOBS AND TRAINING

Subdivision 1. To the commissioner of administration for the purpose specified in this section 100,000

Subd. 2. Conduct study of alternative sites in Minneapolis for job service offices

100,000

Sec. 18. MINNESOTA HISTORICAL SOCIETY

165,000

This appropriation is from the state building fund to the Historical Society for a grant to the Red Lake Band of Chippewa Indians for design, development, and preparation of construction documents for the Red Lake Tribal Information Center.

Sec. 19. BOND SALE EXPENSES

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8

120,000

Sec. 20. DEBT SERVICE

The commissioner of finance shall schedule the sale of state general obligation bonds so that during fiscal year 1990 no more than \$199,586,900 and during fiscal year 1991 no more than \$172,226,900 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. Before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641. If the appropriation for either year is insufficient, the

appropriation for the other year is available for it.

Sec. 21. Minnesota Statutes 1988, section 116.18, subdivision 3d, is amended to read:

Subd. 3d. [ADJUSTMENTS TO MATCHING GRANTS AND STATE INDEPENDENT GRANTS.] A municipality with a population of 25,000 or less that was tendered a state matching grant under subdivision 2a, or a state independent grant under subdivision 3a, or a federal grant under the federal Water Pollution Control Act, United States Code, title 33, sections 1281 to 1299, from October 1, 1984, through September 30, 1987, shall, after the municipality has awarded bids for construction of the treatment works, and upon request, receive a grant increase of five 2.5 percent of the total eligible costs of construction, up to the maximum entitlement for grants awarded on or after October 1, 1987, under subdivisions 2a and 3a. The municipality must inform other entities that are providing funding for construction of the treatment works of the grant increase, and repay any funds to which it is not entitled. A municipality must not receive funding for more than 100 percent of the total costs of the treatment works. Documentation of money received from other sources must be submitted with the request for the grant increase. Money remaining after all grants have been awarded under this subdivision may be used for the award of grants under subdivisions 2a and 3a. An adjustment grant awarded after July 1, 1989, that is a continuation of a previously awarded adjustment grant must be awarded through a letter from the agency to the municipality stating the grant amount. A formal grant agreement is not required.

Sec. 22. Laws 1979, chapter 280, section 1, is amended to read:

Section 1. [STATE TRANSPORTATION BONDS; ISSUANCE AND SALE.] The commissioner of finance shall, upon the request of the commissioner of transportation, issue and sell Minnesota state transportation bonds for the purposes provided in Minnesota Statutes, Section 174.51, Subdivision 1, in the aggregate principal amount of \$52,000,000 \$56,000,000 in the manner and upon the conditions prescribed in Minnesota Statutes, Section 174.51 and in Article XI of the Minnesota Constitution. The proceeds of the bonds, except as provided in Minnesota Statutes, Section 174.51, Subdivision 5, shall be deposited in the Minnesota state transportation fund for expenditure in accordance with section 2, subdivisions 2 and 3, and Minnesota Statutes, Section 174.50.

Sec. 23. Laws 1979, chapter 280, section 2, as amended by Laws 1982, chapter 617, section 25, Laws 1985, chapter 299, section 39, and Laws 1985, First Special Session, chapter 16, article 2, section 16, is amended to read:

Sec. 2. [APPROPRIATION.] Subdivision 1. ~~\$52,000,000~~ \$56,000,000, or so much thereof as is determined to be needed, is appropriated from the Minnesota state transportation fund to the department of transportation to be expended for disbursement in the form of grants by the commissioner of transportation for construction and reconstruction of key bridges on the state transportation system and shall be allocated pursuant to subdivisions 2 and 3. The appropriation shall not lapse, but shall remain available until expended.

Subd. 2. ~~\$50,500,000~~ \$54,500,000 or so much thereof as is needed, is available for expenditure at a ~~rate not exceeding \$12,500,000 per fiscal year~~ for grants to political subdivisions for construction and reconstruction of key bridges on highways, streets and roads under their jurisdiction. The grants shall not exceed the following aggregate amounts:

(1) To counties ~~\$11,500,000~~ \$13,860,000

(2) To home rule charter and statutory cities ~~\$1,500,000~~ \$2,060,000

(3) To towns ~~\$21,000,000~~ \$22,080,000

Grants under clauses (1) to (3) may be used by political subdivisions to match federal-aid grants for construction and reconstruction of key bridges under their jurisdictions. Additional grants may be made in an aggregate amount not to exceed \$16,500,000 to the political subdivisions to match federal-aid grants for construction and reconstruction of key bridges under their jurisdiction. Appropriations made in subdivisions 1, 2, or 3 may also be used for the following purposes:

(1) The costs of abandoning an existing bridge that is deficient and is in need of replacement, but where no replacement will be made.

(2) The costs of constructing a road or street that would facilitate the abandonment of an existing bridge determined to be deficient. The construction of the road or street must be judged to be more cost efficient than the reconstruction or replacement of the existing bridge.

Subd. 3. An additional amount not to exceed \$1,500,000 is available for grants for preliminary engineering and environmental studies pursuant to section 3.

Sec. 24. [BOND SALE.]

Subdivision 1. [BUILDING FUND.] To provide the money appropriated in this article from the state building fund the commissioner

of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$111,661,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [REINVEST IN MINNESOTA FUND.] To provide the money appropriated in this act from the reinvest in Minnesota resources fund the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$2,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 25. [CONSULTATION REQUIRED.]

Land must not be purchased and a building must not be purchased, constructed, or erected on land of the University of Minnesota until the regents have first consulted with the chair of the senate finance committee and the chair of the house appropriations committee and obtained their advisory recommendations.

Sec. 26. [REVIEW OF PLANS.]

An agency to whom an appropriation is made in this act must not prepare final plans and specifications for any construction or major remodeling authorized by this act until the agency that will use the project has presented the program plan and cost estimates for all elements necessary to complete the project to the chair of the senate finance committee and the chair of the house appropriations committee and the chairs have made their recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation is considered a negative recommendation. The presentation must note any significant changes in the work that will be done, or in its cost, since the appropriation for the project was enacted.

Sec. 27. [APPROPRIATIONS FOR CONSTRUCTION; TRANSFER.]

Upon the awarding of final contracts for the completion of a project for construction or other permanent improvement authorized by this act, or upon the abandonment of the project, the agency to whom the appropriation is made in this act may transfer the unencumbered balance in the project account to another project enumerated in the same section. The transfer must be made only to cover bids for the other project that were higher than was estimated when the appropriation for the other project was made and not to cover an expansion of the other project. The money transferred under this section is appropriated for the purposes for which transferred. For transfers by the state board of vocational technical

education, the total cost of both projects and the required local share for both projects are adjusted accordingly. The commissioners and boards shall report to the chair of the senate finance committee and the chair of the house appropriations committee before a transfer is made under this section.

Sec. 28. [APPROPRIATIONS FOR CONSTRUCTION; FEDERAL MONEY; EXCEEDING AUTHORIZED COST.]

An agency that receives an appropriation in this act shall apply for the maximum federal share for each capital improvement project for which money is appropriated by this act. Encumbrance or expenditure of money in excess of the project authorization may be made only after the agency has consulted with the chair of the senate finance committee and the chair of the house appropriations committee and the chairs have made their recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation is considered a negative recommendation.

Sec. 29. [METHODS OF ACQUISITION.]

If money has been appropriated to the commissioner of administration to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under Minnesota Statutes, chapter 117.

Sec. 30. [BOND SALE REDUCTIONS.]

The bond sale authorization in Laws 1981, chapter 334, section 12, is reduced by \$37,800,000. The bond sale authorization in Laws 1983, chapter 323, section 6, is reduced by \$7,000,000.

Sec. 31. [EFFECTIVE DATE.]

This article is effective the day after its final enactment.

ARTICLE 4

ELEMENTARY AND SECONDARY EDUCATION

Section 1. Minnesota Statutes 1988, section 124.477, is amended to read:

124.477 [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS; 1988.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$20,000,000 \$13,000,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Enough money to pay interest on the bonds to and including July 1 in the second year after the date of issue must be credited from the bond proceeds to the school loan bond account in the state bond fund. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

Sec. 2. Minnesota Statutes 1988, section 124.493, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL BY COMMISSIONER.] To the extent money is available, the commissioner of education may approve ~~not more than two pilot~~ projects from applications submitted under section 124.494. The grant money must be used only to acquire, construct, remodel or improve the building or site of a cooperative secondary facility under contracts to be entered into within 15 months after the date on which each grant is awarded.

Sec. 3. Minnesota Statutes 1988, section 124.494, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION.] Any group of school districts that meets the criteria required under subdivision 2 may apply for an incentive grant in an amount ~~up to 75 not to exceed the lesser of~~ \$6,000,000 or 60 percent of the approved construction costs of a cooperative secondary education facility.

Sec. 4. Minnesota Statutes 1988, section 124.494, subdivision 2, is amended to read:

Subd. 2. [REVIEW BY COMMISSIONER.] (a) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to acquire, construct, remodel or improve the

secondary facility. The commissioner must not approve an application for an incentive grant for any secondary facility unless the facility receives a favorable review and comment under section 121.15 and the following criteria are met:

(1) a minimum of three or more districts, with kindergarten to grade 12 enrollments in each district of no more than ~~1,000~~ 2,500 pupils, enter into a joint powers agreement;

(2) a joint powers board representing all participating districts is established under section 471.59 to govern the cooperative secondary facility;

(3) the planned secondary facility will result in the joint powers district meeting the requirements of Minnesota Rules, parts 3500.2010 and 3500.2110;

(4) at least 240 pupils would be served in grades 10 to 12, 320 pupils would be served in grades 9 to 12, or 480 pupils would be served in grades 7 to 12;

(5) no more than one superintendent is employed by the joint powers board as a result of the cooperative secondary facility agreement;

(6) a statement of need is submitted, that may include reasons why the current secondary facilities are inadequate, unsafe or inaccessible to the handicapped;

(7) an educational plan is prepared, that includes input from both community and professional staff;

(8) a combined seniority list for all participating districts is developed by the joint powers board;

(9) a plan is developed to allow all teachers in each participating district, upon unanimous approval of the teachers' executive bargaining representatives, to form one bargaining unit;

(10) an education program is developed that provides for more learning opportunities and course offerings including the offering of advanced placement courses for students than is currently available in any single member district; and

~~(10)~~ (11) a plan is developed for providing instruction of any resident students in other districts when distance to the secondary education facility makes attendance at the facility unreasonably difficult or impractical.

(b) To the extent possible, the joint powers board is encouraged to provide for severance pay or for early retirement incentives under section 125.611, for any teacher or administrator, as defined under section 125.12, subdivision 1, who is placed on unrequested leave as a result of the cooperative secondary facility agreement.

Sec. 5. Minnesota Statutes 1988, section 124.494, subdivision 4, is amended to read:

Subd. 4. [AWARD OF GRANTS.] The commissioner shall examine and consider all applications for grants, and if any joint powers district is found not qualified, the commissioner shall promptly notify that joint powers board. On July 1 of 1988 1989, the commissioner shall make awards to ~~no more than~~ two qualified applicants whose applications have been on file with the commissioner more than one month. If additional funds are available, the commissioner may make additional grants on July 1 of each subsequent year. A grant award is subject to verification by the joint powers districts as specified in subdivision 6. A grant award must not be made until the site of the secondary facility has been determined. If the total amount of the approved applications exceeds the amount that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified joint powers district the amount, if any, of the grant awarded to it.

Sec. 6. Minnesota Statutes 1988, section 124.495, is amended to read:

124.495 [STATE BOND AUTHORIZATION.]

To provide money for the cooperative secondary facilities grant program, the commissioner of finance, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of ~~\$16,000,000~~ \$23,000,000 in the manner, upon the terms and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 7. Minnesota Statutes 1988, section 129B.72, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FORMS; RULES.] The commissioner of education shall prepare application forms and establish application dates. The state board of education shall adopt rules under chapter 14 to govern the application process set out in section 129B.73.

Sec. 8. Minnesota Statutes 1988, section 129B.72, is amended by adding a subdivision to read:

Subd. 3. [CRITERIA.] A district applying for a grant under this

section must have an approved desegregation plan. The district must describe how the improvement will result in the district meeting or exceeding the requirements and goals of its approved desegregation plan.

Sec. 9. Minnesota Statutes 1988, section 129B.73, subdivision 4, is amended to read:

Subd. 4. [MATCHING REVENUE.] Upon being awarded a grant under subdivision 3, the board shall determine the need to bond for additional revenue. If the board determines that there is no need to bond, it shall certify to the commissioner of education that other funds are available for the purpose. If a bond issue is required, the board shall submit, within 90 days, the question of authorizing the borrowing of funds for remodeling or improvements to the voters of the district at a special election, that may be held in conjunction with the annual election of the school board members. If a majority of those voting on the question do not vote in the affirmative, and the district does not have other funds available, the grant must be canceled.

Sec. 10. Minnesota Statutes 1988, section 129B.73, is amended by adding a subdivision to read:

Subd. 5. [PROJECT BUDGET.] A district that receives a grant must provide the project budget and any other information the commissioner requests, to the commissioner.

Sec. 11. [129B.76] [ISSUANCE AND SALE OF BONDS.]

To provide money for grants under the desegregation capital improvement grant act, the commissioner of finance, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$3,000,000 in the manner, upon the terms, and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 12. [CAPITAL LOAN; FOLEY SCHOOL DISTRICT.]

A capital loan in an amount not to exceed \$4,853,000 to independent school district No. 51, Foley, is approved.

Sec. 13. [REPEALER.]

Laws 1987, chapter 400, section 59, as amended by Laws 1988, chapter 718, article 8, section 22, is repealed. The sections repealed by Laws 1987, chapter 400, section 59, as amended by Laws 1988, chapter 718, article 8, section 22, remain effective.

Sec. 14. [EFFECTIVE DATE.]

"This article is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; providing for deficiencies in and supplementing appropriations for the expenses of state government; authorizing issuance of state bonds; providing for the maximum effort school loan program and the cooperative secondary facilities grant program; clarifying the definition of mental health service provider and providing for a fee for the providers; clarifying requirements of manufactured home parks in certain cases; reducing certain bond sales authorizations; distributing the proceeds of certain litigation; increasing authorizations for certain state transportation bonds; increasing the allocation for bridges to political subdivisions; providing for certain adjustment grants; approving a capital loan; appropriating money; amending Minnesota Statutes 1988, sections 116.18, subdivision 3d; 124.477; 124.493, subdivision 1; 124.494, subdivisions 1, 2, and 4; 124.495; 129B.72, subdivision 2, and by adding a subdivision; 129B.73, subdivision 4, and by adding a subdivision; 148B.40, subdivision 3; 148B.42, by adding a subdivision; 327.20, subdivision 1; and Laws 1979, chapter 280, sections 1 and 2, as amended; proposing coding for new law in Minnesota Statutes, chapter 129B; repealing Laws 1987, chapter 400, section 59, as amended; and Laws 1988, chapter 686, article 1, section 37, subdivision 10."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 59, A bill for an act relating to crime; controlled substances; creating controlled substance crimes in the first, second, third, fourth, fifth, sixth, and seventh degrees; increasing penalties for controlled substance offenses; providing mandatory minimum sentences for repeat controlled substance offenses; providing a mandatory minimum sentence for a controlled substance offense committed with a dangerous weapon; creating a presumption that occupants in automobile or room knowingly possess controlled substances found there; amending Minnesota Statutes 1988, sections 152.01, by adding subdivisions; 152.096, subdivision 1; 152.097, by adding a subdivision; 152.15, subdivision 4a; 152.151; 152.18, subdivision 1; 152.20; 152.21, subdivision 6; and 609.11, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 152; repealing Minnesota Statutes 1988, sections 152.09; and 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [116K.14][COMMUNITY CRIME REDUCTION PROGRAMS; GRANTS.]

Subdivision 1. [PROGRAMS.] The commissioner shall administer a grant program to fund community-based programs that are designed to enhance the community's sense of personal security and to assist the community in its crime control efforts. Examples of qualifying programs include, but are not limited to, the following:

(1) programs to provide security systems for residential buildings serving low-income persons, elderly persons, and persons who have physical or mental disabilities;

(2) community-based programs designed to discourage young people from involvement in unlawful drug or street gang activities;

(3) neighborhood block clubs and innovative community-based crime watch programs; and

(4) other community-based crime prevention programs that are innovative and encourage substantial involvement by members of the community served by the program.

Subd. 2. [GRANT PROCEDURE.] A local unit of government may apply for a grant by submitting an application with the commissioner. The applicant shall specify the following in its application:

(1) a description of each program for which funding is sought;

(2) the amount of funding to be provided to the program;

(3) the geographical area to be served by the program; and

(4) statistical information as to the number of arrests in the geographical area for violent crimes and for crimes involving schedule I and II controlled substances. "Violent crime" includes a violation of or an attempt or conspiracy to violate any of the following laws: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.255; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; 609.687; and any provision of chapter 152 that is punishable by a maximum term of imprisonment greater than ten years.

The commissioner shall give priority to funding programs in the geographical areas that have the highest crime rates, as measured by the data supplied under clause (4), and that demonstrate substantial involvement by members of the community served by the program. The maximum amount that may be awarded to an applicant is \$

Subd. 3. [REPORT.] An applicant that receives a grant under this section shall provide the commissioner with a summary of how the grant funds were spent and the extent to which the objectives of the program were achieved. The commissioner shall submit a written report with the legislature based on the information provided by applicants under this subdivision.

Sec. 2. [121.883] [PROGRAM FOR PUBLIC EDUCATION REGARDING THE EFFECTS OF CONTROLLED SUBSTANCE AND ALCOHOL USE DURING PREGNANCY.]

Subdivision 1. [PUBLIC EDUCATION REGARDING THE EFFECTS OF CONTROLLED SUBSTANCE AND ALCOHOL USE DURING PREGNANCY.] The commissioner of education, in consultation with the commissioner of health, shall assist school districts in developing and implementing programs to prevent and reduce the risk of harm to unborn children exposed to controlled substance and alcohol use by their mother during pregnancy. Each district program must, at a minimum:

(1) use planning materials, guidelines, and other technically accurate and updated information;

(2) maintain a comprehensive, technically accurate, and updated curriculum;

(3) be directed at adolescents, especially those who may be at high risk of pregnancy coupled with controlled substance or alcohol use;

(4) provide in-service training for appropriate district staff; and

(5) collaborate with appropriate state and local agencies and organizations.

Subd. 2. [FUNDING SOURCES.] Districts may accept funds for the program from public and private sources.

Sec. 3. Minnesota Statutes 1988, section 152.01, subdivision 7, is amended to read:

Subd. 7. [MANUFACTURING MANUFACTURE.] "Manufacturing Manufacture", in places other than a pharmacy, means and includes the production, cultivation, quality control, and standard-

ization by mechanical, physical, chemical, or pharmaceutical means, packing, repacking, tableting, encapsulating, labeling, relabeling, filling, or by other process, of drugs.

Sec. 4. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

Subd. 19. [SELL.] "Sell" means to sell, give away, barter, deliver, exchange, distribute or dispose of to another; or to offer or agree to do the same; or to manufacture.

Sec. 5. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

Subd. 20. [MIXTURE.] "Mixture" means a preparation, compound, mixture, or substance containing a controlled substance, regardless of purity.

Sec. 6. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

Subd. 21. [PERSON.] "Person" means a person, firm, or corporation.

Sec. 7. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

Subd. 22. [PREVIOUS CONTROLLED SUBSTANCE CONVICTION.] "Previous controlled substance conviction" means a conviction in Minnesota of a felony violation of this chapter or a felony-level attempt or conspiracy to violate this chapter, or a conviction elsewhere for conduct that would have been a felony under this chapter if committed in Minnesota. The term includes any conviction that occurred before the present offense of conviction. The term does not include a conviction if ten years have elapsed since the person was restored to civil rights, or the sentence has expired, whichever occurs first.

Sec. 8. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

Subd. 23. [HALLUCINOGEN.] For purposes of sections 9 to 12, "hallucinogen" means any hallucinogen listed in section 152.02, subdivision 2, clause (3), or Minnesota Rules, part 6800.4210, item C, except marijuana or tetrahydrocannabinols.

Sec. 9. [152.021] [CONTROLLED SUBSTANCE CRIME IN THE FIRST DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the first degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures containing ten grams or more of cocaine base;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing a narcotic drug;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units; or

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 100 kilograms or more containing marijuana or tetrahydrocannabinols.

Subd. 2. [POSSESSION CRIMES.] A person is guilty of a controlled substance crime in the first degree if:

(1) the person unlawfully possesses one or more mixtures containing 25 grams or more of cocaine base;

(2) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug;

(3) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 500 or more dosage units; or

(4) the person unlawfully possesses one or more mixtures of a total weight of 100 kilograms or more containing marijuana or tetrahydrocannabinols.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than \$1,000,000, or both.

(b) A person convicted under subdivision 1 or 2 who has a previous controlled substance conviction shall be sentenced to imprisonment for not less than four years nor more than 40 years or to a fine of not more than \$1,000,000, or both.

Sec. 10. [152.022] CONTROLLED SUBSTANCE CRIME IN THE SECOND DEGREE.

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures containing three grams or more of cocaine base;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 kilograms or more containing marijuana or tetrahydrocannabinols;

(5) the person unlawfully sells one or more mixtures containing a narcotic drug to a person under the age of 18; or

(6) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing a narcotic drug.

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures containing six grams or more of cocaine base;

(2) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug;

(3) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or

(4) the person unlawfully possesses one or more mixtures of a total weight of 50 kilograms or more containing marijuana or tetrahydrocannabinols.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 25 years or to payment of a fine of not more than \$500,000, or both.

(b) A person convicted under subdivision 1 or 2 who has a previous controlled substance conviction shall be sentenced to imprisonment for not less than three years nor more than 40 years or to a fine of not more than \$500,000, or both.

Sec. 11. [152.023] [CONTROLLED SUBSTANCE CRIME IN THE THIRD DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully sells one or more mixtures containing a narcotic drug;

(2) the person unlawfully sells one or more mixtures containing phencyclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units;

(3) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule I, II, or III, except marijuana or tetrahydrocannabinols, to a person under the age of 18; or

(4) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing a controlled substance listed in schedule I, II, or III, except marijuana or tetrahydrocannabinols.

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully possesses one or more mixtures containing three grams or more of cocaine base;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug;

(3) the person unlawfully possesses one or more mixtures containing a narcotic drug, phencyclidine, or hallucinogen with the intent to sell it; or

(4) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 20 years or to a payment of a fine of not more than \$250,000, or both.

(b) A person convicted under subdivision 1 or 2 who has a previous controlled substance conviction shall be sentenced to imprisonment for not less than two years nor more than 30 years or to a fine of not more than \$250,000, or both.

Sec. 12. [152.024] [CONTROLLED SUBSTANCE CRIME IN THE FOURTH DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule I, II, or III, except marijuana or tetrahydrocannabinols;

(2) the person unlawfully sells one or more mixtures containing marijuana or tetrahydrocannabinols to a person under the age of 18;

(3) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing marijuana or tetrahydrocannabinols;

(4) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule IV or V to a person under the age of 18; or

(5) the person conspires with or employs a person under the age of 18 to unlawfully sell a controlled substance classified in schedule IV or V.

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully possesses one or more mixtures containing phencyclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units; or

(2) the person unlawfully possesses one or more mixtures containing a controlled substance classified in schedule I, II, or III, except marijuana or tetrahydrocannabinols, with the intent to sell it.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$100,000, or both.

(b) A person convicted under subdivision 1 or 2 who has a previous controlled substance conviction shall be sentenced to imprisonment for not less than one year nor more than 30 years or to a fine of not more than \$100,000, or both.

Sec. 13. [152.025] [CONTROLLED SUBSTANCE CRIME IN THE FIFTH DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the fifth degree if:

(1) the person unlawfully sells one or more mixtures containing marijuana or tetrahydrocannabinols, except a small amount of marijuana for no remuneration; or

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule IV.

Subd. 2. [POSSESSION AND OTHER CRIMES.] A person is guilty of controlled substance crime in the fifth degree if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in schedule I, II, III, or IV, except a small amount of marijuana; or

(2) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathy licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) A person convicted under subdivision 1 or 2 who has a previous controlled substance conviction shall be sentenced to imprisonment for not less than six months nor more than ten years or to payment of a fine of not more than \$20,000, or both.

Sec. 14. [152.026] [MANDATORY MINIMUM SENTENCES.]

A defendant convicted and sentenced to a mandatory minimum sentence under sections 9 to 13 is not eligible for probation, parole, discharge, or supervised release until that person has served the full mandatory minimum term of imprisonment as provided by law, notwithstanding sections 242.19, 243.05, 244.04, 609.12, and 609.135.

Sec. 15. [152.027] [OTHER CONTROLLED SUBSTANCE OFFENSES.]

Subdivision 1. [SALE OF SCHEDULE V CONTROLLED SUBSTANCE.] A person who unlawfully sells one or more mixtures containing a controlled substance classified in schedule V may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Subd. 2. [POSSESSION OF SCHEDULE V CONTROLLED SUBSTANCE.] A person who unlawfully possesses one or more mixtures containing a controlled substance classified in schedule V may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. The court may order that a person who is convicted under this subdivision and placed on probation be required to take part in a drug education program as specified by the court.

Subd. 3. [POSSESSION OF LARGER AMOUNTS OF MARIJUANA IN A MOTOR VEHICLE.] A person is guilty of a misdemeanor if the person is the owner of a private motor vehicle, or is the driver of the motor vehicle if the owner is not present, and possesses on the person, or knowingly keeps or allows to be kept within the area of the vehicle normally occupied by the driver or passengers, more than 1.4 grams of marijuana. This area of the vehicle does not include the trunk of the motor vehicle if the vehicle is equipped with a trunk, or another area of the vehicle not normally occupied by the driver or passengers if the vehicle is not equipped with a trunk. A utility or glove compartment is deemed to be within the area occupied by the driver and passengers.

Subd. 4. [POSSESSION OR SALE OF SMALL AMOUNTS OF MARIJUANA.] (a) A person who unlawfully sells a small amount of marijuana for no remuneration, or who unlawfully possesses a small amount of marijuana is guilty of a petty misdemeanor punishable by a fine of up to \$200 and participation in a drug education program unless the court enters a written finding that a drug education program is inappropriate. The program must be approved by an area mental health board with a curriculum approved by the state alcohol and drug abuse authority.

(b) A person convicted of an unlawful sale under paragraph (a) who is subsequently convicted of an unlawful sale under paragraph (a) within two years is guilty of a misdemeanor and shall be

required to participate in a chemical dependency evaluation and treatment if so indicated by the evaluation.

(c) A person who is convicted of a petty misdemeanor under paragraph (a) who willfully and intentionally fails to comply with the sentence imposed, is guilty of a misdemeanor. Compliance with the terms of the sentence imposed before conviction under this paragraph is an absolute defense.

Sec. 16. [152.028] [PERMISSIVE INFERENCE OF KNOWING POSSESSION; RESIDENCES.] The presence of a controlled substance in open view in a room, other than a public place, under circumstances evincing an intent by one or more of the persons present to unlawfully mix, compound, package, or otherwise prepare for sale the controlled substance permits the factfinder to infer knowing possession of the controlled substance by each person in close proximity to the controlled substance when the controlled substance was found. The permissive inference does not apply to any person if:

- (1) one of them legally possesses the controlled substance; or
- (2) the controlled substance is on the person of one of the occupants.

Sec. 17. Minnesota Statutes 1988, section 152.096, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS; PENALTIES.] Any person who conspires to commit any act prohibited by section 152.09 this chapter, except possession or distribution for no remuneration of a small amount of marijuana as defined in section 152.01, subdivision 16, is guilty of a felony and upon conviction may be imprisoned, fined, or both, up to the maximum amount authorized by law for the act the person conspired to commit.

Sec. 18. Minnesota Statutes 1988, section 152.097, is amended by adding a subdivision to read:

Subd. 4. [PENALTY.] A person who violates this section may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$20,000, or both. Sentencing for a conviction for attempting to sell, transfer, or deliver a noncontrolled substance in violation of this section is governed by section 609.17, subdivision 4.

Sec. 19. Minnesota Statutes 1988, section 152.15, subdivision 4a, is amended to read:

Subd. 4a. Any A person 18 years of age or over who violates

section 152.09, subdivision 1, clause (2), this chapter by possessing on school premises a controlled substance listed on Schedules I or II which is a narcotic drug is punishable by a fine of up to twice that authorized by subdivision 2, clause (1) this chapter, by a term of imprisonment of up to twice that authorized by subdivision 2, clause (1) this chapter, or both. Any person 18 years of age or over who violates section 152.09, subdivision 1, clause (2), this chapter by possessing on school premises any other controlled substance listed on schedule I, II, III, IV or V, except a small amount of marijuana, is punishable by a fine of up to twice that authorized by subdivision 2, clause (2), (3), or (4) this chapter, by a term of imprisonment up to twice that authorized by subdivision 2, clause (2), (3), or (4) this chapter, or both.

For the purposes of this subdivision, "school premises" means any property owned, leased or controlled by a school district or an organization operating a nonpublic school, as defined in section 123.932, subdivision 3, where an elementary, middle, secondary school, secondary vocational center or other school providing educational services in grade I through grade 12 is located, or used for educational purposes, or where extracurricular or cocurricular activities are regularly provided.

Sec. 20. Minnesota Statutes 1988, section 152.151, is amended to read:

152.151 [REPORT TO LEGISLATURE.]

The state alcohol and drug authority shall build into evaluate the drug education program required by section 152.15, subdivision 2, proper evaluation 15 and report directly each legislative session to the legislative standing committees having jurisdiction over the subject matter.

Sec. 21. Minnesota Statutes 1988, section 152.18, subdivision 1, is amended to read:

Subdivision 1. If any person is found guilty of a violation of section 152.09, subdivision 1, clause (2) this chapter punishable by a maximum term of imprisonment of 15 years or less, after trial or upon a plea of guilty, the court may, without entering a judgment of guilty and with the consent of such person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum term of imprisonment provided for such violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against such person and dis-

charge the person from probation before the expiration of the maximum period prescribed for such person's probation. If during the period of probation such person does not violate any of the conditions of the probation, then upon expiration of such period the court shall discharge such person and dismiss the proceedings against that person. Discharge and dismissal hereunder shall be without court adjudication of guilt, but a nonpublic record thereof shall be retained by the department of public safety solely for the purpose of use by the courts in determining the merits of subsequent proceedings against such person. The court shall forward a record of any discharge and dismissal hereunder to the department of public safety who shall make and maintain the nonpublic record thereof as hereinbefore provided. Such discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

Sec. 22. Minnesota Statutes 1988, section 152.20, is amended to read:

152.20 [PENALTIES UNDER OTHER LAWS.]

Any penalty imposed for violation of ~~Laws 1971, chapter 937~~ this chapter is in addition to, and not in lieu of, any civil or administrative penalty or sanction otherwise authorized by law.

Sec. 23. Minnesota Statutes 1988, section 152.21, subdivision 6, is amended to read:

Subd. 6. [EXEMPTION FROM CRIMINAL SANCTIONS.] For the purposes of this section, the following are not violations listed in ~~section 152.09 or 152.15~~ under this chapter:

(1) use or possession of THC, or both, by a patient in the research program;

(2) possession, prescribing use of, administering, or dispensing THC, or any combination of these actions, by the principal investigator or by any clinical investigator; and

(3) possession or distribution of THC, or both, by a pharmacy registered to handle schedule I substances which stores THC on behalf of the principal investigator or a clinical investigator.

THC obtained and distributed pursuant to this section is not subject to forfeiture under sections 609.531 to 609.5316.

For the purposes of this section, THC is removed from schedule I contained in section 152.02, subdivision 2, and inserted in schedule II contained in section 152.02, subdivision 3.

Sec. 24. Minnesota Statutes 1988, section 244.09, subdivision 5, is amended to read:

Subd. 5. The commission shall, on or before January 1, 1980, promulgate sentencing guidelines for the district court. The guidelines shall be based on reasonable offense and offender characteristics. The guidelines promulgated by the commission shall be advisory to the district court and shall establish:

(1) The circumstances under which imprisonment of an offender is proper; and

(2) A presumptive, fixed sentence for offenders for whom imprisonment is proper, based on each appropriate combination of reasonable offense and offender characteristics. The guidelines may provide for an increase or decrease of up to 15 percent in the presumptive, fixed sentence.

The sentencing guidelines promulgated by the commission may also establish appropriate sanctions for offenders for whom imprisonment is not proper. Any guidelines promulgated by the commission establishing sanctions for offenders for whom imprisonment is not proper shall make specific reference to noninstitutional sanctions, including but not limited to the following: payment of fines, day fines, restitution, community work orders, work release programs in local facilities, community based residential and nonresidential programs, incarceration in a local correctional facility, and probation and the conditions thereof.

In establishing and modifying the sentencing guidelines, the commission shall take into substantial consideration public safety, current sentencing and release practices, and correctional resources, including but not limited to the capacities of local and state correctional facilities.

The provisions of sections 14.01 to 14.69 do not apply to the promulgation of the sentencing guidelines, and the sentencing guidelines, including severity levels and criminal history scores, are not subject to review by the legislative commission to review administrative rules. However, on or before January 1, 1986, the commission shall adopt rules pursuant to sections 14.01 to 14.69 which establish procedures for the promulgation of the sentencing guidelines, including procedures for the promulgation of severity levels and criminal history scores, and these rules shall be subject to review by the legislative commission to review administrative rules.

Sec. 25. Minnesota Statutes 1988, section 609.11, subdivision 9, is amended to read:

Subd. 9. [APPLICABLE OFFENSES.] The crimes for which man-

datory minimum sentences shall be served before eligibility for probation, parole, or supervised release as provided in this section are: murder in the first, second, or third degree; assault in the first, second, or third degree; burglary; kidnapping; false imprisonment; manslaughter in the first or second degree; aggravated robbery; simple robbery; criminal sexual conduct under the circumstances described in sections 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); and 609.344, subdivision 1, clauses (a) to (e) and (h) to (j); escape from custody; arson in the first, second, or third degree; a felony violation of chapter 152; or any attempt to commit any of these offenses.

Sec. 26. Minnesota Statutes 1988, section 609.5311, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON FORFEITURE OF CERTAIN PROPERTY ASSOCIATED WITH CONTROLLED SUBSTANCES.] (a) A conveyance device is subject to forfeiture under this section only if the retail value of the controlled substance is \$500 or more the conveyance device is associated with a felony-level controlled substance crime.

(b) Real property is subject to forfeiture under this section only if the retail value of the controlled substance is ~~\$5,000~~ \$1,000 or more.

(c) Property used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the use or intended use of the property as described in subdivision 2.

(d) Property is subject to forfeiture under this section only if its owner was privy to the use or intended use described in subdivision 2, or the unlawful use or intended use of the property otherwise occurred with the owner's knowledge or consent.

(e) Forfeiture under this section of a conveyance device or real property encumbered by a bona fide security interest is subject to the interest of the secured party unless the secured party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(f) Notwithstanding paragraphs (d) and (e), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the unlawful use or intended use of the property if the owner or secured party took reasonable steps to terminate use of the property by the offender.

Sec. 27. Minnesota Statutes 1988, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO ADMINISTRATIVE FORFEITURE; PRESUMPTION.] (a) The following are presumed to be subject to administrative forfeiture under this section:

(1) all money, precious metals, and precious stones found in proximity to:

(i) controlled substances;

(ii) forfeitable drug manufacturing or distributing equipment or devices; or

(iii) forfeitable records of manufacture or distribution of controlled substances; and

(2) all conveyance devices containing an amount of controlled substances with a retail value of \$500 or more substance the possession or sale of which would be a felony under chapter 152.

(b) A claimant of the property bears the burden to rebut this presumption.

Sec. 28. Minnesota Statutes 1988, section 609.5315, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION.] If the court finds under section 609.5313 or 609.5314 that the property is subject to forfeiture, it may shall order the appropriate agency to:

(1) sell property that is not required to be destroyed by law and is not harmful to the public and distribute the proceeds under subdivision 5;

(2) take custody of the property and remove it for disposition in accordance with law;

(3) forward the property to the federal drug enforcement administration;

(4) disburse money as provided under subdivision 5; or

(5) keep property other than money for official use by the agency and the prosecuting agency.

Sec. 29. Minnesota Statutes 1988, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by a person responsible for the child's care, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342, 609.343, 609.344, or 609.345. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities; or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(c) "Neglect" means failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to (1) mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, or (2) impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, or medical care, a duty to provide that care. "Neglect" includes prenatal exposure to a controlled substance used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the child at birth, or medical effects or developmental delays during the child's first month of life that medically indicate prenatal exposure to a controlled substance. Neglect also means "medical neglect" as defined in section 260.015, subdivision 10 2a, clause (e) (5).

(d) "Physical abuse" means any physical injury inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical injury that cannot reasonably be explained by the child's history of injuries, or any aversive and deprivation procedures that have not been authorized under section 245.825.

(e) "Report" means any report received by the local welfare agency, police department, or county sheriff pursuant to this section.

(f) "Facility" means a day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245.781 to 245.812.

(g) "Operator" means an operator or agency as defined in section 245A.02.

(h) "Commissioner" means the commissioner of human services.

(i) "Assessment" includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.

(j) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem services.

Sec. 30. [626.5561] [TOXICOLOGY TESTS REQUIRED.]

Subdivision 1. [NEWBORNS.] A physician shall administer to each newborn infant born under the physician's care a toxicology test to determine whether there is evidence of prenatal exposure to a controlled substance, if the physician has reason to believe based on a medical assessment of the mother or the infant that the mother used a controlled substance for a nonmedical purpose prior to the birth. If the test results are positive, the physician shall report the results as neglect under section 626.556. A negative test result does not eliminate the obligation to report under section 626.556 if other medical evidence of prenatal exposure to a controlled substance is present.

Subd. 2. [DURING PRENATAL VISITS.] During the time between 24 weeks after conception and delivery of the infant, a physician shall administer a toxicology test to a pregnant woman under the physician's care to determine whether there is evidence that she has ingested a controlled substance, if the woman has obstetrical complications that are a medical indication of possible use of a controlled substance for a nonmedical purpose.

Subd. 3. [REPORT TO DEPARTMENT OF HEALTH.] Physicians shall report to the department of health the results of tests performed under this section. A report shall be made on February 1 and August 1 of each year, beginning February 1, 1990. The reports are medical data under section 13.42.

Subd. 4. [IMMUNITY FROM LIABILITY.] Any physician or other medical personnel administering a toxicology test to determine the

presence of a controlled substance in a pregnant woman or in a child at birth or during the first month of life is immune from civil or criminal liability, if the physician ordering the test believes in good faith that the test is required under this section and the test is administered in accordance with an established protocol and reasonable medical practice.

Sec. 31. [REPEALER.]

Minnesota Statutes 1988, sections 152.09; and 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5, are repealed.

Sec. 32. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of state planning to be used for the purposes specified in section 1. The appropriation is available until June 30, 1991.

Sec. 33. [EFFECTIVE DATE.]

Sections 3 to 23, 25 to 28, and 31 are effective August 1, 1989, and apply to crimes and violations occurring on or after that date. Sections 2, 24, 29, and 30 are effective August 1, 1989."

Delete the title and insert:

"A bill for an act relating to crime; controlled substances; creating controlled substance crimes in the first, second, third, fourth, and fifth degrees; increasing penalties for controlled substance offenses; providing mandatory minimum sentences for repeat controlled substance offenses; providing a mandatory minimum sentence for a controlled substance offense committed with a dangerous weapon; creating a permissible inference that occupants in a room knowingly possess controlled substances found there; providing that public safety be considered by the sentencing guidelines commission in modifying the sentencing guidelines; modifying provisions concerning the forfeiture of conveyance devices or real property associated with controlled substances; requiring reporting of newborns with signs of controlled substance exposure; limiting liability of medical personnel administering toxicology tests on newborns; requiring an education program to prevent harm to unborn children from prenatal exposure to controlled substances and alcohol; establishing a grant program for community crime prevention and reduction programs; appropriating money; amending Minnesota Statutes 1988, sections 152.01, subdivision 7, and by adding subdivisions; 152.096, subdivision 1; 152.097, by adding a subdivision; 152.15, subdivision 4a; 152.151; 152.18, subdivision 1; 152.20; 152.21, subdivision 6; 244.09, subdivision 5; 609.11, subdivision 9; 609.5311, subdivision 3; 609.5314, subdivision 1; 609.5315, subdivision 1; and 626.556, subdivision 2; proposing coding for new law in Minnesota

Statutes, chapters 116K; 121; 152; and 626; repealing Minnesota Statutes 1988, sections 152.09; and 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5."

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

The report was adopted.

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

H. F. No. 66, A bill for an act relating to gambling; establishing a state-operated lottery; establishing a department of gaming to supervise a state-operated lottery, pari-mutuel horse racing, and charitable gambling; transferring the duties of the charitable gambling control board and the Minnesota racing commission to this department; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15A.081, subdivision 1; 240.01, subdivisions 4, 9, and 10; 240.04; 240.28; 290.01, subdivision 19b; 290.61; 290.92, subdivision 27; 297A.25, by adding a subdivision; 349.12, subdivision 16; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law in Minnesota Statutes, chapters 240 and 349; proposing coding for new law as Minnesota Statutes, chapters 240B and 349A; repealing Minnesota Statutes 1988, sections 240.02; 240.04, subdivisions 1, 1a, and 6; and 349.151.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

DIVISION OF PARI-MUTUEL HORSE RACING

Section 1. Minnesota Statutes 1988, section 240.01, is amended by adding a subdivision to read:

Subd. 13. [COMMISSIONER.] "Commissioner" is the commissioner of gaming.

Sec. 2. Minnesota Statutes 1988, section 240.01, is amended by adding a subdivision to read:

Subd. 14. [DIRECTOR.] "Director" is the director of pari-mutuel racing.

Sec. 3. Minnesota Statutes 1988, section 240.01, is amended by adding a subdivision to read:

Subd. 15. [DIVISION.] "Division" is the division of pari-mutuel racing in the department of gaming.

Sec. 4. [240.011] [DIVISION OF PARI-MUTUEL RACING.]

Subdivision 1. [DIVISION CREATED.] A division of pari-mutuel racing is created in the department of gaming. The division is under the supervision and control of the Minnesota racing commission and the director of pari-mutuel racing, who have the powers and duties prescribed in this chapter.

Subd. 2. [DIRECTOR OF PARI-MUTUEL RACING.] The commissioner shall appoint the director of pari-mutuel racing, who serves in the unclassified service at the commissioner's pleasure. The director must be a person qualified by experience in the administration and regulation of pari-mutuel racing to discharge the duties of the director.

Subd. 3. [AUDIT.] The legislative auditor shall audit or the director may contract for an audit of the books and accounts of the division annually or as often as the legislative auditor's funds and personnel permit. The director shall pay the total cost of the audit. All collections received for the audits must be deposited in the general fund.

Sec. 5. Minnesota Statutes 1988, section 240.02; subdivision 1, is amended to read:

Subdivision 1. [COMMISSION CREATED.] A Minnesota racing commission is established within the division of pari-mutuel racing with the powers and duties specified in Laws 1983, chapter 214 this section. Until the effective date of the first vacancy on the commission that occurs after the effective date of this act, including a vacancy caused by the expiration of a term, the commission consists of nine members appointed by the governor with the advice and consent of the senate. Not more than five of the members may belong to the same political party. The governor shall designate the chair of the commission. The commission shall select a chair, who shall not be the commissioner, from among its members. Of the members first appointed, three are for terms expiring June 30, 1985, three are for terms expiring June 30, 1987, and three are for terms expiring June 30, 1989. After the expiration of the initial term, appointments are for terms of six years. An appointment to fill a vacancy in an unexpired term is for the remainder of the term and is with the advice and consent of the senate.

Sec. 6. Minnesota Statutes 1988, section 240.02, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] A member of the commission must have been a resident of Minnesota for at least five years before appointment, and must have a background and experience as would qualify for membership on the commission. A member must, before taking a place on the commission, file a bond in the principal sum of \$100,000 payable to the state, conditioned upon the faithful performance of duties. No commissioner, nor any member of the commissioner's immediate family, may hold a license issued by the commission or have a direct or indirect financial interest in a corporation, partnership, or association which holds a license issued by the commission. This subdivision does not apply to the commissioner of gaming.

Sec. 7. Minnesota Statutes 1988, section 240.04, subdivision 1, is amended to read:

Subdivision 1. [EXECUTIVE DIRECTOR; DUTIES.] ~~The commission shall appoint an executive director, who is its chief administrative officer and who serves at its pleasure in the unclassified service. The executive director shall perform the following duties:~~

(a) take and preserve records of all proceedings before the commission, maintain its books, documents, and records, and make them available for public inspection as the commission directs;

(b) if so designated by the commission, act as a hearing officer in hearings which need not be conducted under the administrative procedure act to conduct hearings, receive testimony and exhibits, and certify the record of proceedings to the commission;

(c) act as the commission's chief personnel officer and supervise the employment, conduct, duties, and discipline of commission employees; and

(d) perform other duties as directed by the commission.

Sec. 8. Minnesota Statutes 1988, section 240.04, subdivision 3, is amended to read:

Subd. 3. [DIRECTOR OF RACING SECURITY.] The commission may appoint a director of racing security to serve in the unclassified service at the commission's pleasure. The director of racing security shall enforce all laws and commission rules relating to the security and integrity of racing. The director of racing security and all other persons designated by the commission as security officers have free and open access to all areas of all facilities the commission licenses and may search without a search warrant any part of a licensed

racetrack and the person of any licensee of the commission on the premises. The director of racing security may order a licensee to take, at the licensee's expense, security measures necessary to protect the integrity of racing, but the order may be appealed to the commission. Nothing in this chapter prohibits law enforcement authorities and agents from entering, in the performance of their duties, a premises licensed under Laws 1983, chapter 214.

If no director of racing security is appointed the duties of that office are assigned to the executive director. The commission may contract with outside services or personnel to assist the executive director in the performance of these duties.

If director of racing security may request the assistance of any division of the department in the performance of these duties.

Sec. 9. Minnesota Statutes 1988, section 240.04, subdivision 7, is amended to read:

Subd. 7. [ASSISTANCE.] The commission and director may request assistance from any department or agency of the state, including a division of the department, in fulfilling its duties, and shall make appropriate reimbursement for all such assistance.

Sec. 10. Minnesota Statutes 1988, section 240.06, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATION.] Before granting a class A license the commission shall conduct, or request the division of inspection and enforcement or the bureau of criminal apprehension to conduct, a comprehensive background and financial investigation of the applicant and sources of financing. The commission may charge an applicant an investigation fee to cover the cost of the investigation, and shall from this fee reimburse the bureau or the division of inspection and enforcement for its share of the cost of the investigation. The commission has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on class A licensees and applicants.

Sec. 11. Minnesota Statutes 1988, section 240.06, subdivision 8, is amended to read:

Subd. 8. [WORK AREAS.] A class A licensee must provide at no cost to the ~~commission~~ department suitable work areas for commission members, officers, employees, and agents, including agents of the division of inspection and enforcement, who are directed or requested by the commission to supervise and control racing at the licensed racetrack.

Sec. 12. Minnesota Statutes 1988, section 240.07, subdivision 2, is amended to read:

Subd. 2. [HEARINGS; INVESTIGATIONS.] Before granting an initial class B license the commission shall hold at least one public hearing on the license. Comprehensive investigations must be conducted and their costs paid in the manner prescribed by section 240.06, subdivision 3. The commission has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on class B licensees and applicants.

Sec. 13. Minnesota Statutes 1988, section 240.08, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATIONS.] The commission shall investigate each applicant for a class C license to the extent it deems necessary, and may request the assistance of and may reimburse the bureau of criminal apprehension or the division of inspection and enforcement in investigating applicants. The commission may by rule require that an applicant be fingerprinted or furnish the applicant's fingerprints. Investigations must be conducted and their costs paid in the manner prescribed by section 240.06, subdivision 3. The commission may cooperate with national and international organizations and agencies in conducting investigations. The commission may by rule provide for examining the qualifications of an applicant for the license being applied for. The commission has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on class C applicants and licensees.

Sec. 14. Minnesota Statutes 1988, section 240.21, is amended to read:

240.21 [RIGHT OF INSPECTION.]

The commission and its representatives, including representatives of the division of inspection and enforcement if requested by the commission to assist in the enforcement of laws and rules, have the right to inspect the licensed premises of a licensee and to examine the licensee's books and other records at any time without a search warrant.

Sec. 15. Minnesota Statutes 1988, section 240.28, is amended to read:

240.28 [CONFLICT OF INTEREST.]

Subdivision 1. [FINANCIAL INTEREST.] No person may serve on the commission or be employed by ~~it~~ the division who has an interest

in any corporation, association, or partnership which holds a license from the commission or which holds a contract to supply goods or services to a licensee or at a licensed racetrack, including concessions contracts. No member of the commission or employee of the commission division may own, wholly or in part, or have an interest in a horse which races at a licensed racetrack in Minnesota. No member of the commission or employee of the commission division may have a financial interest in or be employed in a profession or business which conflicts with the performance of duties as a member or employee.

Subd. 2. [BETTING.] No member of the commission or employee of the commission division may bet or cause a bet to be made on a race at a licensed racetrack while serving on the commission or being employed by the commission division. No person appointed or approved by the commission director as a steward may bet or cause a bet to be made at a licensed racetrack during a racing meeting at which the person is serving as a steward. The commission shall by rule prescribe such restrictions on betting by its licensees as it deems necessary to protect the integrity of racing.

Subd. 3. [VIOLATION.] A violation of subdivisions 1 and 2 is grounds for removal from the commission or termination of employment. A bet made directly or indirectly by a licensee in violation of a rule made by the commission under subdivision 2 is grounds for suspension or revocation of the license.

Sec. 16. [REPEALER.]

Minnesota Statutes 1988, section 240.02, subdivision 7, is repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective July 1, 1989.

ARTICLE 2

DIVISION OF CHARITABLE GAMBLING CONTROL

Section 1. Minnesota Statutes 1988, section 349.12, subdivision 11, is amended to read:

Subd. 11. "Lawful purpose" means one or more of the following: (a) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of

and devotion to the principles upon which this nation was founded; (b) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; (c) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; (d) any expenditure by, or any contribution to, a hospital or nursing home exempt from taxation under section 501(c)(3) of the Internal Revenue Code; or (4) (e) payment of taxes imposed under this chapter, and other taxes imposed by the state or the United States on receipts from lawful gambling.

"Lawful purpose" does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property owned or leased by the an organization, other than a hospital or nursing home exempt from taxation under section 501(c)(3) of the Internal Revenue Code, unless the board specifically authorizes the expenditures after finding that the property will be used exclusively for one or more of the purposes specified in clauses (a) to (c). The board may by rule adopt procedures and standards to administer this subdivision.

Sec. 2. Minnesota Statutes 1988, section 349.12, subdivision 17, is amended to read:

Subd. 17. "Distributor" is a person who sells gambling equipment ~~the distributor manufactures or purchases for resale within the state to~~ licensed organizations, organizations conducting exempt activity under section 349.214, or to other distributors.

Sec. 3. Minnesota Statutes 1988, section 349.12, subdivision 20, is amended to read:

Subd. 20. [IDEAL NET.] "Ideal net" means the pull-tab or tip-board deal's ideal gross, as defined under subdivision 19, less the total predetermined prize amounts available to be paid out. When the prize is not entirely a monetary one, the ideal net is 50 percent of the ideal gross.

Sec. 4. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 21. [DIVISION.] "Division" is the division of charitable gambling control in the department of gaming.

Sec. 5. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 22. [DIRECTOR.] "Director" is the director of the division of charitable gambling control.

Sec. 6. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 23. [COMMISSIONER.] Except as otherwise provided, "commissioner" is the commissioner of revenue.

Sec. 7. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 24. [NET PROFIT.] "Net profit" means gross profit less reasonable sums actually expended for allowable expenses.

Sec. 8. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 25. [MANUFACTURER.] "Manufacturer" means a person or entity who assembles from raw materials or subparts a completed piece of gambling equipment, and who sells or furnishes the equipment for resale or for use in the state, and who is not a distributor licensed under this chapter. The term includes a person who converts, modifies, adds to, or removes parts or a portion from an item, device, or assembly to further its promotion, sale, or use as gambling equipment in this state. A person only adding or modifying promotional flares to advise the public of the prizes available, the rules of play, and the consideration required is not a manufacturer.

Sec. 9. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 26. [PROMOTIONAL TICKET.] "Promotional ticket" is a pull-tab or tipboard ticket with the words "no purchase necessary" and "for promotional use only" and for which no consideration is given.

Sec. 10. Minnesota Statutes 1988, section 349.151, subdivision 1, is amended to read:

Subdivision 1. [BOARD CREATED.] The charitable gambling control board is created within the division of charitable gambling control, with the powers and duties established by subdivision 4.

Sec. 11. Minnesota Statutes 1988, section 349.151, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The board consists of ~~13~~ four members appointed as follows:

(1) eleven persons appointed by the governor with the advice and

consent of the senate, at least four of whom must reside outside of the seven-county metropolitan area;

(2) the commissioner of public safety or a designee; and

(3) the attorney general or a designee.

A member serving on the board by appointment must have been a resident of Minnesota for at least five years. Of the appointees of the governor not more than six may belong to the same political party. A member appointed to the board may be removed at any time by the appointing authority. Vacancies on the board are filled in the same manner as the original appointment. Of the members appointed by the governor, three are for terms expiring June 30, 1985, four are for terms expiring June 30, 1986, and four are for terms expiring June 30, 1987. After the expiration of the initial terms, appointments are for three years. The governor shall appoint the chair from among the governor's appointees, by the governor with the advise and consent of the senate, plus the commissioner of gaming as a voting member. Not more than three of the five members of the board may belong to the same political party. The board shall select one of its members, other than the commissioner, to serve as chair. The terms of all members serving on the board on June 30, 1989, expire on that date. Of the members appointed by the governor to serve terms beginning July 1, 1989, one is for a term expiring June 30, 1992, and two are for terms expiring June 30, 1995. Thereafter all appointments by the governor are for six-year terms.

Sec. 12. Minnesota Statutes 1988, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] The board has the following powers and duties:

(1) to issue, revoke, and suspend licenses to organizations, distributors, and manufacturers under sections 349.16, 349.161, and 349.163;

(2) to collect and deposit license fees and taxes due under this chapter;

(3) to receive reports required by this chapter and inspect the records, books, and other documents of organizations and suppliers to insure compliance with all applicable laws and rules;

(4) (2) to make rules, including emergency rules, required by this chapter;

(5) to register gambling equipment and issue registration stamps under section 349.162;

(6) (3) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(7) (4) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing charitable gambling; and

(8) (5) impose civil penalties of not more than \$500 per violation on organizations, distributors, and manufacturers for failure to comply with any provision of sections 349.12 to 349.23 or any rule of the board;

(6) to notify city councils, county boards, and town boards before issuing or renewing licenses to organizations as specified under section 349.213; and

(7) to revoke and suspend manufacturers' licenses.

Sec. 13. Minnesota Statutes 1988, section 349.151, subdivision 5, is amended to read:

Subd. 5. [EMPLOYEES.] The board shall employ an executive secretary in the unclassified service and such other employees in the classified service as are required to enable it to carry out its functions. One or more of the employees must be bingo inspectors.

Sec. 14. [349.151] [COMMISSIONER OF REVENUE.]

The commissioner of revenue has the following powers and duties under sections 349.11 to 349.23:

(1) to collect and deposit taxes as authorized under sections 349.11 to 349.23;

(2) to receive reports required to be submitted to the commissioner and inspect the records, books, and other documents of organizations and suppliers to ensure compliance with those provisions of sections 349.11 to 349.23 relating to taxes imposed by those sections; and

(3) to investigate noncompliance with, or violation of, the provisions of sections 349.11 to 349.23 relating to taxes imposed by those sections.

Sec. 15. [349.152] [DIVISION OF CHARITABLE GAMBLING.]

Subdivision 1. [DIVISION ESTABLISHED.] A division of charitable gambling control is created within the department of gaming. The division is under the supervision of the charitable gambling control board and the director of the division, who have the powers and duties prescribed in this section and section 349.151.

Subd. 2. [DIRECTOR OF CHARITABLE GAMBLING CONTROL.] The commissioner of gaming shall appoint a director of charitable gambling control, to serve at the commissioner's pleasure in the unclassified service. The director must be an attorney or accountant qualified to perform the duties of the director.

Subd. 3. [DUTIES OF THE DIRECTOR.] The director has the following duties:

(1) to carry out charitable gambling policy established by the board;

(2) to make recommendations to the board on license issuance, denial, suspension and revocation, and civil penalties the board imposes;

(3) to advise the board on rules the board adopts;

(4) to ensure that board rules, policy, and decisions are adequately, accurately, and continually conveyed to the board's licensees; and

(5) to take and preserve records of all proceedings before the board, maintain its books, documents, and records, and make them available for public inspection on written request, within a reasonable time, and as the board directs.

Sec. 16. Minnesota Statutes 1988, section 349.16, subdivision 4, is amended to read:

Subd. 4. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations applying for or renewing a license to conduct lawful gambling. An investigation fee may not exceed the following limits:

(1) for cities of the first class, \$500;

(2) for cities of the second class, \$250; and

(3) for all other cities and counties, \$100; and

(4) for counties, \$250.

Sec. 17. Minnesota Statutes 1988, section 349.161, subdivision 4, is amended to read:

Subd. 4. [FEES.] The annual fee for a supplier's distributor's license is \$1,500.

Sec. 18. Minnesota Statutes 1988, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] A distributor may not sell to ~~an organization and an organization may not purchase, transfer, furnish, or otherwise provide to a person, organization, or distributor, and no person, organization, or distributor, may purchase, borrow, accept, or acquire from a distributor~~ gambling equipment unless the equipment has been registered with the ~~board~~ division of inspection and enforcement and has a registration stamp affixed. ~~The board shall charge a fee of five cents for each stamp. Each stamp must bear a registration number assigned by the board. A distributor is entitled to a refund for unused stamps and replacement for stamps which are defective or canceled by the distributor.~~

Sec. 19. Minnesota Statutes 1988, section 349.162, subdivision 2, is amended to read:

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

- (1) the identity of the person or firm from whom the equipment was purchased;
- (2) the registration number of the equipment;
- (3) the name and address of the organization to which the sale was made; and
- (4) the date of the sale;
- (5) the name of the person who ordered the equipment; and
- (6) the name of the person who received the equipment.

The invoice for each sale must be retained for at least one year after the sale is completed and a copy of the invoice is delivered to the ~~board~~ director of inspection and enforcement. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the ~~board~~ director of inspection and enforcement, in a form the ~~board~~ director prescribes,

its sales of each type of gambling equipment. ~~Employees of the board may inspect the books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.~~

Sec. 20. Minnesota Statutes 1988, section 349.162, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) No person other than a licensed organization or a licensed distributor may possess unaffixed registration stamps issued by the board director of inspection and enforcement.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been registered with the director of inspection and enforcement.

Sec. 21. Minnesota Statutes 1988, section 349.162, subdivision 5, is amended to read:

Subd. 5. [SALES FROM AND STORAGE FACILITIES.] All gambling equipment purchased or possessed by a licensed distributor for resale in Minnesota must, prior to its the equipment's resale, be unloaded into a sales or storage facility located in Minnesota which the distributor owns or leases, and which has been registered, in advance and in writing, with the director of inspection and enforcement as a sales or storage facility of the distributor. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a sales or storage facility which has been registered with the director of inspection and enforcement. No gambling equipment may be moved from the facility without having been first registered with the director of inspection and enforcement.

All sales and storage facilities owned, leased, used, or operated by a licensed distributor may be entered upon and inspected by the board, the director of inspection and enforcement, or their authorized representatives during reasonable and regular business hours. Obstruction of, or failure to permit, such entry and inspection is cause for revocation or suspension of a distributor's licenses and permits issued under this chapter.

Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than a registered sales or storage facility are contraband under section 349.2125.

Sec. 22. Minnesota Statutes 1988, section 349.163, is amended to read:

349.163 [REGISTRATION LICENSING OF MANUFACTURERS.]

Subdivision 1. [REGISTRATION.] No manufacturer of gambling equipment may sell any gambling equipment to any person unless the manufacturer has registered with been licensed as a manufacturer by the board and has been issued a certificate of registration under objective criteria prescribed by the board by rule.

Subd. 2. [CERTIFICATE; FEE.] A certificate license under this section is valid for one year. The annual fee for registration a license is \$500.

Subd. 3. [PROHIBITED SALES.] A manufacturer may not sell gambling equipment to any a person not licensed as a distributor unless the manufacturer is also a licensed distributor.

Subd. 4. [INSPECTION OF LICENSED MANUFACTURER.] The director of inspection and enforcement or the board may inspect the books, records, inventory, and manufacturing operations of a licensed manufacturer without notice during the normal business hours of the manufacturer.

Sec. 23. Minnesota Statutes 1988, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of at least one year and must be in writing. Copies of all leases must be made available to employees of the board division of charitable gambling control or division of inspection and enforcement on request. A lease may not provide for rental payments based on a percentage of determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling.

No person, distributor, manufacturer, lessor, or organization other than the licensed organization leasing the space may conduct any activity in a leased space during times when lawful gambling is being conducted in the space.

Sec. 24. Minnesota Statutes 1988, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the board, the division of inspection and enforcement and to its membership monthly, or quarterly in the case of a licensed organization which does not report more than \$1,000 in gross receipts from lawful

gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. If the organization conducts ~~both bingo and other forms~~ more than one form of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board and the division of inspection and enforcement monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes.

Sec. 25. Minnesota Statutes 1988, section 349.19, subdivision 6, is amended to read:

Subd. 6. [PRESERVATION OF RECORDS.] The board may require that records required to be kept by this section must be preserved by a licensed organization for at least ~~two~~ three and one-half years and may be inspected by employees of the ~~board~~ division at any reasonable time without notice or a search warrant. This subdivision does not limit the powers of the director of inspection and enforcement under chapter 349C.

Sec. 26. Minnesota Statutes 1988, section 349.212, is amended to read:

349.212 [TAX IMPOSED.]

Subdivision 1. [RATE.] (a) There is hereby imposed a tax on all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, conducted by organizations licensed by the board at the rate specified in this subdivision. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.02 and all local taxes and license fees except the tax authorized by subdivision 5 and a fee authorized under section 349.16, subdivision 4. The tax is payable as provided in subdivision 2.

On all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, the tax is ten percent of the gross receipts of a licensed organization from lawful gambling less prizes actually paid out, payable by the organization.

(b) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor to a licensed or exempt organization, or to an organization holding an exemption identification number. The rate of the tax is ten percent of the ideal net of the pull-tab and tipboard deal. The tax is payable as provided in section 349.2121, subdivision 4. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed

distributor to an organization is imposed on the retail sales price less the tax imposed by this paragraph. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this paragraph has been paid and is exempt from all local taxes and license fees except taxes and fees authorized under subdivision 5 and section 349.16, subdivision 4. The liability for the tax is incurred when the pull-tabs and tipboards are delivered by the distributor to the licensed or exempt organization, to a common or contract carrier for delivery to the organization, or when received by the organization's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of sale. The exemptions in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this paragraph.

The tax imposed by this paragraph is imposed on all sales of pull-tabs and tipboards, except the following are exempt:

(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;

(2) sales to distributors licensed under this chapter;

(3) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and

(4) sales of promotional tickets as defined in section 349.12.

Subd. 2. [COLLECTION; DISPOSITION.] The tax must be paid to the board at times and in a manner the board prescribes by rule. The proceeds, along with the revenue received from all license fees and other fees under sections 349.11 to 349.21 and 349.211, 349.212, and 349.213, must be paid to the state treasurer for deposit in the general fund. The tax imposed in subdivision 1, paragraph (a), is due and payable to the commissioner of revenue monthly on or before the 20th of the month after the reporting period in which the taxable event occurred. The tax must be reported on a form prescribed by the commissioner. The proceeds from the taxes must be deposited in the general fund.

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor to a licensed organization, or to an organization holding an exemption identification number. The rate of the tax is ten percent of the ideal net of the pull-tab and tipboard deal. The tax is payable to the commissioner of revenue in the manner prescribed in section 349.2121 and the rules of the commissioner. The commissioner shall pay the proceeds of the tax to the state treasurer for deposit in the general fund. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the

licensed distributor to an organization is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this subdivision has been paid and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the licensed or exempt organization, to a common or contract carrier for delivery to the organization, or when received by the organization's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

(c) The exemptions contained in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this subdivision.

Subd. 4a. [DUE DATE FOR FILING OF RETURNS.] The gambling tax returns required to be made under subdivisions 1 and 3 must be filed on or before the 20th of each month following the close of the preceding reporting period.

Subd. 5. [LOCAL GAMBLING TAX.] A statutory or home rule charter city which has one or more licensed organizations operating lawful gambling, and a county which has one or more licensed organizations outside incorporated areas operating lawful gambling, may impose a local gambling tax on each licensed organization within the city's or county's jurisdiction. The tax may be imposed only if the amount to be received by the city or county is necessary to cover the costs incurred by the city or county to regulate lawful gambling. The tax imposed by this subdivision may not exceed three percent of the gross receipts profits of a licensed organization from all lawful gambling less prizes actually paid out by the organization. A city or county may not use money collected under this subdivision for any purpose other than for the purpose of regulating lawful gambling. A tax imposed under this subdivision is in lieu of all other local taxes and local investigation fees on lawful gambling. Any city or county that imposes a tax under this subdivision shall annually by March 15 file a report with the board in a form prescribed by the board showing (1) the amount of revenue produced by the tax during the preceding calendar year, and (2) the use of the proceeds of the tax.

Sec. 27. Minnesota Statutes 1988, section 349.2121, subdivision 2, is amended to read:

Subd. 2. [RECORDS.] A distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices of pull-tabs and tipboards held, purchased, manufactured, or brought in or caused to be

brought in from without this state, and of all sales of pull-tabs and tipboards. The records must show the names and addresses of purchasers, the inventory at the close of each period for which a return is required of all pull-tab and tipboard deals on hand, and other pertinent papers and documents relating to the purchase, sale, or disposition of pull-tab and tipboard deals. Books, records, and other papers and documents required by this section must be kept for a period of at least 3½ years after the date of the documents, or the date of the entries appearing in the records, unless the commissioner authorizes in writing their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner, ~~executive secretary of the charitable gambling control board,~~ or any of ~~their~~ the commissioner's duly authorized agents or employees, may enter a place of business of a distributor, ~~charitable organization,~~ or any site from which ~~pull-tabs or tipboards are gambling equipment is being sold, or any site where lawful gambling is being conducted,~~ and inspect the premises and the records required to be kept under this section to determine whether or not all the provisions of ~~this section~~ sections 349.212 to 349.214 are being fully complied with. If the commissioner, ~~executive secretary,~~ or ~~their~~ the commissioner's duly authorized agents or employees are denied free access to or are hindered or interfered with in making an inspection of the distributor's place of business, the permit of the distributor may be revoked by the commissioner, and the license of the distributor may be revoked by the charitable gambling control board.

Sec. 28. Minnesota Statutes 1988, section 349.2121, subdivision 3, is amended to read:

Subd. 3. [SUSPENSION, REVOCATION.] The commissioner, after giving notice and hearing, may for reasonable cause revoke or suspend a permit held by a distributor. A notice must be sent to the distributor at least ~~30~~ 15 days before the hearing and give notice of the time and place of the hearing, proposed suspension or revocation is to take effect. The notice must give the reason for the proposed suspension or revocation, and must require the distributor to show cause why the proposed action should not be taken. The notice may be served personally or by mail ~~in the manner prescribed for service of notice of a deficiency.~~

The notice must inform the distributor of the right to a contested case hearing. If a request in writing is made to the commissioner within 14 days of the date of the notice, the commissioner shall defer action on the suspension or revocation and shall refer the case to the office of administrative hearings for the scheduling of a contested case hearing. The distributor must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the distributor.

The commissioner shall issue a final order following receipt of the recommendation of the administrative law judge.

Under section 271.06, subdivision 1, an appeal to the tax court may be taken from the commissioner's order of revocation or suspension. The commissioner may not issue a new permit after revocation except upon application accompanied by reasonable evidence of the intention of the applicant to comply with all applicable laws and rules.

Sec. 29. Minnesota Statutes 1988, section 349.2121, subdivision 4, is amended to read:

Subd. 4. [COLLECTION.] The tax imposed by section 349.212, subdivision 4 1, paragraph (b), for each taxable sale is due and payable to the commissioner monthly on or before the 25th day of the month succeeding the month in which the taxable sale was made. The tax must be reported on a form prescribed by the commissioner.

Sec. 30. Minnesota Statutes 1988, section 349.2121, subdivision 4a, is amended to read:

Subd. 4a. [REFUND.] If any deal of pull-tabs or tipboards registered with the board division of inspection and enforcement and upon which the tax imposed by section 349.212, subdivision 4 1, paragraph (b), has been paid is returned unplayed to the distributor, the commissioner of revenue shall allow a refund of the tax paid.

In the case of a defective deal registered with the board and upon which the taxes have been paid is returned to the manufacturer, the distributor shall submit to the commissioner of revenue certification from the manufacturer that the deal was returned and in what respect it was defective. The certification must be in a form prescribed by the commissioner and must contain additional information the commissioner requires.

The commissioner may require that no refund under this subdivision be made unless the returned pull-tabs or tipboards have been set aside for inspection by the commissioner's employee.

Reductions in previously paid taxes authorized by this subdivision shall be made at the time and in the manner prescribed by the commissioner.

Sec. 31. Minnesota Statutes 1988, section 349.2121, subdivision 6, is amended to read:

Subd. 6. [COLLECTIONS; CIVIL PENALTIES.] (1) The provisions of chapter 297A relating to the commissioner's authority to audit, assess, and collect the tax imposed by that chapter apply to the tax,

penalties and interest imposed by section 349.212, subdivision 4 1, paragraph (b). The commissioner shall impose civil penalties for violation of this section as provided in section 297A.39, and the additional tax and penalties are subject to interest at the rate provided in section 270.75.

(2) If any part of any additional assessment is due to negligence or intentional disregard of the provisions of this chapter or rules of the commissioner of revenue (but without intent to defraud), there shall be added to the tax an amount equal to ten percent of the additional assessment. The amount of the tax together with this amount shall bear interest at the rate stated in section 270.75 from the time the tax should have been paid until paid.

Sec. 32. Minnesota Statutes 1988, section 349.2121, subdivision 7, is amended to read:

Subd. 7. [RULES.] The commissioner may adopt rules, including emergency rules, for the administration and enforcement of this section and section 349.212, subdivision 4.

Sec. 33. Minnesota Statutes 1988, section 349.2121, subdivision 8, is amended to read:

Subd. 8. [PERSONAL DEBT.] The tax imposed by section 349.212, subdivision 1, paragraph (b), and interest and penalties imposed with respect to it, shall be a personal debt of the person required to file a return from the time the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt shall, in the case of the executor or administrator of the estate of a decedent and in the case of any fiduciary, be that of the person in the person's official or fiduciary capacity only unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person shall be personally liable for any deficiency.

Sec. 34. Minnesota Statutes 1988, section 349.2121, subdivision 10, is amended to read:

Subd. 10. [UNTAXED PULL TABS OR TIPBOARDS GAMBLING EQUIPMENT.] It is a gross misdemeanor for any person to possess pull tabs or tipboards gambling equipment for resale in this state that have has not been registered with the board division of inspection and enforcement, for which a registration stamp has not been affixed to the flare, and upon which the taxes imposed by section 349.212, subdivision 4 1, paragraph (b), or chapter 297A have not been paid. The executive secretary of the charitable gambling control board director of inspection and enforcement or the commissioner of revenue or their designated inspectors and employees may seize in the name of the state of Minnesota any unregistered or untaxed pull tabs or tipboards gambling equipment.

Sec. 35. Minnesota Statutes 1988, section 349.2122, is amended to read:

349.2122 [MANUFACTURERS; REPORTS TO THE COMMISSIONER; PENALTY.]

A manufacturer ~~registered with~~ licensed by the board who sells pull-tabs and tipboards to a distributor licensed by the board must file with the commissioner of revenue, on a form prescribed by the commissioner, a report of pull-tabs and tipboards sold to licensed distributors. The report must be filed monthly on or before the 25th day of the month succeeding the month in which the sale was made. Any person violating this section shall be guilty of a misdemeanor.

Sec. 36. Minnesota Statutes 1988, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in section 349.162;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents; ~~and~~

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce, or from one distributor to another, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clause (1);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter; and

(10) any gambling equipment kept in violation of section 349.18.

Sec. 37. Minnesota Statutes 1988, section 349.2125, subdivision 2, is amended to read:

Subd. 2. [SEIZURE.] ~~Pull-tabs or tipboards or other Property made contraband by subdivision 1 may be seized by the commissioner of revenue or the executive secretary of the charitable gambling control board~~ director of inspection and enforcement or their authorized agents or by any sheriff or other police officer, hereinafter referred to as the seizing authority, with or without process, and shall be subject to forfeiture as provided in subdivisions 3 and 4.

Sec. 38. Minnesota Statutes 1988, section 349.2125, subdivision 3, is amended to read:

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within two days after the seizure of any alleged contraband, the person making the seizure shall deliver an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner or the ~~executive secretary of the charitable gambling control board~~ director of inspection and enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 30 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the state by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment

of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 349.2121, subdivision 4 349.212, subdivision 1, paragraph (b), the seizing authority shall release the property seized without further legal proceedings.

Sec. 39. Minnesota Statutes 1988, section 349.2127, subdivision 2, is amended to read:

Subd. 2. [PROHIBITION AGAINST POSSESSION.] (a) No person, other than a licensed distributor, shall sell, offer for sale, or have in possession with intent to sell or offer for sale, a pull-tab or tipboard deal not stamped in accordance with the provisions of this chapter.

(b) No person other than a licensed distributor or licensed or exempt organization under section 349.214 may possess gambling equipment, except (1) equipment exempt from taxation under section 349.212, paragraph (b), or (2) equipment put into play by a licensed or exempt organization.

(c) No person, firm, or organization may possess altered, modified, or counterfeit pull-tabs or tipboard tickets with intent to sell, redeem, or exchange them.

Sec. 40. Minnesota Statutes 1988, section 349.214, subdivision 2, is amended to read:

Subd. 2. [LAWFUL GAMBLING.] (a) Raffles may be conducted by an organization as defined in section 349.12, subdivision 12, without complying with sections 349.11 to 349.14 and 349.151 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750.

(b) Lawful gambling may be conducted by an organization as defined in section 349.12, subdivision 12, without complying with sections 349.11 to 349.14 and 349.151 to 349.212 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) the organization notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(c) If the organization fails to file a timely report as required by paragraph (b), clause (3) or (6), a \$250 penalty is imposed on the organization. Failure to file a timely report does not disqualify the organization as exempt under this paragraph if a report is subsequently filed and the penalty paid.

(d) Merchandise prizes must be valued at their fair market value.

(e) Notwithstanding paragraph (b), an organization which conducts bingo under this subdivision must comply with section 349.211, subdivisions 1 and 2.

(f) Unused pull-tab and tipboard deals must be returned to the distributor within seven days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

Sec. 41. [349.215] [EXAMINATIONS.]

Subdivision 1. [EXAMINATION OF TAXPAYER.] To determine the accuracy of a return or report, or in fixing liability under this chapter, the commissioner may make reasonable examinations or investigations of a taxpayer's place of business, tangible personal property, equipment, computer systems and facilities, pertinent books, records, papers, vouchers, computer printouts, accounts, and documents.

Subd. 2. [ACCESS TO RECORDS OF OTHER PERSONS IN CONNECTION WITH EXAMINATION OF TAXPAYER.] When conducting an investigation or an audit of a taxpayer, the commissioner may examine, except where privileged by law, the relevant records and files of a person, business, institution, financial institution, state agency, agency of the United States government, or agency of another state where permitted by statute, agreement, or reciprocity. The commissioner may compel production of these records by subpoena. A subpoena may be served directly by the commissioner.

Subd. 3. [POWER TO COMPEL TESTIMONY.] In the administration of this chapter, the commissioner may:

(1) administer oaths or affirmations and compel by subpoena the attendance of witnesses, testimony, and the production of a person's pertinent books, records, papers, or other data.

(2) examine under oath or affirmation any person regarding the business of a taxpayer concerning a matter relevant to the administration of this chapter. The fees of witnesses required by the commissioner to attend a hearing are equal to those allowed to witnesses appearing before courts of this state. The fees must be paid in the manner provided for the payment of other expenses incident to the administration of state tax law; and

(3) in addition to other remedies available, bring an action in equity by the state against a taxpayer for an injunction ordering the taxpayer to file a complete and proper return or amended return. The district courts of this state shall have jurisdiction over the action, and disobedience of an injunction issued under this clause may be punished as a contempt of district court.

Subd. 4. [THIRD PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS KNOWN.] An investigation may extend to any person that the commissioner determines has access to information that may be relevant to the examination or investigation. When a subpoena requiring the production of records under subdivision 2 is served on a third-party record keeper, written notice of the subpoena must be mailed to the taxpayer and to any other person who is identified in the subpoena. The notices must be given within three days of the day on which the subpoena is served. Notice to the taxpayer required by this section is sufficient if it is mailed to the last address on record with the commissioner.

Subd. 5. [THIRD PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS NOT KNOWN.] A subpoena that does not identify the person or persons whose tax liability is being investigated may be served only if:

(1) the subpoena relates to the investigation of a particular person or ascertainable group or class of persons;

(2) there is a reasonable basis for believing that the person or group or class of persons may fail or may have failed to comply with tax laws administered by the commissioner;

(3) the subpoena is clear and specific concerning information sought to be obtained; and

(4) the information sought to be obtained is limited solely to the scope of the investigation.

A party served with a subpoena that does not identify the person

or persons with respect to whose tax liability the subpoena is issued may, within three days after service of the subpoena, petition the district court in the judicial district in which that party is located for a determination whether the commissioner has complied with all the requirements in clauses (1) to (4), and thus, whether the subpoena is enforceable. If no petition is made by the party served within the time prescribed, the subpoena has the effect of a court order.

Subd. 6. [REQUEST BY TAXPAYER FOR SUBPOENA.] When the commissioner has the power to issue a subpoena for investigative or auditing purposes, then the commissioner shall honor a reasonable request by the taxpayer to issue a subpoena on the taxpayer's behalf, if in connection with the investigation or audit.

Subd. 7. [APPLICATION TO COURT FOR ENFORCEMENT OF SUBPOENA.] The commissioner or the taxpayer may apply to the district court of the county of the taxpayer's residence, place of business, or county where the subpoena can be served as with any other case at law, for any order compelling the appearance of the subpoenaed witness or the production of the subpoenaed records. Failure to comply with the order of the court for the appearance of a witness or the production of records may be punished by the court as for contempt.

Subd. 8. [COST OF PRODUCTION OF RECORDS.] The reasonable costs of producing records of a third party required by a subpoena must be paid by the taxpayer, if the taxpayer requests the subpoena to be issued, or if the taxpayer has the records available but has refused to provide them to the commissioner. In other cases where the taxpayer is unable to produce records and the commissioner then initiates a subpoena for third-party records, the commissioner shall pay the reasonable cost of producing the records. The commissioner may later assess the reasonable costs against the taxpayer if the records contribute to the determination of an assessment of tax against the taxpayer.

Sec. 42. [349.2151] [ASSESSMENTS.]

Subdivision 1. [GENERALLY.] The commissioner shall make determinations, corrections, and assessments with respect to taxes (including interest, additions to taxes, and assessable penalties) imposed under this chapter.

Subd. 2. [ORDER OF ASSESSMENT; NOTICE AND DEMAND TO TAXPAYER.] (a) When a return has been filed and the commissioner determines that the tax disclosed by the return is different than the tax determined by the examination, the commissioner shall send an order of assessment to the taxpayer. The order must explain the basis for the assessment and must explain the taxpayer's appeal rights. An assessment by the commissioner must be

made by recording the liability of the taxpayer in the office of the commissioner, which may be done by keeping a copy of the order of assessment sent to the taxpayer. An order of assessment is final when made but may be reconsidered by the commissioner under section 349.218.

(b) The amount of unpaid tax shown on the order must be paid to the commissioner: (1) within 60 days after notice of the amount and demand for its payment have been mailed to the taxpayer by the commissioner; or (2) if an administrative appeal is filed under section 349.218 within 60 days following the determination or compromise of the appeal.

Sec. 43. [349.216] [CIVIL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO PAY TAX.] If a tax is not paid within the time specified for payment, a penalty is added to the amount required to be shown as tax. The penalty is three percent of the unpaid tax if the failure is for not more than 30 days, with an additional penalty of three percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 24 percent in the aggregate.

If the taxpayer has not filed a return, for purposes of this subdivision the time specified for payment is the final date a return should have been filed.

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return within the time prescribed or an extension, a penalty is added to the tax. The penalty is three percent of the amount of tax not paid on or before the date prescribed for payment of the tax if the failure is for not more than 30 days, with an additional five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days, during which the failure continues, not exceeding 23 percent in the aggregate.

If a taxpayer fails to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must be at least the lesser of: (1) \$200; or (2) the greater of (a) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (b) \$50.

Subd. 3. [COMBINED PENALTIES.] When penalties are imposed under subdivisions 1 and 2, except for the minimum penalty under subdivision 2, the penalties imposed under both subdivisions combined must not exceed 38 percent.

Subd. 4. [PENALTY FOR INTENTIONAL DISREGARD OF LAW OR RULES.] If part of an additional assessment is due to intentional disregard of the provisions of the applicable chapters of rules of the commissioner (but without intent to defraud), there is added to the tax an amount equal to ten percent of the additional assessment.

Subd. 5. [PENALTY FOR FALSE OR FRAUDULENT RETURN; EVASION.] If a person files a false or fraudulent return, or attempts in any manner to evade or defeat a tax or payment of tax, there is imposed on the person a penalty of not more than 50 percent of the tax found due for the period to which the return related, less amounts paid by the person on the basis of the false or fraudulent return.

Subd. 6. [PENALTY FOR SALES AFTER REVOCATION, SUSPENSION, OR EXPIRATION.] A distributor who engages in, or whose representative engages in, the offering for sale, sale, transport, delivery, or furnishing of gambling equipment to a person, firm, or organization, after the distributor's license or permit has been revoked or suspended, or has expired, and until such license or permit has been reinstated or renewed, is liable for a penalty of \$1,000 for each day the distributor continues to engage in the activity. This subdivision does not apply to the transport of gambling equipment for the purpose of returning the equipment to a licensed manufacturer.

Subd. 7. [PAYMENT OF PENALTIES.] The penalties imposed by this section must be collected and paid in the same manner as taxes.

Subd. 8. [PENALTIES ARE ADDITIONAL.] The civil penalties imposed by this section are in addition to the criminal penalties imposed by this chapter.

Subd. 9. [ORDER PAYMENTS CREDITED.] All payments received may be credited first to the oldest liability not secured by a judgment or lien in the discretion of the commissioner of revenue, but in all cases must be credited first to penalties, next to interest, and then to the tax due.

Sec. 44. [349.2161] [TAX-RELATED CRIMINAL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO FILE OR PAY.] (a) A person required to file a return, report, or other document with the commissioner, who knowingly fails to file it when required, is guilty of a gross misdemeanor. A person required to file a return, report, or other document who willfully attempts to evade or defeat a tax by failing to file it when required is guilty of a felony.

(b) A person required to pay or to collect and remit a tax, who knowingly fails to do so when required, is guilty of a gross misde-

meanor. A person required to pay or to collect and remit a tax, who willfully attempts to evade or defeat a tax law by failing to do so when required is guilty of a felony.

Subd. 2. [FALSE OR FRAUDULENT RETURNS; PENALTIES.]

(a) A person required to file a return, report, or other document with the commissioner, who delivers to the commissioner a return, report, or other document known by the person to be fraudulent or false concerning a material matter, is guilty of a felony.

(b) A person who knowingly aids or assists in, or advises in the preparation or presentation of a return, report, or other document that is fraudulent or false concerning a material matter, whether or not the falsity or fraud committed is with the knowledge or consent of the person authorized or required to present the return, report, or other document, is guilty of a felony.

Subd. 3. [SALES WITHOUT PERMIT; VIOLATIONS.] (a) A person who engages in the business of selling pull-tabs or tipboards in Minnesota without the licenses or permits required under this chapter, or an officer of a corporation who so engages in the sales, is guilty of a gross misdemeanor.

(b) A person selling gambling equipment in Minnesota after revocation, suspension, or expiration of a license or permit under this chapter, when the commissioner or the board has not issued a new license or permit, or before the suspension period has ended, is guilty of a felony.

Subd. 4. [CRIMINAL PENALTIES.] Criminal penalties imposed by this section are in addition to civil penalties imposed by this chapter.

Sec. 45. [349.217] [INTEREST.]

Subdivision 1. [INTEREST RATE.] When an interest assessment is required under this section, interest is computed at the rate specified in section 270.75.

Subd. 2. [LATE PAYMENT.] If a tax is not paid within the time specified by law for payment, the unpaid tax bears interest from the date the tax should have been paid until the date the tax is paid.

Subd. 3. [EXTENSIONS.] If an extension of time for payment has been granted, interest must be paid from the date the payment should have been made if no extension had been granted, until the date the tax is paid.

Subd. 4. [ADDITIONAL ASSESSMENTS.] If a taxpayer is liable for additional taxes because of a redetermination by the commis-

sioner, or for any other reason, the additional taxes bear interest from the time the tax should have been paid, without regard to any extension allowed, until the date the tax is paid.

Subd. 5. [ERRONEOUS REFUNDS.] In the case of an erroneous refund, interest accrues from the date the refund was paid unless the erroneous refund results from a mistake of the department, then no interest or penalty is imposed unless the deficiency assessment is not satisfied within 60 days of the order.

Subd. 6. [INTEREST ON JUDGMENTS.] Notwithstanding section 549.09, if judgment is entered in favor of the commissioner with regard to any tax, the judgment bears interest at the rate specified in section 270.75 from the date the judgment is entered until the date of payment.

Subd. 7. [INTEREST ON PENALTIES.] (a) A penalty imposed under section 349.2161, subdivision 1, 2, 3, 4, or 5, bears interest from the date the return or payment was required to be filed or paid (including any extensions) to the date of payment of the penalty.

(b) A penalty not included in paragraph (a) bears interest only if it is not paid within ten days from the date of notice. In that case interest is imposed from the date of notice to the date of payment.

Sec. 46. [349.218] [ADMINISTRATIVE REVIEW.]

Subdivision 1. [TAXPAYER RIGHT TO RECONSIDERATION.] A taxpayer may obtain reconsideration by the commissioner of an order assessing tax, a denial of a request for abatement of penalty assessed under section 349.152, subdivision 1, clause (5), or 349.2161, or a denial of a claim for refund of money paid to the commissioner under provisions, assessments, or orders under this chapter by filing an administrative appeal as provided in subdivision 4. A taxpayer cannot obtain reconsideration if the action taken by the commissioner is the outcome of an administrative appeal.

Subd. 2. [APPEAL BY TAXPAYER.] A taxpayer who wishes to seek administrative review must follow the procedure provided by subdivision 4.

Subd. 3. [NOTICE DATE.] For purposes of this section the term "notice date" means the date of the order adjusting the tax or order denying a request for abatement, or, in the case of a denied refund, the date of the notice of denial.

Subd. 4. [TIME AND CONTENT FOR ADMINISTRATIVE APPEAL.] Within 60 days after the notice date, the taxpayer must file a written appeal with the commissioner. The appeal need not be in any particular form but must contain the following information:

- (1) name and address of the taxpayer;
- (2) if a corporation, the state of incorporation of the taxpayer, and the principal place of business of the corporation;
- (3) the Minnesota identification number or social security number of the taxpayer;
- (4) the type of tax involved;
- (5) the date;
- (6) the tax years or periods involved and the amount of tax involved for each year or period;
- (7) the findings in the notice that the taxpayer disputes;
- (8) a summary statement that the taxpayer relies on for each exception; and
- (9) the taxpayer's signature or signature of the taxpayer's duly authorized agent.

Subd. 5. [EXTENSIONS.] When requested in writing and within the time allowed for filing an administrative appeal, the commissioner may extend the time for filing an appeal for a period not to exceed 30 days from the expiration of the 60 days from the notice date.

Subd. 6. [AUTOMATIC EXTENSION OF STATUTE OF LIMITATIONS.] Notwithstanding any statute of limitations to the contrary, when the commissioner has made a determination and the taxpayer has authority to file an administrative appeal, the period during which the commissioner can make further assessments or other determinations does not expire before:

- (1) 90 days after the notice date if no protest is filed under subdivision 4; or
- (2) 90 days after the commissioner notifies the taxpayer of the determination on the appeal.

Subd. 7. [DETERMINATION OF APPEAL.] On the basis of applicable law and available information, the commissioner shall determine the validity, if any, in whole or part of the appeal and notify the taxpayer of the decision. This notice must be in writing and contain the basis for the determination.

Subd. 8. [AGREEMENT DETERMINING TAX LIABILITY.] When it appears to be in the best interests of the state, the

commissioner may settle taxes, penalties, or interest that the commissioner has under consideration by virtue of an appeal filed under this section. An agreement must be in writing and signed by the commissioner and the taxpayer or the taxpayer's representative authorized by the taxpayer to enter into an agreement. An agreement must be filed in the office of the commissioner.

Subd. 9. [APPEAL OF AN ADMINISTRATIVE APPEAL.] Following the determination or settlement of an appeal, the commissioner must issue an order reflecting that disposition. Except in the case of an agreement determining tax under this section, the order is appealable to the Minnesota tax court under section 271.06.

Subd. 10. [APPEAL WHERE NO DETERMINATION.] If the commissioner does not make a determination within six months of the filing of an administrative appeal, the taxpayer may elect to appeal to tax court.

Subd. 11. [EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT.] This section is not subject to chapter 14.

Sec. 47. Minnesota Statutes 1988, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR.] A person who in any manner violates sections 349.11 to 349.214 349.23 to evade the a tax imposed by a provision of this chapter, or who aids and abets evasion of the a tax, or hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Sec. 48. Minnesota Statutes 1988, section 349.22, subdivision 3, is amended to read:

Subd. 3. [FELONY.] (a) A person violating section 349.2127, subdivision 1 or 3, is guilty of a felony.

(b) A person violating who violates section 349.2127, subdivisions 2 and 4, by possessing, receiving, or transporting more than ten pull-tab or tipboard deals not stamped in accordance with this chapter or games, or any combination thereof which exceeds ten deals or games, is guilty of a felony.

Sec. 49. [REPEALER.]

Minnesota Statutes 1988, sections 349.151, subdivisions 3 and 5; 349.161, subdivision 7; 349.164, subdivision 5; 349.171; and 349.22, subdivision 4, are repealed.

Sec. 50. [EFFECTIVE DATE.]

Except as otherwise provided, sections 1 to 49 are effective July 1, 1989.

Section 2 is effective for tipboard deals put into play on or after July 1, 1989.

Section 15 is effective for applications, including applications for license renewals, received by counties on and after July 1, 1989.

Sections 18; 24; 26, subdivision 4a; 41; 42; 43; 46; and 47 are effective for reports and returns becoming due on and after July 1, 1989.

Section 21 is effective for applications received by the board on or after July 1, 1989.

Sections 21 and 23 are effective for applications for licenses and renewals taking effect on or after July 1, 1989.

Sections 44 and 45 are effective for violations occurring on and after July 1, 1989.

ARTICLE 3

STATE LOTTERY DIVISION

Section 1. [349A.01] [STATEMENT OF POLICY.]

The legislature finds that for the purpose of raising necessary additional revenue for public purposes by means of a state-operated lottery in conformity with all applicable laws and rules, consistent with the public interest, the dignity of the state and the need for the highest levels of integrity and public confidence, there is a need to establish a division of state lottery within the department of gaming.

Sec. 2. [349A.02] [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For the purposes of this chapter the terms defined in this section have the meanings given them.

Subd. 2. [BOARD.] "Board" is the state lottery board established in section 4.

Subd. 3. [DIRECTOR.] "Director" is the director of the state lottery division.

Subd. 4. [COMMISSIONER.] "Commissioner" is the commissioner of gaming.

Subd. 5. [DEPARTMENT.] "Department" is the department of gaming.

Subd. 6. [DIVISION.] "Division" is the division of the state lottery in the department of gaming.

Subd. 7. [LOTTERY.] "Lottery" is the state lottery operated by the state lottery division of the department.

Subd. 8. [PERSON.] "Person" is an individual, firm, association, partnership, corporation, trustee, or legal representative.

Subd. 9. [MAJOR PROCUREMENT CONTRACT.] "Major procurement contract" is a contract to provide lottery products, computer hardware and software used to monitor sales of lottery tickets, or lottery tickets. Major procurement contracts do not include contracts to provide annuity or prize payment agreements, and materials, supplies, equipment, and services common to the ordinary operations of state agencies.

Sec. 3. [349A.03] [STATE LOTTERY AGENCY.]

Subdivision 1. [DIRECTOR.] A state lottery division is established in the department of gaming, under the supervision and control of the director of the state lottery. The governor shall appoint the first director from a list of one or more persons recommended to the governor by the governor's commission on the lottery which was appointed by the governor on December 8, 1988. Subsequent directors must be appointed by the commissioner. The director must be qualified by experience and training to supervise the lottery. The director serves in the unclassified service.

Subd. 2. [REMOVAL.] (a) The director may be removed from that position only by the person who appointed the director. The director may be removed, after notice and a hearing if requested, only for:

- (1) violating section 12;
- (2) malfeasance, nonfeasance, or misfeasance as defined in section 351.14, subdivisions 2, 3, and 4; or
- (3) failure to perform adequately the duties of the director.

(b) For the purposes of this subdivision, adequate performance of the director may be determined by:

- (1) gross revenue from the sale of lottery tickets;

- (2) efficiency of the administration of lottery operations;
- (3) public confidence in the integrity of the lottery; and
- (4) compliance with advertising requirements in section 10.

Subd. 3. [POWERS AND DUTIES.] The director shall operate the lottery consistent with the policy in section 1. In doing so the director shall exercise the following powers and duties:

- (1) adopt rules and game procedures;
- (2) issue lottery retailer contracts and rule on appeals of decisions relating to those contracts;
- (3) make contracts for the provision of goods and services to the lottery;
- (4) employ personnel as are required to operate the lottery; and
- (5) take all necessary steps to ensure the integrity of, and public confidence in, the state lottery.

Subd. 4. [EMPLOYEES; CLASSIFICATION.] The director may appoint other personnel as are necessary to operate the state lottery. Employees of the division who are not professional employees as defined in section 179A.03, subdivision 13, and employees whose primary responsibilities are in data processing and accounting, are in the classified service. All other employees of the division are in the unclassified service.

Subd. 5. [COMPENSATION.] The compensation of employees in the division is as provided in chapter 43A. The commissioner of employee relations shall, at the request of the director, develop and implement a plan for making incentive payments to employees of the division whose primary responsibilities are in marketing.

Subd. 6. [EMPLOYEES; BACKGROUND CHECKS.] The director shall conduct background checks, or request the director of inspection and enforcement to make background checks, on all prospective employees and may require that all employees of the division be fingerprinted. No person may be employed by the division who has been convicted of a felony or a crime involving fraud or misrepresentation within five years of starting employment with the division, or has ever been convicted of a gambling-related offense. The director has access to all criminal history data compiled by the bureau of criminal apprehension or the division of inspection and enforcement on employees and prospective employees of the lottery. The director may employ necessary persons pending the completion of a background check.

Subd. 7. [ASSISTANCE.] The director may request any other department or agency of the state, including the division of inspection and enforcement, to provide reasonable assistance to the director in carrying out the director's duties. The director shall make appropriate reimbursement for all assistance.

Sec. 4. [349A.04] [STATE LOTTERY BOARD.]

Subdivision 1. [BOARD CREATED.] There is created within the division a state lottery board. The board consists of six members appointed by the governor plus the commissioner as a voting member. Not more than four of the members appointed by the governor may belong to the same political party and at least three members must reside outside the seven-county metropolitan area. The terms of office, removal from office, and compensation of members of the board, other than the commissioner, are as provided in section 15.059. The members of the board shall select the chair of the board, who shall not be the commissioner.

Subd. 2. [BOARD DUTIES.] The board has the following duties:

- (1) to advise the director on all aspects of the lottery;
- (2) to review and comment on rules and game procedures adopted by the director; and
- (3) to review and comment on advertising promulgated by the director at least quarterly to ensure that all advertising is consistent with the dignity of the state and with section 10.

Sec. 5. [349A.05] [LOTTERY GAME PROCEDURES.]

The director may adopt game procedures governing the following elements of the lottery:

- (1) lottery games;
- (2) ticket prices;
- (3) number and size of prizes;
- (4) methods of selecting winning tickets; and
- (5) frequency and method of drawings.

The adoption of lottery game procedures is not subject to chapter 14. Before adopting a lottery game procedure, the director shall submit the procedure to the board for its review and comment.

Sec. 6. [349A.06] [RULES.]

The director may adopt rules, including emergency rules, under chapter 14 governing the following elements of the lottery:

- (1) the number and types of lottery retailers' locations;
- (2) qualifications of lottery retailers and application procedures for lottery retailer contracts;
- (3) investigation of lottery retailer applicants;
- (4) appeal procedures for denial, suspension, or cancellation of lottery retailer contracts;
- (5) compensation of lottery retailers;
- (6) accounting for and deposit of lottery revenues by lottery retailers;
- (7) procedures for issuing major procurement contracts and for the investigation of bidders on those contracts;
- (8) payment of prizes;
- (9) procedures needed to ensure the integrity and security of the lottery; and
- (10) other rules the director considers necessary for the efficient operation and administration of the lottery. Before adopting a rule the director shall submit the rule to the board for its review and comment.

Sec. 7. [349A.07] [LOTTERY RETAILERS.]

Subdivision 1. [CONTRACTS.] The director shall sell tickets for the lottery through lottery retailers with whom the director contracts. Contracts under this section are valid for a period of one year.

Subd. 2. [QUALIFICATIONS.] (a) The director may not contract with a retailer who:

- (1) is under the age of 18;
- (2) is in business solely as a seller of lottery tickets;
- (3) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense;

(4) is a member of the immediate family, residing in the same household, as the director, board member, or any employee of the division; or

(5) in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery.

(b) An organization, firm, partnership, or corporation that has (1) a stockholder who owns more than five percent of the stock of the corporation, or (2) an officer, or director, that does not meet the requirements of paragraph (a), clause (3) is not eligible to be a lottery retailer under this section.

(c) The restrictions under paragraph (a), clause (3), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individuals whose actions directly contributed to the disqualification under this subdivision.

Subd. 3. [BOND.] The director shall require that each lottery retailer post a bond, in an amount as the director deems necessary, to protect the financial interests of the state.

Subd. 4. [CRIMINAL HISTORY.] The director may request the director of inspection and enforcement to investigate all applicants for lottery retailer contracts. The director may issue a temporary contract, valid for not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section.

Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract.

(b) A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the division at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to employees of the agency.

(d) A contract issued under this section may not be transferred or assigned.

(e) The director shall require that lottery tickets may be sold by retailers only for cash.

Subd. 6. [ON-SALE LIQUOR ESTABLISHMENTS.] The director may not authorize the sale of lottery tickets within establishments licensed to sell alcoholic beverages for consumption on the premises that, within the previous five years of applying to be a lottery retailer, have had a licensed organization conducting lawful gambling on the premises under chapter 349.

Subd. 7. [NONPROFIT ORGANIZATIONS.] The director may not enter into a contract with a nonprofit organization to act as a lottery retailer under this section.

Subd. 8. [RETENTION BY RETAILERS.] The director may by rule provide for:

(1) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets in order to pay prizes to holders of winning tickets; and

(2) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets as a commission.

Subd. 9. [RETAILER RENTAL PAYMENTS.] If a lottery retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and the computation of retail sales is not explicitly defined to include the sale of lottery tickets, the compensation retained by the sales agent for the sale of lottery tickets shall be considered the amount of the retail sale for purposes of computing the rental payments.

Subd. 10. [PROCEEDS OF SALES.] All proceeds from the sale of lottery tickets received by a lottery retailer constitute a trust fund until paid to the director. The lottery retailer is personally liable for all proceeds.

Subd. 11. [PRIVATE DATA.] All reports filed by lottery retailers with the director are private data under chapter 13.

Subd. 12. [FEE.] The director may charge a nonrefundable application fee to a person applying for a lottery retailer contract. The fee collected under this subdivision must be deposited in the lottery fund.

Subd. 13. [LOCAL LICENSES.] No political subdivision may

require a local license to operate as a lottery retailer or impose a tax or fee on the business of operating as a lottery retailer.

Subd. 14. [REVOCATION, SUSPENSION, AND REFUSAL TO RENEW LICENSES.] (a) The director may cancel the contract of any lottery retailer who:

(1) has been convicted of a felony or gross misdemeanor in any federal or state court;

(2) has committed fraud, misrepresentation, or deceit;

(3) has provided false or misleading information to the division; or

(4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer who:

(1) changes business location;

(2) fails to account for lottery tickets received or the proceeds from tickets sold;

(3) fails to remit funds to the director in accordance with the director's rules;

(4) violates a law or a rule or order of the director;

(5) fails to comply with any of the terms in the lottery retailer's contract;

(6) fails to comply with bond requirements under this section; or

(7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, or refusal to renew under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract without notice for any of the reasons specified in this subdivision provided

that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the director may issue an order making the suspension permanent.

Sec. 8. [349A.08] [VENDOR CONTRACTS.]

Subdivision 1. [CONTRACTS AUTHORIZED.] The director may enter into major procurement contracts for the purchase, lease, or lease-purchase of the goods or services that are necessary for the purposes of this chapter. In entering into all major procurement contracts, the director shall utilize an open bid process and shall take into account the particularly sensitive nature of the state lottery and shall consider the competence, quality of product, experience, and timely performance of each potential vendor in order to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery.

Subd. 2. [INVESTIGATION OF POTENTIAL VENDORS.] The director shall request the director of the division of inspection and enforcement to investigate the background, financial responsibility, security, and integrity of any person who submits a bid, proposal, or offer as part of a major procurement contract issuance by the agency. The director may require the person making the bid, proposal, or offer to pay for the cost of the investigation. Any fee collected under this subdivision must be deposited into the state lottery fund. At the time of submitting any bid, proposal, or offer, the bidder shall disclose to the director the information the director considers necessary to carry out the purposes of this section. The director has access to all criminal history data compiled by the division of inspection and enforcement on all vendors and potential vendors who have submitted a bid to the agency.

Subd. 3. [PERSONS INELIGIBLE FOR CONTRACT.] (a) The director may not enter into a major procurement contract with an applicant that has been convicted of a felony in a state or federal court within the last ten years, has been convicted of a gambling-related gross misdemeanor, or misdemeanor within the last five years, or has been found guilty of any crime involving fraud or misrepresentation within the last five years.

(b) The director may not enter into a major procurement contract with an applicant that has (1) a person who owns more than five percent of the stock in the applicant, or (2) a partner, officer, or director that does not meet the requirements of this subdivision.

(c) The restrictions under this subdivision do not apply to an applicant for a major procurement contract if the director deter-

mines that the applicant has terminated its relationship with the individuals whose actions directly contributed to the disqualification of the applicant under this subdivision.

Subd. 4. [CONFLICT OF INTEREST.] The director may not enter into a contract with a person to supply goods or services if that person has an ownership interest in an entity that had supplied consultation services to the lottery regarding the request for proposal pertaining to those particular goods or services.

Subd. 5. [BOND.] (a) The director shall require securities to be deposited, or a performance bond or a letter of credit to be executed by the person or corporation that is awarded a major procurement contract in an amount as determined by the director.

(b) Any securities deposited with the director under this subdivision must be interest-bearing and limited to:

(1) certificates of deposit issued by a solvent bank or savings association organized and existing under the laws of this state or under the laws of the United States and having its principal place of business in this state;

(2) United States bonds, notes, and bills, for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest; and

(3) general obligation bonds of any political subdivision of this state, or corporate bonds of a corporation that is not an affiliate or subsidiary of the vendor, if the general obligation bonds or corporate bonds are rated in one of the four highest classifications by an established nationally-recognized investment rating service.

(c) Any letter of credit executed under this subdivision must provide that:

(1) nothing more than a demand for payment is necessary for payment and is not conditional on the delivery of any other documents or materials;

(2) the letter of credit is irrevocable and cannot be modified or revoked without the consent of the director;

(3) the letter of credit cannot expire without notice from the issuer and the notice must occur at least 60 days before the expiration date of the letter of credit;

(4) the letter of credit is issued by a bank which is a member of the federal reserve system which has a long-term debt rating by a recognized national rating agency of investment grade or better;

(5) the letter of credit is unconditional, is not conditional upon reimbursement to the bank or the bank's ability to perfect any lien or security interest, and does not contain references to any other agreement, document, or entity; and

(6) the letter of credit designates the director as beneficiary.

Subd. 6. [EXEMPTIONS.] Major procurement contracts entered into by the director are not subject to the provisions of sections 16B.06 to 16B.102, provided that the director must utilize an open and competitive bid process for major procurement contracts, and as nearly as practicable follow the procedures of chapter 16B governing contracts, consistent with the provisions of this section.

Subd. 7. [ASSIGNMENT.] A contract entered into under this section may not be assigned without the specific written approval of the director.

Sec. 9. [349A.09] [LOTTERY PRIZES.]

Subdivision 1. [AGREEMENT BY PLAYERS.] A person who buys a lottery ticket agrees to be bound by the rules applicable to the particular lottery game for which the ticket is purchased. The player acknowledges that the determination of whether a ticket is a valid winning ticket is subject to the rules of the director, claims procedures established by the director for that game, and any confidential or public validation tests established by the director for that game.

Subd. 2. [PRIZES NOT ASSIGNABLE.] A prize in the state lottery is not assignable except as provided in subdivision 3 and except that:

(1) if a prize winner dies before the prize is paid, the director shall pay the prize to the prize winner's estate; and

(2) the director may pay a prize to a person other than the winner of that prize under an appropriate court order.

Subd. 3. [PRIZES WON BY PERSONS UNDER AGE 18.] The following provisions govern the payment of a lottery prize to a person under age 18:

(1) if the prize is less than \$5,000, the director may give a draft, payable to the order of the person under age 18, to the person's parents, custodial parent if one parent has custody, guardian, or other adult member of the person's family; and

(2) if the prize is \$5,000 or more, the director may deposit the prize in a financial institution to the credit of the person's parents,

custodial parent if one parent has custody, guardian, or other adult member of the person's family.

Subd. 4. [DISCHARGE OF LIABILITY.] The payment of a prize by the director discharges the director and the state of all liability for the prize.

Subd. 5. [PAYMENT; UNCLAIMED PRIZES.] A prize in the state lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded. Any prize money not claimed at the end of this period must be added by the director to prize pools of subsequent lottery games and the winner of the prize shall have no further claim to the prize. A prize won by a person who purchased the winning ticket in violation of section 13, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section.

Subd. 6. [INSTALLMENT PAYMENTS.] If the director decides to pay all or part of a prize in the form of installments over a period of years, the director shall provide for the payment of all installments by:

(1) entering into a contract with a financially responsible person or firm or by purchasing an annuity to provide for the payment of the installments; or

(2) establishing and maintaining as a separate and independent fund outside the state treasury a reserve account with sufficient funds for the payment of the installments as they become due.

Subd. 7. [PAYMENTS PROHIBITED.] (a) No prize may be paid to a member of the board, the director or an employee of the division, or a member of their families residing in the same household of the member, director, or employee. No prize may be paid to an officer or employee of a vendor which at the time the game or drawing was being conducted was involved with providing goods or services to the lottery under a major procurement contract.

(b) No prize may be paid for a stolen, altered, or fraudulent ticket.

Subd. 8. [WITHHOLDING OF DELINQUENT STATE TAXES OR CHILD SUPPORT.] The director shall report the name, address, and social security number of each winner of a lottery prize of \$1,000 or more to the department of revenue to determine whether the person that won the prize is delinquent in payment of state taxes and to the department of human services to determine whether the person is delinquent in court-ordered payment of child support. If the person is delinquent in payment of state taxes or court-ordered child support, the director shall withhold the delinquent amount from the

person's prize for remittance to the department of revenue or to the appropriate person. If the winner of a prize is delinquent both in payments of state taxes and court-ordered child support, the amount remitted to the department of revenue or to the appropriate person shall be in proportion to the prize amount as is the amount owed by the winner. At the request of any person winning a lottery prize of \$50,000 or more, the director shall classify all personal data on that person in the director's records as private data.

Sec. 10. [349A.10] [LOTTERY ADVERTISING.]

Subdivision 1. [ODDS; REQUIRED INFORMATION.] The director shall include on each brochure, pamphlet, booklet, or other similar material the director publishes to promote or explain any lottery game, a prominent and clear statement of the chances of winning each prize offered in that lottery game. Each lottery retailer must post prominently at or near the point of ticket sale a notice or notices printed and provided by the director of the odds of winning each prize in each game for which the lottery retailer sells tickets.

Subd. 2. [CONTENT OF ADVERTISING.] (a) Advertising and promotional materials for the lottery adopted or published by the director must be consistent with the dignity of the state and may only:

(1) present factual information on how lottery games are played, prizes offered, where and how tickets may be purchased, and odds on the games advertised;

(2) identify state programs supported by lottery net revenues;

(3) present the lottery as a form of entertainment or recreation; or

(4) state the winning numbers or identity of winners of lottery prizes.

(b) The director may not adopt or publish any advertising for the lottery which:

(1) presents directly or indirectly any lottery game as a potential means of relieving any person's financial or economic difficulties; or

(2) is specifically targeted with the intent to exploit specific groups or economic classes of people.

Subd. 3. [PRIZES; REQUIRED INFORMATION.] The director must include, in any publication or print advertising which refers to a prize which is or may be paid in installments, a statement to the effect that the prize will be or may be paid in installments.

Sec. 11. [349A.11] [LOTTERY FUNDS.]

Subdivision 1. [STATE LOTTERY FUND.] The director shall establish a state lottery fund outside the state treasury. The fund consists of all money received by the director from the sale of lottery tickets and from the issuance of lottery retailer contracts, and all other money credited or transferred to it by law, except for money set aside and deposited in the lottery prize fund under subdivision 2.

Subd. 2. [DEPOSIT IN PRIZE FUND.] The director shall establish a lottery prize fund outside the state treasury. The fund consists of all money deposited in it under this subdivision and all interest earned thereon. The director shall deposit in the lottery prize fund, from gross receipts from the sale of lottery tickets for games other than games which require on-line computer terminal connections, an amount sufficient to pay lottery prizes from the lottery prize fund according to the following percentages:

(1) for games which require on-line terminal connections, the prizes paid in any fiscal year must equal as nearly as practicable an amount determined by the director which shall be not less than 50 percent nor more than 70 percent of gross revenues to the state lottery fund in that fiscal year;

(2) for games which do not require on-line terminal connections, the prizes paid in any fiscal year must equal as nearly as practicable 70 percent of the gross revenues to the state lottery fund in that fiscal year.

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations fund outside the state treasury. The director shall from time to time transfer from the state lottery fund to the lottery operations fund amounts sufficient to pay the operating costs of the lottery.

(b) The director may not transfer in any fiscal year amounts to the lottery operations fund which when totaled exceed 15 percent of total revenue to the state lottery fund in that year. In computing total amounts transferred to the lottery operations fund under this paragraph the director may disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

Subd. 4. [DEPOSIT OF RECEIPTS.] (a) The director may require lottery retailers to:

(1) deposit in a separate account to the credit of the state lottery fund, in banks designated by the director, all money received by the lottery retailer from the sale of lottery tickets, less money retained as the lottery retailer's commission and for payment of prizes;

(2) file with the director reports of the lottery retailer's receipts and transactions in ticket sales in a form that the director prescribes; and

(3) allow money deposited by the lottery retailer from the sale of lottery tickets to be transferred to the agency through electronic fund transfer.

(b) The director may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.

(c) A lottery retailer who fails to pay any money due to the director within the time prescribed by the director shall pay interest on the amount owed at the rate determined by rule.

Subd. 5. [DEPOSIT OF NET PROCEEDS.] At the end of each month, the director shall determine and pay to the state treasurer the net proceeds of the lottery after transfers to the lottery prize fund and the lottery operations fund. Net proceeds must be determined by deducting from gross receipts to the lottery for that month and interest earned by the lottery:

(1) total prizes paid out in that month;

(2) an amount the director determines to be reasonably required to pay future prize obligations resulting from lottery drawings in that month;

(3) the value of lottery tickets returned or canceled;

(4) an amount sufficient to pay costs incurred for the operation and administration of the lottery;

(5) payments made for the purchase and promotion of lottery games and game-related services; and

(6) payments made to lottery retailers.

Sec. 12. [349A.12] [CONFLICT OF INTEREST.]

(a) The director, a board member, an employee of the division, a member of the immediate family of the director, board member, or employee residing in the same household may not:

(1) purchase a lottery ticket;

(2) have any personal pecuniary interest in any vendor contracting with the state to supply services or gaming equipment or

materials for use in the operation of the lottery, or in any lottery retailer; or

(3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year.

(b) The director or an unclassified employee of the division may not, within one year of terminating employment with the division, accept employment with, act as an agent or attorney for, or otherwise represent any person, corporation, or entity that had any major procurement contract or bid for a major procurement contract with the division within a period of two years prior to the termination of their employment.

Sec. 13. [349A.13] [PROHIBITED ACTS.]

Subdivision 1. [PURCHASE BY MINORS.] A person under the age of 18 years may not buy a ticket in the state lottery.

Subd. 2. [SALE TO MINORS.] A lottery retailer may not knowingly sell a ticket in the state lottery to any person under the age of 18 years.

Subd. 3. [PROHIBITED SALES.] (a) A person other than a lottery retailer may not sell a ticket in the state lottery.

(b) A lottery retailer may not sell a ticket for a price other than the price set by the director.

Subd. 4. [FRAUDULENT TICKETS.] A person may not:

(1) counterfeit or alter a state lottery ticket with intent to make a fraudulent claim for payment;

(2) knowingly present a counterfeit or altered state lottery ticket for payment;

(3) knowingly transfer a counterfeit or altered state lottery ticket to another person to present for payment; or

(4) conspire, aid, abet, or agree to aid another person or persons to claim a lottery prize by means of fraud, deceit, or misrepresentation.

Subd. 5. [FALSE STATEMENTS.] A person may not:

(1) make a false or misleading statement in a book or record required to be submitted under this chapter;

(2) willfully refuse to produce for inspection when required under this chapter a book, record, or document required to be maintained; or

(3) make a false or misleading statement in information submitted to the director in a lottery retailer's application or a document related to a bid.

Subd. 6. [ILLEGAL ACCESS.] (a) A person may not obtain access to a computer data base maintained by the director without the specific authorization of the director.

(b) A person may not obtain access to a computer data base maintained by a person under contract with the director to maintain the data base without the specific authorization of the director and the person maintaining the data base.

(c) A person may not attempt to violate paragraph (a) or (b), or conspire with, aid, abet, or agree to aid another person to violate or attempt to violate paragraph (a) or (b).

Subd. 7. [LOTTERY RETAILERS AND VENDORS.] A person who is a lottery retailer, or is applying to be a lottery retailer, a person applying for a contract with the director, or a person under contract with the director to supply lottery games, equipment, or services may not pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food or beverage, having an aggregate value of over \$100 in any calendar year to the commissioner, the director, board member, employee of the lottery division, employee of the department of gaming as security or enforcement personnel, or to a member of the immediate family residing in the same household as that person.

Subd. 8. [VIOLATION OF RULE.] A person may not violate a rule of the director adopted under this chapter.

Subd. 9. [EXCEPTIONS.] Nothing in this chapter prohibits giving a state lottery ticket as a gift, or buying a state lottery ticket as a gift for a person under the age of 18.

Subd. 10. [VIOLATIONS.] Violation of subdivision 1 or 2 is a misdemeanor. Violation of subdivision 3, 7, or 8 is a gross misdemeanor. Violation of subdivision 4, 5, or 6 is a felony.

Sec. 14. [349A.14] [RESTRICTIONS.]

Nothing in this chapter:

(1) authorizes the director to conduct a lottery game or contest the

winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240;

(2) authorizes the director to install or operate a lottery device operated by coin or currency which when operated determines the winner of a game; and

(3) authorizes the director to sell pull-tabs as defined under section 349.12, subdivision 10.

Sec. 15. [349A.15] [AUDIT.]

The director shall contract for an annual certified audit of all accounts and transactions of the lottery. The audit must be conducted by a certified public accountant in accordance with generally accepted accounting standards. The director shall file a copy of each audit report of the lottery with the governor and the legislature.

Sec. 16. [349A.16] [SECURITY AUDIT.]

The director shall annually request the director of inspection and enforcement to conduct a security audit of the division of the lottery. The audit must consist of a review and evaluation of the effectiveness of all procedures, requirements, and personnel assignments which relate to the security and integrity of the lottery, and recommendation for changes to improve security and integrity. The director of inspection and enforcement shall report to the director and the commissioner on the results of the security audit. The director shall report to the commissioner within 90 days of receiving the results of the security audit on steps the director has taken to implement the recommendations in the security audit.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day following final enactment.

ARTICLE 4

DEPARTMENT OF GAMING

Section 1. Minnesota Statutes 1988, section 15.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to the following departments or agencies: the departments of administration, agriculture, commerce, corrections, jobs and training, education, employee relations, trade and economic development, finance, gaming, health, human rights, labor and industry, natural re-

sources, public safety, public service, human services, revenue, transportation, and veterans affairs; the housing finance, state planning, and pollution control agencies; the office of commissioner of iron range resources and rehabilitation; the bureau of mediation services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

Sec. 2. [349B.01] [DEPARTMENT OF GAMING CREATED; COMMISSIONER.]

Subdivision 1. [DEPARTMENT CREATED.] A department of gaming is created under the supervision of a commissioner of gaming, which office is established. The commissioner of gaming is appointed by the governor with the advise and consent of the senate. The commissioner shall create within the department divisions of pari-mutuel racing, charitable gambling, state lottery, and inspection and enforcement, and shall appoint a director of each division.

Subd. 2. [DUTIES OF COMMISSIONER.] The duties of the commissioner are:

- (1) to supervise the division of inspection and enforcement;
- (2) to sit as a voting member of the Minnesota racing commission, the charitable gambling control board, and the state lottery board;
- (3) to study the extent and status of legal and illegal gambling in Minnesota, and social, economic, and legal problems which may result from legal and illegal gambling;
- (4) to ensure that all boards and commissions the commissioner is a member of take and maintain complete and accurate records of their proceedings; and
- (5) to report annually to the governor and legislature on the activities of the department including studies under clause (3), and recommended changes in laws dealing with legal and illegal gambling.

Subd. 3. [EMPLOYEES.] The commissioner shall appoint and assign duties to employees as the commissioner deems necessary to carry out the duties specified in subdivision 2.

Subd. 4. [SUBPOENA POWER.] The commissioner has the same authority to issue subpoenas as is granted to the Minnesota racing commission, the directors of each division of the department, and the commissioner of revenue, under chapters 240, 349, 349A, and 349C.

Sec. 3. [349B.02] [COMMISSIONER; CONFLICT OF INTEREST.]

No person may be appointed or serve as commissioner of gaming who has any personal pecuniary interest in any corporation, association, or partnership which:

(1) has been issued a lottery retailer contract;

(2) is a vendor of goods or services to the state lottery or to a holder of a class A or B license issued by the Minnesota racing commission;

(3) holds a license issued by the Minnesota racing commission;

(4) holds a distributor, manufacturer, or bingo hall license issued by the charitable gambling control board.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 5

DIVISION OF INSPECTION AND ENFORCEMENT

Section 1. [349C.01] [DEFINITIONS.]

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

Subd. 2. [DIVISION.] "Division" is the division of inspection and enforcement in the department of gaming.

Subd. 3. [DEPARTMENT.] "Department" is the department of gaming.

Subd. 4. [DIRECTOR.] "Director" is the director of the division of inspection and enforcement.

Subd. 5. [COMMISSIONER.] "Commissioner" is the commissioner of gaming.

Sec. 2. [349C.02] [DIVISION OF INSPECTION AND ENFORCEMENT.]

Subdivision 1. [DIVISION ESTABLISHED.] The commissioner shall establish within the department a division of inspection and enforcement. The commissioner shall appoint to control the division a director who must be qualified by a background in law or law enforcement to act as director. The director serves at the pleasure of the commissioner in the unclassified service.

Subd. 2. [EMPLOYEES.] The director shall employ such other persons as the director deems necessary to carry out the powers and duties assigned under this chapter. All professional employees of the division as defined in section 179A.03, subdivision 13, are in the unclassified service. The director shall request the bureau of criminal apprehension to perform background checks on all persons seeking employment with the division.

Sec. 3. [349C.03] [DUTIES OF DIRECTOR.]

Subdivision 1. [DUTIES.] The director has the duties enumerated in this section.

Subd. 2. [LOTTERY INVESTIGATIONS AND AUDITS.] (a) The director shall, when so requested by the director of the state lottery, conduct investigations of lottery retailers of the division of the state lottery, applicants for lottery retailer contracts, suppliers of goods or services to the division of the state lottery, and persons bidding on contracts for goods or services to the division of the state lottery.

(b) The director shall, when so requested by the director of the state lottery, conduct inspections of the premises of any lottery retailer or the activities of any lottery retailer to determine the retailer's compliance with applicable laws and rules and orders of the division of the state lottery.

(c) The director shall, when so requested by the director of the state lottery, conduct an audit of any lottery retailer's accounts, books, records, or other documents the agent is required to keep.

(d) The director shall conduct an annual security audit of the division of the state lottery, as provided in article 3, section 16.

Subd. 3. [CHARITABLE GAMBLING INVESTIGATIONS AND AUDITS.] The director shall, when requested by the charitable gambling control board:

(1) conduct background investigations of applicants for licensing as a manufacturer or distributor of gambling equipment or as a bingo hall;

(2) inspect the premises of board licensees to determine compliance with law and with the rules of the board; and

(3) conduct an audit of the accounts, books, records, or other documents required to be kept, of any board licensee.

The director shall receive and keep a record of all reports and invoices required to be submitted to the director under chapter 349.

Subd. 4. [HORSE RACING; BACKGROUND CHECKS.] The director shall, when requested by the Minnesota racing commission, investigate applicants for licenses the commission issues, and shall report the results of the investigation to the commission.

Subd. 5. [OTHER GAMBLING.] The director shall cooperate with all state and local agencies in the detection and apprehension of unlawful gambling.

Sec. 4. [349C.04] [REGISTRATION OF GAMBLING EQUIPMENT.]

Subdivision 1. [REGISTRATION; STAMPS.] The director shall register all gambling equipment, as defined in section 349.12, subdivision 15, and issue registration stamps for all gambling equipment. Each stamp must bear a registration number assigned by the director. The director may refund to a licensed distributor the price of any stamp which is unused or which is defective or canceled by the distributor.

Subd. 2. [FEES.] The director shall charge a fee of five cents for each registration stamp sold, and shall deposit the proceeds from the fee in the general fund.

Sec. 5. [349C.05] [POWERS OF DIRECTOR.]

Subdivision 1. [INSPECTIONS; ACCESS.] In conducting any inspection authorized under this chapter or under chapter 349, the director has free and open access to all parts of the premises being inspected, and may conduct such an inspection during normal business hours without notice and without a search warrant.

Subd. 2. [INSPECTIONS AND AUDITS; ITEMS REQUIRED TO BE PRODUCED.] In conducting any audit or inspection authorized under this chapter or under chapter 349, the director may inspect any book, record, or other document the licensee is required to keep.

Subd. 3. [SUBPOENA POWER.] The director may issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to any investigation or audit the director is authorized to conduct.

Subd. 4. [ACCESS TO CRIMINAL HISTORY.] The director has access to all criminal history data compiled by the bureau of criminal apprehension on any person on whom the director is authorized or requested to conduct a background check or investigation.

Subd. 5. [GAMING ENFORCEMENT OFFICERS.] (a) The director shall designate from among employees of the division as many

persons as the director deems necessary as gaming enforcement officers. In addition to powers specified in this chapter for the director and other employees of the division, gaming enforcement officers have the authority to make an arrest upon probable cause without a warrant for a violation of any provision of sections 349.11 to 349.23 or 609.75 to 609.76, or of any provision of chapter 240 or 349A for the enforcement of which the director's assistance has been requested.

(b) An employee of the division, other than the director, who is designated as a gaming enforcement officer must, within 12 months of the date of designation, complete the training and examination requirements mandated by the peace officer standards and training board and be licensed by the board.

Sec. 6. [349C.06] [POWERS OF OTHER OFFICIALS.]

The directors of the divisions of pari-mutuel racing, the state lottery and charitable gambling and their designated employees and agents have free and open access to all parts of the licensed premises of any licensee under their respective jurisdiction and may enter those licensed premises at any reasonable time and without a search warrant in order to determine the licensee's compliance with all applicable laws, rules, and orders. Nothing in this chapter limits the right of those directors and their designated employees and agents to such access.

Sec. 7. [349C.07] [OTHER POWERS AND DUTIES.]

Nothing in this chapter limits the authority or responsibility of the director to exercise other powers or perform other duties specified in chapter 240, 349, or 349A.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment, except that provisions which have the effect of transferring to the director of inspection and enforcement powers or duties relating to charitable gambling control are effective July 1, 1989.

ARTICLE 6 MISCELLANEOUS

Section 1. Minnesota Statutes 1988, section 10A.01, subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

- (a) member of the legislature;
- (b) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) executive director of the state board of investment;
- (g) executive director of the Indian affairs intertribal board;
- (h) commissioner of the iron range resources and rehabilitation board;
- (i) director of mediation services;
- (j) deputy of any official listed in clauses (e) to (i);
- (k) judge of the workers' compensation court of appeals;
- (l) administrative law judge or compensation judge in the state office of administrative hearings or hearing examiner in the department of jobs and training;
- (m) solicitor general or deputy, assistant or special assistant attorney general;
- (n) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research; or
- (o) member or chief administrative officer of the metropolitan council, regional transit board, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission; or
- (p) the commissioner of gaming and director of each division in the department of gaming.

Sec. 2. Minnesota Statutes 1988, section 10A.09, subdivision 1, is amended to read:

Subdivision 1. [TIME FOR FILING.] Except for a candidate for elective office in the judicial branch, an individual shall file a statement of economic interest with the board:

- (a) Within 60 days of accepting employment as a public official;
- (b) Within 14 days after filing an affidavit of candidacy or petition to appear on the ballot for an elective public office;
- (c) In the case of a public official requiring the advice and consent of the senate, within 14 days after undertaking the duties of office; or
- (d) In the case of members of the Minnesota racing commission, and its executive secretary, the director of the division of pari-mutuel racing of the department of gaming, chief of security, medical officer, inspector of pari-mutuels and stewards employed or approved by the commission or persons who fulfill those duties under contract, within 60 days of accepting or assuming duties.

Sec. 3. Minnesota Statutes 1988, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range
Effective
July 1, 1987

\$57,500-\$78,500

Commissioner of finance;

Commissioner of education;

Commissioner of transportation;

Commissioner of human services;

Commissioner of revenue;

Executive director, state board of

investment;

Commissioner of gaming;

Director, state lottery division, department of gaming;

Director, division of inspection and enforcement, department of gaming;

\$50,000-\$67,500

Commissioner of administration;

Commissioner of agriculture;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of jobs and training;

Commissioner of employee relations;

Commissioner of health;

Commissioner of labor and industry;

Commissioner of natural resources;

Commissioner of public safety;

Commissioner of trade and economic development;

Chair, waste management board;

Chief administrative law judge, office of

administrative hearings;

Commissioner, pollution control agency;

Commissioner, state planning agency;

Executive director, housing finance

agency;

Executive director, public employees

retirement association;

Executive director, teacher's

retirement association;

Executive director, state retirement

system;

Chair, metropolitan council;

Chair, regional transit board;

\$42,500-\$60,000

Commissioner of human rights;

Commissioner, department of public service;

Commissioner of veterans' affairs;

Commissioner, bureau of mediation services;

Commissioner, public utilities commission;

Member, transportation regulation board;

Member, charitable gambling control board;

Ombudsman for corrections;

Ombudsman for mental health and retardation.

Sec. 4. Minnesota Statutes 1988, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for

any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code of 1986, as amended through December 31, 1987;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802; and

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; and

(7) prizes won in the Minnesota state lottery.

Sec. 5. Minnesota Statutes 1988, section 297A.25, is amended by adding a subdivision to read:

Subd. 42. [STATE LOTTERY TICKETS.] The gross receipts from the sale of tickets for the state lottery under chapter 349A are exempt.

Sec. 6. Minnesota Statutes 1988, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized under chapter 349.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

Sec. 7. Minnesota Statutes 1988, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST.]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, purchase or sale of tickets in the state lottery, or gambling authorized under chapter chapters 349A and 349.

Sec. 8. Minnesota Statutes 1988, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to pari-mutuel wagering

conducted under a license issued pursuant to ~~chapter~~ chapters 240 and 349 or purchase of tickets in the state lottery under chapter 349A.

Sec. 9. Minnesota Statutes 1988, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the charitable gambling control board or an organization exempt from licensing under section 349.214.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

(8) The purchase and sale of state lottery tickets under chapter 349A.

Sec. 10. Minnesota Statutes 1988, section 609.761, is amended to read:

609.761 [OPERATIONS PERMITTED.]

Subdivision 1. [LAWFUL GAMBLING.] Notwithstanding sections 609.755 and 609.76, an organization may conduct lawful gambling as defined in section 349.12, if authorized under chapter 349, and a person may manufacture, sell, or offer for sale a gambling device to an organization authorized under chapter 349 to conduct lawful gambling, and pari-mutuel betting on horse racing may be conducted under chapter 240.

Subd. 2. [STATE LOTTERY.] Sections 609.755 and 609.76 do not prohibit the operation of the state lottery or the sale, possession, or purchase of tickets for the state lottery under chapter 349A.

Sec. 11. Minnesota Statutes 1988, section 626.84, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of sections 626.84 to 626.863, the following terms have the meanings given them:

(a) "Board" means the board of peace officer standards and training.

(b) "Director" means the executive director of the board.

(c) "Peace officer" means an employee or an elected or appointed official of a political subdivision or law enforcement agency who is licensed by the board, charged with the prevention and detection of crime and the enforcement of the general criminal laws of the state and who has the full power of arrest, and shall also include the Minnesota state patrol and, state conservation officers, and gaming enforcement officers.

(d) "Constable" has the meaning assigned to it in section 367.40.

(e) "Deputy constable" has the meaning assigned to it in section 367.40.

(f) "Part-time peace officer" means an individual licensed by the board whose services are utilized by law enforcement agencies no more than an average of 20 hours per week, not including time spent on call when no call to active duty is received, calculated on an annual basis, who has either full powers of arrest or authorization to carry a firearm while on active duty. The term shall apply even though the individual receives no compensation for time spent on active duty, and shall apply irrespective of the title conferred upon the individual by any law enforcement agency. The limitation on the average number of hours in which the services of a part-time peace officer may be utilized shall not apply to a part-time peace officer who has formally notified the board pursuant to rules adopted by the board of the part-time peace officer's intention to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to sections 626.843, subdivision 1, clause (g) and 626.845, subdivision 1, clause (g).

(g) "Reserve officer" means an individual whose services are utilized by a law enforcement agency to provide supplementary assistance at special events, traffic or crowd control, and administrative or clerical assistance. A reserve officer's duties do not include enforcement of the general criminal laws of the state, and the officer

does not have full powers of arrest or authorization to carry a firearm on duty.

(h) "Law enforcement agency" means a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment.

ARTICLE 7

APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF GAMING.] (a) \$ is appropriated from the general fund to the commissioner of gaming for the purposes of carrying out article 4. Of this amount \$ is for the fiscal year ending June 30, 1990, and \$ is for the fiscal year ending June 30, 1991.

(b) The authorized complement of the department, apart from the complement authorized for the divisions of state lottery, charitable gambling control, pari-mutuel racing, and inspection and enforcement, is

Subd. 2. [LOTTERY.] \$ is appropriated from the general fund to the director of the division of state lottery. This appropriation is available until expended. The director shall reimburse the general fund from the state lottery fund the amount appropriated by this subdivision not later than June 30, 1990.

Subd. 3. [CHARITABLE GAMBLING.] (a) \$ is appropriated from the general fund to the commissioner of gaming for the purposes of carrying out those powers and duties assigned to the division of charitable gambling control under article 2. Of this amount \$ is for the fiscal year ending June 30, 1990, and \$ is for the fiscal year ending June 30, 1991.

(b) The approved complement of the division is Of these positions are transferred from the department of revenue.

Subd. 4. [PARI-MUTUEL RACING.] (a) \$ is appropriated from the general fund to the commissioner of gaming for the

purposes of carrying out the duties assigned to the division of pari-mutuel racing under article 1. Of this amount \$ is for the fiscal year ending June 30, 1990, and \$ is for the fiscal year ending June 30, 1991.

(b) The approved complement of the division is

Subd. 5. [INSPECTION AND ENFORCEMENT.] (a) \$ is appropriated from the general fund to the commissioner of gaming for the purposes of carrying out the duties assigned to the division of inspection and enforcement under article 5. Of this amount \$ is for the fiscal year ending June 30, 1990, and \$ is for the fiscal year ending June 30, 1991.

(b) The approved complement of the division is

Sec. 2. [EFFECTIVE DATE.]

Section 1, subdivisions 1, 2, and 5, are effective the day following final enactment. An appropriation in those subdivisions for the fiscal year ending June 30, 1990, may be expended before July 1, 1989. Section 1, subdivisions 3 and 4, are effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to gambling; creating a department of gaming; authorizing a state lottery to be conducted by a division of state lottery within the department of gaming; creating a division of charitable gambling control and transferring certain powers of the charitable gambling control board to that division and to the department of revenue; creating a division of pari-mutuel racing; creating a division of inspection and enforcement and providing for its duties; prescribing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15.06, subdivision 1; 15A.081, subdivision 1; 240.01, by adding subdivisions; 240.02, subdivisions 1 and 2; 240.04, subdivisions 1, 3, and 7; 240.06, subdivisions 3 and 8; 240.07, subdivision 2; 240.08, subdivision 3; 240.21; 240.28; 290.01, subdivision 19b; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 349.12, subdivisions 11, 17, and 20, and by adding subdivisions; 349.151, subdivisions 1, 2, 4, and 5; 349.16, subdivision 4; 349.161, subdivision 4; 349.162, subdivisions 1, 2, 4, and 5; 349.163; 349.18, subdivision 1; 349.19, subdivisions 5 and 6; 349.212; 349.2121, subdivisions 2, 3, 4, 4a, 6, 7, 8, and 10; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; 541.20; 541.21; 609.75; 609.761; and 626.85, subdivision 1; proposing coding for new law as Minnesota Statutes, chapters 349A; 349B; and 349C; proposing coding for new law in Minnesota Statutes, chapters 240 and 349; repealing Minnesota Statutes 1988, sections 240.02, subdivision 7; 349.151,

subdivisions 3 and 5; 349.161, subdivision 7; 349.164, subdivision 5; 349.171; and 349.22, subdivision 4."

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

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 128, A bill for an act relating to local government; delaying the effective date of the historical society levy for Chisago, Kanabec, Pine, and Carlton counties; amending Laws 1988, chapter 640, section 4.

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

The report was adopted.

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

H. F. No. 189, A bill for an act relating to education; appropriating money for the Minnesota AeroSpace Exploratorium.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATION; MINNESOTA AEROSPACE EXPLORATORIUM FEASIBILITY STUDY.]

\$ in fiscal year 1990 is appropriated from the general fund to the commissioner of administration for a feasibility study for a Minnesota AeroSpace Exploratorium in Willmar, Minnesota. The appropriation is available until June 30, 1991.

The purpose of the Minnesota AeroSpace Exploratorium is to provide a learning center containing exhibits and providing programs about Minnesota's involvement in America's space endeavors."

Delete the title and insert:

"A bill for an act relating to appropriations; appropriating money for the Minnesota AeroSpace Exploratorium."

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

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 243, A bill for an act relating to the department of revenue; recodifying information and disclosure provisions to increase uniformity of treatment and comply with the data privacy act; amending Minnesota Statutes 1988, sections 60A.17, subdivision 20; 82.27, subdivision 7; 147.091, subdivision 7; 148.10, subdivision 5; 148B.06, subdivision 3; 150A.08, subdivision 9; 171.31; 176.186; 176.231, subdivision 9; 256.978; 270.052; 270.064; 270.66, subdivision 3; 270.72, subdivision 4; 270.73, subdivision 1; 270A.11; 290.081; 290.174; 290.371, subdivision 5; 290.50, subdivision 6; 290.523, subdivision 1; 290.91; 290.92, subdivisions 5a, 17, and 26; 290A.112, subdivision 1; 297A.07; 326.20, subdivision 4; and 469.173, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 270B; repealing Minnesota Statutes 1988, sections 13.70; 290.05, subdivision 7; 290.61; 290A.17; 291.48; and 297A.43.

Reported the same back with the following amendments:

Page 7, delete lines 24 and 25 and insert:

"Subd. 8. [ACCESS TO DATA; COSTS.] Section 13.03, subdivision 3, applies to requests for access to data under this section."

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 266, A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for use of radio equipment in the vehicles; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; exempting liquor used in law enforcement training; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car company gross earnings taxes; repealing the Minnesota unfair cigarette sales act; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.54;

168.011, by adding a subdivision; 168.012, subdivision 1, and by adding a subdivision; 270.06; 297.04, subdivision 9; 297.041, subdivisions 1, 2, and 4; 297.06, subdivision 3; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297C.02, subdivision 4; 297C.07; 299C.37, subdivision 1; 297D.13, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 325D.30; 325D.31; 325D.32; 325D.33; 325D.34; 325D.35; 325D.36; 325D.37; 325D.38; 325D.39; 325D.40; 325D.42; and 477A.018.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 16B.54, subdivision 2, is amended to read:

Subd. 2. [VEHICLES.] (a) [ACQUISITION FROM AGENCY; APPROPRIATION.] The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck presently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the national automobile dealers association official used car guide.

(b) [PURCHASE.] To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) [TRANSFER AT AGENCY REQUEST.] On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck shall be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) [VEHICLES; MARKING.] The commissioner shall provide for

the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide by rule for the use of motor vehicles without uniform coloring or marking by the governor, the lieutenant governor, the division of criminal apprehension, arson investigators of the division of fire marshal in the department of public safety, financial institutions division of the department of commerce, the department of revenue, and the office of the attorney general.

Sec. 2. Minnesota Statutes 1988, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM FUND.] The commissioner of revenue shall make cash payments from the development fund to producers of ethanol or agricultural grade alcohol, ~~for use as a motor fuel~~, located in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of agricultural grade alcohol of a purity of at least 50 percent but not more than 90 percent and designed to be used in conjunction with diesel fuel in an engine's internal combustion process, for the period beginning July 1, 1987, and ending June 30, 2000, 11 cents per gallon.

The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 2000. Total payments to any producer from the fund in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 3. Minnesota Statutes 1988, section 69.011, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATION FOR FIRE OR POLICE STATE AID.]

(a) In order to qualify to receive fire state aid, on or before July 4 March 15, annually, in conjunction with the financial report required pursuant to section 69.051, the clerk of each municipality having a duly organized fire department as provided in subdivision 4, or the secretary of each independent nonprofit firefighting corporation having a subsidiary incorporated firefighters' relief association whichever is applicable, and the fire chief, shall jointly certify the existence of the municipal fire department or of the independent nonprofit firefighting corporation, whichever is applicable, which meets the minimum qualification requirements set forth in this subdivision, and the fire personnel and equipment of the municipal fire department or the independent nonprofit firefighting corporation as of the preceding December 31. Certification shall be made to the commissioner on a form prescribed by the commissioner and shall include any other facts the commissioner may require. The certification shall be made to the commissioner in duplicate. Each copy of the certificate shall be duly executed and deemed an original. The commissioner shall forward one copy to the auditor of the county wherein the fire department is located and retain one copy.

(b) On or before July 4 March 15 annually the clerk of each municipality having a duly organized police department and having a duly incorporated relief association shall certify that fact to the county auditor of the county where the police department is located and to the commissioner on a form prescribed by the commissioner together with the other facts the commissioner or auditor may require.

On or before July 4 March 15 annually, the clerk of each municipality and the auditor of each county employing one or more peace officers as defined in subdivision 1, clause (h), shall certify the number of such peace officers to the commissioner on forms prescribed by the commissioner. Credit for officers employed less than a full year shall be apportioned. Each full month of employment of a qualifying officer during the calendar year shall entitle the employing municipality or county to credit for 1/12 of the payment for employment of a peace officer for the entire year. For purposes of sections 69.011 to 69.051, employment of a peace officer shall commence when the peace officer is entered on the payroll of the respective municipal police department or county sheriff's department. No peace officer shall be included in the certification of the number of peace officers by more than one municipality or county for the same month.

Sec. 4. Minnesota Statutes 1988, section 69.54, is amended to read:

69.54 [SURCHARGE ON PREMIUMS TO RESTORE DEFICIENCY IN SPECIAL FUND.]

The commissioner shall order and direct a surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any licensed foreign or domestic fire insurance company on property in this city of the first class, or by its agents for it, in cash or otherwise. This surcharge shall be due and payable from these companies to the state treasurer on March 31, May 31, and ~~November 30~~ October 31 of each calendar year, and if not paid within 30 days after these dates, a penalty of ten percent shall accrue thereon and thereafter this sum and penalty shall draw interest at the rate of one percent per month until paid.

Sec. 5. Minnesota Statutes 1988, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles owned by nonprofit charities and used exclusively to transport handicapped persons for educational purposes;

(4) vehicles owned and used by honorary consul or consul general of foreign governments.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work, arson investigations, and passenger vehicles, station wagons, and buses owned or operated by the department of corrections shall be registered and shall display passenger vehicle classification license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these passenger vehicle license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle,

the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax exempt number plates shall have the name of the state department or public subdivision on the vehicle plainly displayed on both sides thereof in letters not less than 2½ inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision.

Sec. 6. Minnesota Statutes 1988, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses to appear and give testimony, and to produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is

enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) To cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law;

(14) promulgate rules having the force and effect of law, for the administration and enforcement of the property tax;

(15) execute and administer any agreement with the secretary of the treasury of the United States regarding the exchange of information and administration of the tax laws of both the United States and the state of Minnesota;

(16) administer and enforce the provisions of sections 325.64 to 325.76, the Minnesota unfair cigarette sales act; and

(17) authorize the use of unmarked motor vehicles to conduct

seizures or criminal investigations pursuant to the commissioner's authority.

Sec. 7. Minnesota Statutes 1988, section 270.60, is amended to read:

270.60 [TAX REFUND AGREEMENTS WITH INDIANS.]

The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any Sioux or Chippewa reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the Indian residents of a reservation into the state treasury, or for an amount which measures the economic value of an agreement by the council to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes.

The commissioner of revenue is also authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation in Minnesota, for refund of a mutually agreed upon amount of the cigarette taxes collected from sales on reservations or trust lands of an Indian tribe to the established governing body of the tribe having jurisdiction over the reservation or trust land on which the sale is made.

There is annually appropriated from the general fund to the commissioner of revenue the amounts necessary to make the refunds provided in this section.

Sec. 8. Minnesota Statutes 1988, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles, or motorboats, or special fuel for a qualifying purpose other than use in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in the form and containing the information the commissioner shall require and accompanied by the original invoice thereof. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by the applicant other than in motor vehicles, or special fuel so purchased and used by the applicant other than in licensed motor vehicles, and shall state

when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or special fuel bought and used for a "qualifying purpose" means:

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code of 1954 1986, as amended through December 31, 1983 1988.

(2) Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use by a person in that person's trade, business, or activity for the production of income. "Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country.

(3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured in Minnesota, and shipped by interstate carrier to destinations in other states or foreign countries.

Sec. 9. Minnesota Statutes 1988, section 297.041, subdivision 1, is amended to read:

Subdivision 1. [WHOLESALE] ~~Any~~ A wholesaler who furnishes a surety bond in a sum satisfactory to the commissioner ~~shall be permitted to may set aside, without affixing the stamps required by this chapter, that the part of the wholesaler's stock necessary for the conduct of business in making to make sales to the established governing body of any an Indian tribe recognized by the United States Department of Interior without paying the tax required by this chapter.~~ The unstamped stock shall be kept separate and apart from stamped stock. ~~Every wholesaler shall, at the time of When shipping or delivering any of the unstamped stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice which shall. The invoice must show the complete details of the sale or delivery and shall transmit. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. Failure If the wholesaler fails to comply with the requirements of this section shall cause, the commissioner~~

Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of untaxed tobacco means only an enrolled member of the Indian tribe offering the tobacco for sale.

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] A retailer who sells or otherwise disposes of untaxed tobacco other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by this chapter and remit the tax to the department of revenue at the same time and manner as required by this chapter. If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer is personally responsible for the tax, and the commissioner may seize any tobacco destined to be delivered to the retailer. The procedures for seized contraband outlined in section 297.08, subdivision 3, apply to the seized tobacco. The proceeds of the sale of the tobacco may be applied to any tax liability owed by the retailer after deducting all costs and expenses.

This section does not relieve the buyer or possessor of untaxed tobacco from personal liability for the tax.

Sec. 13. Minnesota Statutes 1988, section 297A.06, is amended to read:

297A.06 [PERMIT.]

After compliance with sections 297A.04 and 297A.28, when security is required, the commissioner shall issue to each applicant a separate permit for each place of business within Minnesota. A permit shall be valid until canceled or revoked but shall not be assignable and shall be valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. It shall at all times be conspicuously displayed at the place for which issued.

Sec. 14. [297A.065] [CANCELLATION OF PERMITS.]

The commissioner may cancel a permit when one of the following conditions occurs:

(1) the permit holder has not filed a sales or use tax return for one year or more;

(2) the permit holder has not reported any sales or use tax liability on the permit holder's returns for two or more years; or

(3) the permit holder requests cancellation of the permit.

Sec. 15. Minnesota Statutes 1988, section 297A.17, is amended to read:

297A.17 [TAX TO BE COLLECTED; STATUS AS DEBT.]

The use tax required to be collected by the retailer constitutes a debt owed by the retailer to Minnesota and shall be a debt from the purchaser to the retailer recoverable at law in the same manner as other debts. A retailer who does not maintain a place of business within this state, as defined in section 297A.21, subdivision 1, shall not be indebted to Minnesota for amounts of use tax which it was required to collect but did not collect unless the retailer knew or had been advised by the commissioner of its obligation to collect the use tax.

Sec. 16. Minnesota Statutes 1988, section 297A.20, is amended to read:

297A.20 [VIOLATIONS.]

Any person violating ~~sections~~ section 297A.16, or 297A.18 ~~; or 297A.19~~ shall be guilty of a misdemeanor.

Sec. 17. Minnesota Statutes 1988, section 297A.21, subdivision 4, is amended to read:

Subd. 4. [REQUIRED REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] (a) A retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall file an application for a permit pursuant to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16 if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included of a broader regional or national publication which are not

placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(b) The location within or without this state of vendors independent of the retailer which provide products or services to the retailer in connection with its solicitation of customers within this state, including such products and services as creation of copy, printing, distribution, and recording, is not to be taken into account in the determination of whether the retailer is required to collect use tax. Paragraph (a) shall be construed without regard to the state from which distribution of the materials originated or in which they were prepared.

(c) A retailer not maintaining a place of business in this state shall be presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it (1) engages in any of the activities in paragraph (a) and makes 100 or more retail sales from outside this state to destinations within this state during a period of 12 consecutive months; or (2) makes ten or more retail sales totaling more than \$100,000 from outside this state to destinations within this state during a period of 12 consecutive months.

(d) A retailer not maintaining a place of business in this state shall not be required to collect use tax imposed by any local governmental unit or subdivision of this state and this section does not subject such a retailer to any regulation of any local unit of government or subdivision of this state.

Sec. 18. Minnesota Statutes 1988, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical institutes, state academies, and political subdivisions of

the state are exempt. Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, clause (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. This exemption does not apply to purchases made by or for a joint venture if any participants in the joint venture are not tax exempt under this subdivision or subdivision 16, unless the joint venture itself qualifies for exemption under this subdivision.

Sec. 19. Minnesota Statutes 1988, section 297A.25, subdivision 16, is amended to read:

Subd. 16. [SALES TO NONPROFIT GROUPS.] The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders, are exempt. Sales exempted by this subdivision include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. This exemption does not apply to purchases made by or for a joint venture if any participants in the joint venture are not tax exempt under this subdivision or subdivision 11, unless the joint venture itself qualifies for exemption under this subdivision.

Sec. 20. Minnesota Statutes 1988, section 297B.01, subdivision 5, is amended to read:

Subd. 5. "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle ~~and~~ for which registration is required by chapter 168. Motor vehicle includes vehicles known as

trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, ~~except snowmobiles, for which registration is required by chapter 168, but not including and motor vehicles that are purchased on Indian reservations where the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota.~~ Motor vehicle does not include snowmobiles, house trailers, or manufactured homes.

Sec. 21. Minnesota Statutes 1988, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. [RATE.] There is imposed an excise tax at the rate provided in chapter 297A on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota.

Sec. 22. Minnesota Statutes 1988, section 297B.03, is amended to read:

297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.25, subdivision 18.

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of section 351 or

721 of the Internal Revenue Code of ~~1954~~ 1986, as amended through December 31, ~~1974~~ 1988.

(5) Purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales or motor vehicle excise tax on motor vehicles used in interstate commerce.

(6) Purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution.

Sec. 23. Minnesota Statutes 1988, section 297C.02, subdivision 4, is amended to read:

Subd. 4. [BOTTLE TAX.] A tax of one cent is imposed on each bottle or container of distilled spirits and wine. The wholesaler is responsible for the payment of this tax when the bottles of distilled spirits and wine are removed from inventory for sale, delivery, or shipment.

The following are exempt from the tax:

- (1) miniatures of distilled spirits and wines;
- (2) containers of fermented malt beverage;
- (3) containers of intoxicating liquor or wine holding less than 200 milliliters;
- (4) containers of wine intended exclusively for sacramental purposes;
- (5) containers of alcoholic beverages sold to qualified, approved military clubs;
- (6) containers of alcoholic beverages sold to common carriers engaged in interstate commerce;
- (7) containers of alcoholic beverages sold to authorized food processors or pharmaceutical firms for use exclusively in the manufacturing of food products or medicines;
- (8) containers of alcoholic beverages sold and shipped to dealers, wineries, or distillers in other states; and
- (9) containers of alcoholic beverages sold to other Minnesota wholesalers; and

(10) containers of alcoholic beverages sold to the state of Minnesota, its agencies, instrumentalities, and political subdivisions, if the alcoholic beverage is used for law enforcement training.

Sec. 24. [297C.045] [SALES TO INDIAN TRIBES.]

Subdivision 1. [WHOLESALEERS.] A wholesaler may set aside the part of the wholesaler's stock necessary to make sales to the established governing body of an Indian tribe recognized by the United States Department of the Interior, without paying the tax required by this chapter. When shipping or delivering untaxed stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice. The invoice must show the complete details of the sale or delivery. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. If a wholesaler fails to comply with the requirements of this section, the commissioner shall revoke the permission granted to the wholesaler to keep a stock of untaxed goods.

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may keep untaxed stock intended for sale to qualified purchasers.

Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of untaxed liquor means only an enrolled member of the Indian tribe that is offering the liquor for sale.

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] A retailer who sells or otherwise disposes of untaxed liquor other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by this chapter and remit the tax to the department of revenue at the same time and manner as required by this chapter. If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer is personally responsible for the tax and the commissioner may seize any liquor destined to be delivered to the retailer. The procedures outlined in section 297C.12 apply to the seized liquor. The proceeds of the sale of the liquor may be applied to any tax liability owed by the retailer after deducting all costs and expenses.

This section does not relieve the buyer or possessor of untaxed liquor from personal liability for the tax.

Sec. 25. Minnesota Statutes 1988, section 297C.07, is amended to read:

297C.07 [EXCEPTIONS.]

The following are not subject to the excise tax:

(1) Sales by a manufacturer, brewer, or wholesaler for shipment outside the state in interstate commerce.

(2) Sales of wine for sacramental purposes under section 340A.316.

(3) Fruit juices naturally fermented or beer naturally brewed in the home for family use.

(4) Malt beverages served by a brewery for on-premise consumption at no charge, or distributed to brewery employees for on-premise consumption under a labor contract.

(5) Alcoholic beverages sold to authorized manufacturers of food products or pharmaceutical firms. The alcoholic beverage must be used exclusively in the manufacture of food products or medicines. For purposes of this part, "manufacturer" means a manufacturer of food products intended for sale to wholesalers or retailers for ultimate sale to the consumer.

(6) Sales to common carriers engaged in interstate transportation of passengers and qualified approved military clubs, except as provided in section 297C.17.

(7) Alcoholic beverages sold or transferred between Minnesota wholesalers.

(8) Sales to a federal agency, that the state of Minnesota is prohibited from taxing under the constitution or laws of the United States or under the constitution of Minnesota.

(9) Sales to the state of Minnesota, its agencies, instrumentalities, and political subdivisions, if the alcoholic beverage is used for law enforcement training.

Sec. 26. [297D.085] [CREDIT FOR PREVIOUSLY PAID TAXES.]

If another state or local unit of government has previously assessed an excise tax on the marijuana or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the marijuana or controlled substances has been paid to another state or local unit of government.

Sec. 27. Minnesota Statutes 1988, section 297D.13, is amended by adding a subdivision to read:

Subd. 4. [POSSESSION OF STAMPS.] A stamp denoting payment of the tax imposed under this chapter must not be used against the taxpayer in a criminal proceeding, except that the stamp may be used against the taxpayer in connection with the administration or civil or criminal enforcement of the tax imposed under this chapter or any similar tax imposed by another state or local unit of government.

Sec. 28. Minnesota Statutes 1988, section 325D.32, subdivision 10, is amended to read:

Subd. 10. (a) "Cost to wholesaler" means the basic cost of the cigarettes, prior to deducting manufacturer's timely payment and stamping discounts and any other discounts or rebates, plus the cost of doing business by the wholesaler, as defined in sections 325D.30 to 325D.42.

(b) The cost of doing business by the wholesaler is presumed to be four percent of the basic cost of the cigarettes, plus cartage to the retail outlet, if furnished or paid for by the wholesaler, in the absence of proof of a lesser or higher cost. Such cartage cost is presumed to be one-half of one percent of the basic cost of the cigarettes in the absence of proof of a lesser or higher cost.

(c) A wholesaler electing to sell cigarettes at a price other than that presumed by law must submit to the commissioner documentation substantiating the actual cost of the cigarettes before selling at actual cost. For purposes of this paragraph "actual cost" means basic cost as defined in subdivision 9 plus the wholesaler's cost of doing business. The commissioner shall review the documents submitted and, if necessary, request additional documentation to verify the accuracy of the cost computations. If, within 15 days of submission of the documentation, the commissioner has not notified the wholesaler of any deficiencies in the cost computations, the wholesaler may begin selling at actual cost. The cost computations are effective for a period of not more than 12 months beginning 15 days after submission of the documentation. Fifteen days before expiration of the 12-month period, the wholesaler must submit new cost documentation for review by the commissioner to continue selling at less than the price presumed by law. New cost documentation must also be submitted to the commissioner on the last day of a month in which the basic cost of cigarettes increases.

Sec. 29. Minnesota Statutes 1988, section 325D.37, is amended by adding a subdivision to read:

Subd. 3. Before selling cigarettes at a price set in good faith to meet competition, a wholesaler shall contact the commissioner to verify that a competitor has met the requirements of section 325D.32, subdivision 10, or that a competitor has contacted the

commissioner under this subdivision in response to a wholesaler who has met the requirements of section 325D.32, subdivision 10.

Sec. 30. Minnesota Statutes 1988, section 469.190, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance, and a town may by the affirmative vote of the electors at its the annual town meeting, or at a special town meeting, impose a tax of up to three percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more. A statutory or home rule charter city may by ordinance impose the tax authorized under this subdivision on the camping site receipts of a municipal campground.

Sec. 31. Minnesota Statutes 1988, section 473.843, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF FEE; APPLICATION.] The operator of a mixed municipal solid waste disposal facility in the metropolitan area shall pay a fee on solid waste accepted and disposed at the facility as follows:

(a) A facility that weighs the waste that it accepts must pay a fee of 50 cents per cubic yard based on equivalent cubic yards of waste accepted at the entrance of the facility.

(b) A facility that does not weigh the waste but that measures the volume of the waste that it accepts must pay a fee of 50 cents per cubic yard of waste accepted at the entrance of the facility. This fee and the tipping fee must be calculated on the same basis.

(c) Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse is exempt from one-half of the amount of fee imposed by this subdivision if there is at least an 85 percent volume reduction in the solid waste processed. To qualify for exemption under this clause, waste residue must be brought to a disposal facility separately. The commissioner of revenue, with the advice and assistance of the agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption.

Sec. 32. [CONTINUATION OF EFFECT.]

The repeal of Minnesota Statutes, sections 477A.018 and 477A.019, in this act shall be deemed to be a part of a repeal and reenactment under Laws 1987, chapter 291, with the effect provided

in Minnesota Statutes, section 645.37. A statutory or home rule charter city, county, or town ordinance, resolution, or vote to impose a tax under Minnesota Statutes 1988, section 477A.018, may continue in effect under the terms of Minnesota Statutes, section 469.190.

Sec. 33. [REPEALER.]

Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019, are repealed.

Sec. 34. [EFFECTIVE DATE.]

Sections 1, 2, 4 to 6, 8 to 14, 16, 17, 20 to 26, 28 to 31, and 33 are effective July 1, 1989. Section 3 is effective for reports filed in 1990 and thereafter. Section 7 is retroactively effective July 1, 1988. Section 15 is retroactively effective June 1, 1988. Sections 18 and 19 are effective for all sales made after June 30, 1989, but do not apply to sales of tangible personal property made pursuant to bona fide written contracts that were enforceable before July 1, 1989, and delivery is made on or before December 31, 1989. Section 27 is retroactively effective August 1, 1986. Section 32 is retroactively effective August 1, 1987.

Delete the title and insert:

"A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; exempting liquor used in law enforcement training; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.012, subdivision 1; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.03; 297C.02, subdivision 4; 297C.07; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24;

295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 278, A bill for an act relating to highways; specific service signs; changing rural agricultural business to rural commercial business, and specifying that the term includes certain types of businesses; amending Minnesota Statutes 1988, section 160.292, subdivisions 2 and 10; 160.293, subdivision 3; and 160.295, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 160.292, subdivision 2, is amended to read:

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

Sec. 2. Minnesota Statutes 1988, section 160.292, subdivision 3, is amended to read:

Subd. 3. "~~Specific service~~ Tourist-oriented direction sign assembly" means a combination of ~~specific service~~ tourist-oriented direction sign panels not to exceed four panels to be placed within the right-of-way on appropriate approaches to an intersection.

Sec. 3. Minnesota Statutes 1988, section 160.292, subdivision 4, is amended to read:

Subd. 4. "~~Specific service~~ Tourist-oriented direction sign cluster" means a grouping of ~~specific service~~ tourist-oriented direction sign assemblies on appropriate approaches to an intersection.

Sec. 4. Minnesota Statutes 1988, section 160.292, subdivision 10, is amended to read:

Subd. 10. "Specific service" means restaurants and rural agricultural businesses, places of worship, and motels, resorts, or recreational camping areas that provide sleeping accommodations for the traveling public. "Tourist-oriented business" means businesses, services, and activities the major portion of whose income or visitors are derived during the normal business season from motorists not residing in the immediate area of the business or activity. "Tourist-oriented business" includes, but is not limited to, any: (1) restaurant, (2) motel, resort, or recreational camping area as defined in section 327.14, subdivision 8, that provides sleeping accommodation for the traveling public, (3) seasonal agricultural business including a greenhouse or nursery, (4) bait and tackle shop, (5) marina, and (6) gift shop and antique shop.

Sec. 5. Minnesota Statutes 1988, section 160.293, is amended to read:

160.293 [INTENDED USE.]

Subdivision 1. [PURPOSE.] Specific service Tourist-oriented direction signs are to be used to create and implement a system of signing for the purpose of displaying specific service tourist-oriented directional information to the traveling public on nonfreeway type trunk highways in rural areas.

Subd. 2. [SPECIFIC SERVICE TOURIST-ORIENTED BUSINESS SIGNS ON NONFREEWAY HIGHWAYS.] A specific service tourist-oriented business sign may be erected at the intersection of a trunk highway with a local road, on bypasses of outstate municipalities, and subject to prior approval of the federal highway administration at the intersection of two trunk highways. A specific service tourist-oriented direction sign may not be erected if the place of business is readily visible or effective directional advertising is visible or the sign can be legally and effectively located near the intersection.

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

Subd. 4. [TRAILBLAZING.] Appropriate signing on local roads between a trunk highway intersection and a specific service tourist-oriented business or a place of worship shall be the responsibility of the specific service tourist-oriented business or place of worship and the local road authority.

Subd. 5. [SIGNING STANDARDS.] Placement of specific service tourist-oriented directional sign assemblies shall be in accordance with sections 160.292 to 160.296 and existing traffic control device standards.

Subd. 6. [RURAL ROAD MARKINGS.] Rural roads, named and marked in accordance with resolutions from their road authority, shall continue to be identified.

Sec. 6. Minnesota Statutes 1988, section 160.294, is amended to read:

160.294 [SIGN DETAILS.]

Subdivision 1. [CONSTRUCTION OF SIGN.] Specific service Tourist-oriented directional sign panels shall be made of reflective sheeting and shall be on blue background with white letters, arrows and border. The directional arrow and mileage shall be displayed on the same side of the panel as the direction of turn. Signing for straight ahead movement shall not be permitted.

Subd. 2. [SPECIFIC SERVICE TOURIST-ORIENTED DIRECTIONAL SIGN ASSEMBLIES.] Left directional panels shall be placed on top of the right directional panels. A gap shall separate a left panel from the right panel. An assembly shall be spaced preferably 300 feet, but a minimum of 200 feet from other required signing. If no other signing is located at an intersection, the assembly shall be placed 300 feet in advance of the intersection. Assemblies within a cluster shall not be placed closer than 300 feet. No specific service tourist-oriented directional sign or assembly shall be placed at a location that will interfere with other necessary signing.

Sec. 7. Minnesota Statutes 1988, section 160.295, is amended to read:

160.295 [CRITERIA FOR SPECIFIC SERVICE TOURIST-ORIENTED DIRECTIONAL SIGNS.]

Subdivision 1. [CONFORMITY WITH LAW.] A specific service tourist-oriented business identified on a specific service sign shall be in conformity with all applicable laws and rules concerning the provisions for public accommodation without regard to race, religion, color, sex or national origin.

Subd. 2. [DISTANCE TO SPECIFIC SERVICE TOURIST-ORIENTED BUSINESS.] A specific service tourist-oriented directional sign may be placed on a nonfreeway type road if the specific service tourist-oriented business or the place of worship is located within 15 miles of the qualifying site.

Subd. 3. [MOTEL, RESTAURANT, AND RESORT WARRANT.] Motels, restaurants, and resorts served by the specific service tourist-oriented directional signing shall be licensed by the state department of health as required by section 157.03.

Subd. 4. [RECREATIONAL CAMPING AREA.] Recreational camping areas shall possess a state department of health license as required by section 327.15 and the following:

- (1) A minimum of 15 camping spaces;
- (2) Modern sanitary facilities (flush, chemical, or incinerator toilets) and drinking water; and
- (3) Services available 24 hours a day.

Subd. 5. [RURAL AGRICULTURAL TOURIST-ORIENTED BUSINESS.] A ~~rural agricultural~~ specific service tourist-oriented business other than a restaurant, motel, resort, or recreational camping area must be open a minimum of eight hours per day, six days per week, and 12 months per year. However, a seasonal business may qualify if it is open eight hours per day and six days per week during the normal seasonal period.

Sec. 8. Minnesota Statutes 1988, section 160.296, is amended to read:

160.296 [SIGNS; ADMINISTRATION; RULES.]

Subdivision 1. [PROCEDURE.] A person who desires a specific service tourist-oriented directional sign panel shall request the commissioner of transportation to install the sign. The commissioner of transportation may grant the request if the applicant qualifies for the sign panel and if space is available. All signs shall be fabricated, installed, maintained, replaced and removed by the commissioner of transportation. The applicant shall pay a fee to the commissioner of transportation to cover all costs for fabricating, installing, maintaining, replacing and removing. The requests for specific service tourist-oriented directional sign panels shall be renewed every three years.

Subd. 2. [SEASONAL SERVICES.] All sign panels for seasonal services shall be covered or removed when the service is not available.

Subd. 3. [COMMUNICATIONS.] Any new or participating specific service tourist-oriented business or place of worship shall respond to any communication from the commissioner of transportation within 30 days or an in place sign panel will be removed.

Subd. 4. [SIGN REMOVAL.] The specific service tourist-oriented directional sign panels shall be removed by the commissioner of transportation if any of the requirements in sections 160.292 to 160.296 are not continually met."

Delete the title and insert:

"A bill for an act relating to highways; changing specific service signs to tourist-oriented directional signs; including certain types of businesses as tourist-oriented businesses; amending Minnesota Statutes 1988, section 160.292, subdivisions 2, 3, 4, and 10; 160.293; 160.294; 160.295; and 160.296."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 306, A bill for an act relating to trusts; providing for their creation, validity, administration, and supervision; providing for the sale of real property; relating to legal estates in real and personal property; relating to estates; amending Minnesota Statutes 1988, sections 500.17, subdivision 2; and 502.73; proposing coding for new law as Minnesota Statutes, chapter 501B; proposing coding for new law in Minnesota Statutes, chapter 525; repealing Minnesota Statutes 1988, sections 500.13; 501.01; 501.02; 501.03; 501.04; 501.05; 501.06; 501.07; 501.08; 501.09; 501.10; 501.11; 501.115; 501.12; 501.125; 501.13; 501.14; 501.15; 501.155; 501.16; 501.17; 501.18; 501.19; 501.195; 501.20; 501.21; 501.211; 501.22; 501.23; 501.24; 501.25; 501.26; 501.27; 501.28; 501.29; 501.30; 501.31; 501.32; 501.33; 501.34; 501.35; 501.351; 501.36; 501.37; 501.38; 501.39; 501.40; 501.41; 501.42; 501.43; 501.44; 501.45; 501.46; 501.461; 501.48; 501.49; 501.50; 501.51; 501.52; 501.53; 501.54; 501.55; 501.56; 501.57; 501.58; 501.59; 501.60; 501.61; 501.62; 501.63; 501.64; 501.65; 501.66; 501.67; 501.71; 501.72; 501.73; 501.74; 501.75; 501.76; 501.77; 501.78; 501.79; 501.80; 501.805; 501.81; 501A.01; 501A.02; 501A.03; 501A.04; 501A.05; 501A.06; and 501A.07.

Reported the same back with the following amendments:

Page 1, lines 35 and 36, delete "to the extent of the estate granted"

Page 4, line 3, delete "36" and insert "39"

Page 10, line 24, delete "20" and insert "21"

Page 12, lines 13 and 14, delete "this section, except subdivision 4," and insert "subdivisions 1 to 3"

Page 12, line 16, delete "this section" and insert "April 15, 1927."

Page 12, delete line 17

Page 12, line 28, delete "13" and insert "14"

Page 43, line 1, delete "1989" and insert "1990"

Page 43, line 7, delete "1988" and insert "1989"

Page 43, line 9, delete "1989" and insert "1990"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 315, A bill for an act relating to crimes; criminal sexual conduct; providing intensive sex offender treatment programs within the correctional system; providing for specialized probation and corrections agents to supervise released sex offenders; requiring the collection of data on the treatment and recidivism rates of convicted sex offenders; extending the jurisdiction of the juvenile court over sex offenders until their 21st birthday; providing a centralized reporting system for juvenile felony offenders; requiring the bureau of criminal apprehension to develop uniform procedures for the collection and analysis of DNA typing evidence; providing for the admissibility of such evidence; increasing penalties for criminal sexual conduct offenses; permitting courts to sentence dangerous or patterned sex offenders to longer periods of incarceration and supervision; creating a legislative commission to study the child protection system; appropriating money for the development of a DNA profiling laboratory and for a public information campaign against sexual violence; amending Minnesota Statutes 1988, sections 260.161, subdivision 1; 260.181, subdivision 4; 260.185, subdivision 1; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; and 609.345, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 241; 242; 299C; 609; and 634.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [241.75] [SEX OFFENDER TREATMENT; PROGRAMS; STANDARDS; DATA.]

Subdivision 1. [PRISON TREATMENT PROGRAMS.] The commissioner shall establish and operate an intensive sex offender treatment program for eligible inmates who desire to participate voluntarily in the program. This section does not require the commissioner to accept or retain an offender in a treatment program.

Subd. 2. [TREATMENT PROGRAMS; STANDARDS.] On or before January 1, 1991, the commissioner shall adopt rules establishing standards for sex offender treatment programs operated in adult and juvenile correctional facilities. In developing these standards the commissioner shall consult with the commissioner of human services and with representatives of the following groups: psychiatrists, social workers, psychologists, chemical dependency counselors, probation officers, correctional agents, sex offenders, families of sex offenders, law enforcement officers, and judges. The standards shall require that sex offender treatment programs be at least four months in duration and shall also address (1) program content, (2) professional staff qualifications, (3) admission, participation, and completion criteria, and (4) criteria for discharging program participants who fail to meet participation requirements. No correctional facility may operate a sex offender treatment program after January 1, 1991, unless the program meets the standards established under this subdivision. As used in this subdivision, "correctional facility" has the meaning given it in section 241.021, subdivision 1, clause (5).

Subd. 3. [SPECIALIZED CORRECTIONS AGENTS; SEX OFFENDER SUPERVISION.] The commissioner of corrections, for employees subject to the Minnesota merit system, and directors of county personnel systems, for counties not subject to the Minnesota merit system, shall establish a job classification consisting exclusively of probation officers and correctional agents who have specialized training and experience in the supervision of convicted or adjudicated sex offenders. When an adult sex offender is discharged from prison on supervised release or is sentenced to probationary supervision, and when a juvenile offender is adjudicated for a sex offense by the juvenile court and placed on probation, the commissioner or the appropriate court services officer shall make reasonable efforts to assign an officer or agent within the specialized job classification to supervise the offender.

Subd. 4. [COLLECTION OF DATA ON CONVICTED SEX OFFENDERS.] The commissioner shall collect and maintain the following data on offenders convicted of felony sex offenses and committed to the custody of the commissioner:

- (1) the type of sex offense committed by the offender;
- (2) the sentence received by the offender;

(3) whether the offender was assessed as amenable to sex offender treatment;

(4) whether the offender was admitted to a sex offender treatment program, and if so, what program;

(5) whether the offender successfully completed the treatment program; and

(6) whether the offender committed a subsequent sex offense while on supervised release or within ten years after release from prison.

The commissioner shall, every odd-numbered year or at the request of the legislature, publish summary data on the treatment experience and recidivism rates of sex offenders based on the information collected under this subdivision.

Sec. 2. [242.205] [JUVENILE SEX OFFENDER TREATMENT.]

The commissioner shall provide an intensive sex offender treatment program for adjudicated juvenile sex offenders within a juvenile correctional facility.

Sec. 3. Minnesota Statutes 1988, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 15 for a third conviction of criminal sexual conduct must not be given supervised release under this section. An inmate convicted under section 609.185 or 609.385 and serving a mandatory life sentence shall must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

Sec. 4. Minnesota Statutes 1988, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence for conviction of murder in the first degree under section 609.185 or treason under section 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

Sec. 5. Minnesota Statutes 1988, section 260.161, subdivision 1, is amended to read:

Subdivision 1. The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. The court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 23 years and shall release the records on an individual to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. The legal records maintained in this file shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian.

In addition, the juvenile court shall forward to the bureau of criminal apprehension the following information pertaining to juveniles adjudicated delinquent for having violated section 609.342, 609.343, 609.344, or 609.345:

- (1) the name and birthdate of the juvenile;
- (2) the type of act for which the juvenile was adjudicated delinquent; and
- (3) the date of the adjudication.

The juvenile court shall also notify the bureau whenever it destroys juvenile court records of these juveniles.

Sec. 6. Minnesota Statutes 1988, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

- (a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) A child placing agency; or

(2) The county welfare board; or

(3) A reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245.781 to 245.812; or

(4) ~~Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (e) and (d),~~ A county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) A county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) ~~Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (e) and (d),~~ Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child

and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and proved to be delinquent for having violated section 609.342, 609.343, 609.344, or 609.345, the court shall order an independent professional assessment of the child's need for sex offender treatment. If the evaluation indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

- (a) Why the best interests of the child are served by the disposition ordered; and
- (b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

This subdivision applies to dispositions of juveniles found to be delinquent as defined in section 260.015, subdivision 5, clause (c) or (d) made prior to, on, or after January 1, 1978.

Sec. 7. [299C.095] [CENTRALIZED SYSTEM FOR IDENTIFICATION OF ADJUDICATED JUVENILE SEX OFFENDERS.]

The bureau shall establish a centralized system for recording the names, birthdates, and offenses of all juveniles adjudicated delinquent in this state for having violated section 609.342, 609.343, 609.344, or 609.345. All information pertaining to adjudicated juveniles received from the juvenile courts under section 260.161, subdivision 1, must be maintained in the records system and must be made available, on request, to the individual subject of the record and to any law enforcement agency or prosecuting authority. Upon receiving a notice from a juvenile court that the court has destroyed a person's juvenile court records, the bureau shall remove from the system all records about the person and destroy them.

Sec. 8. [299C.155] [STANDARDIZED EVIDENCE COLLECTION; DNA ANALYSIS, DATA, AND RECORDS.]

Subdivision 1. [DEFINITION.] As used in this section, "DNA analysis" means the process through which deoxyribonucleic acid (DNA) in a human biological specimen is analyzed and compared with DNA from another human biological specimen for identification purposes.

Subd. 2. [UNIFORM EVIDENCE COLLECTION.] The bureau shall develop uniform procedures and protocols for collecting evidence in cases of alleged or suspected criminal sexual conduct, including procedures and protocols for the collection and preservation of human biological specimens for DNA analysis. The bureau shall encourage law enforcement agencies and medical personnel who conduct evidentiary exams to use the uniform procedures and protocols in their investigation of criminal sexual conduct offenses.

Subd. 3. [DNA ANALYSIS AND DATA BANK.] The bureau shall adopt uniform procedures and protocols to maintain, preserve, and analyze human biological specimens for DNA. The bureau shall establish a centralized system to cross-reference data obtained from DNA analysis.

Subd. 4. [RECORDS.] The bureau shall perform DNA analysis and make the data obtained available to law enforcement officials in connection with criminal investigations in which human biological specimens have been recovered. Upon request, the bureau shall also make the data available to the prosecutor and the subject of the data in any subsequent criminal prosecution of the subject.

Sec. 9. Minnesota Statutes 1988, section 526.10, is amended to read:

526.10 [LAWS RELATING TO MENTALLY ILL PERSONS DANGEROUS TO THE PUBLIC TO APPLY TO PSYCHOPATHIC PERSONALITIES; TRANSFER TO CORRECTIONS.]

Subdivision 1. [PROCEDURE.] Except as otherwise provided herein in this section or in chapter 253B, the provisions of chapter 253B, pertaining to persons mentally ill and dangerous to the public shall apply with like force and effect to persons having a psychopathic personality, to persons alleged to have such personality, and to persons found to have such personality, respectively. Before such proceedings are instituted, the facts shall first be submitted to the county attorney, who, if satisfied that good cause exists therefor, shall prepare the petition to be executed by a person having knowledge of the facts and file the same with the judge of the probate court of the county in which the "patient," as defined in such statutes, has a settlement or is present. The judge of probate shall thereupon follow the same procedures set forth in chapter 253B, for judicial commitment. The judge may exclude the general public from attendance at such hearing. If, upon completion of the hearing and consideration of the record, the court finds the proposed patient

has a psychopathic personality, the court shall commit such person to a public hospital or a private hospital consenting to receive the person, subject to a mandatory review by the head of the hospital within 60 days from the date of the order as provided for in chapter 253B for persons found to be mentally ill and dangerous to the public. The patient shall thereupon be entitled to all of the rights provided for in chapter 253B, for persons found to be mentally ill and dangerous to the public, and all of the procedures provided for in chapter 253B, for persons found to be mentally ill and dangerous to the public shall apply to such patient except as otherwise provided in subdivision 2.

Subd. 2. [TRANSFER TO CORRECTIONAL FACILITY.] If a person has been committed under this section and also has been committed to the custody of the commissioner of corrections, the person may be transferred from a hospital to another facility designated by the commissioner of corrections as provided in section 253B.18; except that the special review board and the commissioner of human services may consider the following factors in lieu of the factors listed in section 253B.18, subdivision 6, to determine whether a transfer to the commissioner of corrections is appropriate:

- (1) the person's unamenability to treatment;
- (2) the person's unwillingness or failure to follow treatment recommendations;
- (3) the person's lack of progress in treatment at the public or private hospital;
- (4) the danger posed by the person to other patients or staff at the public or private hospital; and
- (5) the degree of security necessary to protect the public.

Sec. 10. [609.1351] [DANGEROUS SEX OFFENDERS; SPECIAL SENTENCING PROVISION.]

Subdivision 1. [SENTENCING AUTHORITY.] Except as otherwise required by section 15, a court may sentence a person to a term of imprisonment of not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, to a term of imprisonment equal to the statutory maximum, if:

- (1) the court is imposing an executed sentence on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, or 609.345, or on a person convicted of committing or attempting to commit any other felony

listed in section 611A.031 if it reasonably appears to the court that the felony was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal;

(2) the court finds that the offender is a danger to public safety; and

(3) the court finds that the offender needs long-term treatment or supervision beyond the presumptive term of imprisonment and supervised release. This finding shall be based on a professional assessment by an examiner experienced in evaluating sex offenders which concludes that the offender is a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the social history, the offense history of the offender or the aggravated characteristics of the offender's current crime, and the results of an examination of the offender's mental status. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so ingrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.

Subd. 2. [DANGER TO PUBLIC SAFETY.] The court shall base its finding that the offender is a danger to public safety on either of the following factors:

(1) the crime involved an aggravating factor that would justify a departure from the presumptive sentence under the sentencing guidelines; or

(2) the offender had previously committed or attempted to commit a felony offense listed in section 611A.031, including an offense committed as a juvenile that would have been a listed felony if committed by an adult.

Subd. 3. [DEPARTURE FROM GUIDELINES.] A sentence imposed under subdivision 1 is a departure from the sentencing guidelines.

Subd. 4. [EARLY PROBATIONARY RELEASE.] At the time of sentencing under subdivision 1, the court may provide that after the offender has completed one-half of the sentence imposed, excluding good time, the balance of the sentence may be stayed and the offender placed on supervised probation under the probation officer of the court for the remainder of the statutory maximum period or for ten years, whichever is longer, if the commissioner of corrections certifies to the sentencing court and the prosecution that:

(1) the offender is amenable to treatment and has made sufficient progress in a sex offender treatment program available in prison to

be released to the intensive treatment program for sexual aggressives or a community sex offender treatment and reentry program; and

(2) the offender has been accepted in a program approved by the commissioner that provides treatment, aftercare, and phased reentry into the community.

The court shall impose conditions of probation which must include successful completion of treatment and aftercare in a program approved by the commissioner and any other conditions the court considered appropriate. Probation may be revoked and the stayed sentence executed in its entirety less good time if the offender fails to meet any condition of probation. The court must not dismiss the offender from probation before the sentence expires unless the court finds that the offender no longer represents a danger to public safety. The probationary portion of the sentence shall commence at the time of the commissioner's certification unless the court finds the commissioner's program for the offender provides for insufficient treatment, aftercare, or supervision upon the offender's release. The commissioner's certification must include a detailed report of the offender's course of treatment in prison and of the proposed plan for the offender's release.

Subd. 5. [COMMISSIONER OF CORRECTIONS.] The commissioner shall pay the cost of treatment and supervision of a person released under subdivision 4. This section does not require the commissioner to accept or retain an offender in a treatment program.

Sec. 11. Minnesota Statutes 1988, section 609.342, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] Except as otherwise provided in section 15, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than 20 25 years or to a payment of a fine of not more than \$35,000 \$40,000, or both.

Sec. 12. Minnesota Statutes 1988, section 609.343, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] Except as otherwise provided in section 15, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than 45 20 years or to a payment of a fine of not more than \$30,000 \$35,000, or both.

Sec. 13. Minnesota Statutes 1988, section 609.344, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] Except as otherwise provided in section 15,

a person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~ten~~ 15 years or to a payment of a fine of not more than ~~\$20,000~~ \$30,000, or both.

Sec. 14. Minnesota Statutes 1988, section 609.345, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] A person convicted under subdivision 1 may be sentenced to imprisonment for not more than ~~five~~ ten years or to a payment of a fine of not more than ~~\$10,000~~ \$20,000, or both.

Sec. 15. Minnesota Statutes 1988, section 609.346, is amended to read:

609.346 [SUBSEQUENT OFFENSES.]

Subdivision 1. [DEFINITION; CONVICTION OF OFFENSE.] For purposes of this section, the term "offense" means a completed offense or an attempt to commit an offense.

Subd. 2. [SUBSEQUENT OFFENSE; PENALTY.] Except as otherwise provided in subdivision 3a, if a person is convicted of a second or subsequent offense under sections 609.342 to 609.345 within 15 years of the prior conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The court may stay the execution of the sentence imposed under this ~~section~~ subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Subd. 3. [PRIOR CONVICTIONS UNDER SIMILAR STATUTES.] For the purposes of ~~this section~~ subdivision 2, an offense is considered a second or subsequent offense if conviction of the actor for the offense follows or coincides with a conviction of the actor under sections 609.342 to 609.345 or under any similar statute of the United States, or this or any other state.

Subd. 3a. [THIRD CONVICTION; MANDATORY LIFE SENTENCE.] A person who is convicted of violating section 609.342, 609.343, or 609.344 shall be sentenced to imprisonment for life if:

(1) the person has two prior convictions under section 609.342, 609.343, or 609.344 or under any similar statute of the United States, or this or any other state;

(2) the person committed the second criminal sexual conduct offense after having been convicted of and sentenced for the first criminal sexual conduct offense; and

(3) the person committed the current criminal sexual conduct offense after having been convicted of and sentenced for the second criminal sexual conduct offense.

Sec. 16. [609.3461] [DNA ANALYSIS OF SEX OFFENDERS REQUIRED.]

When a court sentences a person convicted of violating or attempting to violate section 609.342, 609.343, 609.344, or 609.345, it shall order the person to provide a biological specimen for the purpose of DNA analysis as defined in section 8. The biological specimen or the results of the analysis shall be maintained by the bureau of criminal apprehension as provided in section 8.

Sec. 17. [634.25] [ADMISSIBILITY OF RESULTS OF DNA ANALYSIS.]

In a civil or criminal trial or hearing, the results of DNA analysis, as defined in section 8, are admissible in evidence without antecedent expert testimony that DNA analysis provides a trustworthy and reliable method of identifying characteristics in an individual's genetic material upon a showing that the offered testimony meets the standards for admissibility set forth in the Rules of Evidence.

Sec. 18. [634.26] [STATISTICAL PROBABILITY EVIDENCE.]

In a civil or criminal trial or hearing, statistical population frequency evidence, based on genetic or blood test results, is admissible to demonstrate the fraction of the population that would have the same combination of genetic markers as was found in a specific human biological specimen. "Genetic marker" means the various blood types or DNA types that an individual may possess.

Sec. 19. [CHILD PROTECTION SYSTEM STUDY COMMISSION.]

Subdivision 1. [MEMBERSHIP.] A child protection system study commission is created consisting of five members of the house of representatives appointed by the speaker of the house and five members of the senate appointed by the senate subcommittee on subcommittees. The commission shall select from its membership a chair or co-chairs and other officers it considers necessary.

Subd. 2. [STUDIES.] The commission shall study:

(1) the current structure and operation of the child protection system at the state and county level;

(2) the current operation of the child abuse reporting act;

(3) the ways in which the child protection system can provide more effective intervention and prevention services for sexually aggressive and sexually abused children; and

(4) other ways in which the child protection system and the child abuse reporting act can be improved.

Subd. 3. [REPORT.] The commission shall report to the legislature on its findings and recommendations not later than February 15, 1990, and ceases to function after that date.

Subd. 4. [COMPENSATION.] Members of the commission must be compensated in the same manner as for other legislative meetings.

Sec. 20. [APPROPRIATIONS.]

Subdivision 1. [STATEWIDE SEXUAL VIOLENCE PREVENTION INFORMATION PROGRAM.] \$ is appropriated from the general fund to the commissioner of corrections to be used to award grants to private advertising and public relations firms for the purpose of developing and disseminating a statewide public information program on the prevention of sexual violence, to be available until June 30, 1991.

Subd. 2. [LOCAL SEXUAL VIOLENCE PREVENTION INFORMATION PROGRAMS.] \$ is appropriated from the general fund to the commissioner of corrections to be used to award grants to schools and other community groups for the purpose of developing and disseminating local public information programs on the prevention of sexual violence, to be available until June 30, 1991.

Subd. 3. [DNA ANALYSIS LABORATORY AND RECORDING SYSTEM.] \$ is appropriated from the general fund to the commissioner of public safety to be used by the bureau of criminal apprehension for the following purposes:

(1) establishing and operating a laboratory to perform DNA analysis; and

(2) establishing a system for collecting and maintaining DNA analysis data and human biological specimens.

This appropriation is available until June 30, 1991.

Subd. 4. [LOCAL SEX OFFENDER TREATMENT PROGRAMS.]

\$ is appropriated from the general fund to the commissioner of corrections to be used to adopt standards for sex offender treatment programs in correctional facilities, to operate juvenile sex offender treatment programs, to provide appropriate aftercare for sex offenders released from state institutions, and to provide sex offender treatment at the local level for convicted sex offenders who are not committed to the custody of the commissioner of corrections. This appropriation is available until June 30, 1991.

Sec. 21. [EFFECTIVE DATE.]

Sections 1, 2, 5 to 9, and 16 to 19 are effective August 1, 1989. Sections 3, 4, and 11 to 15 are effective August 1, 1989, and apply to crimes committed on or after that date. Section 10 is effective August 1, 1989, and applies to crimes committed on or after that date, but a court may consider acts committed before the effective date in determining whether an offender is a danger to public safety under section 10, subdivision 2."

Delete the title and insert:

"A bill for an act relating to crimes; criminal sexual conduct; providing intensive sex offender treatment programs within the correctional system; providing for specialized probation and corrections agents to supervise released sex offenders; requiring the collection of data on the treatment and recidivism rates of convicted sex offenders; providing a centralized reporting system for juvenile sex offenders; requiring the bureau of criminal apprehension to develop uniform procedures for the collection and analysis of DNA evidence; providing for the admissibility of this evidence; providing for the transfer to a correctional facility of a convicted person who is also committed as a psychopathic personality; increasing penalties for criminal sexual conduct offenses; providing for life imprisonment without parole for a third criminal sexual conduct offense; permitting courts to sentence dangerous or patterned sex offenders to longer periods of incarceration and supervision; creating a legislative commission to study the child protection system; appropriating money for sex offender treatment, for the development of a DNA analysis laboratory, and for a public information campaign against sexual violence; amending Minnesota Statutes 1988, sections 244.05, subdivisions 4 and 5; 260.161, subdivision 1; 260.185, subdivision 1; 526.10; 609.342, subdivision 2; 609.343, subdivision 2; 609.344, subdivision 2; 609.345, subdivision 2; and 609.346; proposing coding for new law in Minnesota Statutes, chapters 241; 242; 299C; 609; and 634."

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 417, A bill for an act relating to solid waste; establishing plans and programs to reduce waste generated, recycle waste, develop markets for recyclables, address materials that cause special problems in the waste stream, prevent, control, and abate litter, inform and educate the public on proper waste management; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, by adding a subdivision; 115A.03, by adding subdivisions; 115A.072; 115A.12, subdivision 1; 115A.15, by adding subdivisions; 115A.46, subdivision 2; 115A.48, subdivision 3, and by adding subdivisions; 115A.96, subdivision 2, and by adding a subdivision; 116.07, by adding a subdivision; 116K.04, by adding a subdivision; 275.51, subdivision 1; 297A.01, subdivision 3; 297A.44, subdivision 1; 325E.115, subdivision 1; 400.08, by adding a subdivision; 473.149, subdivision 1; and 473.803, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 18B; 115A; 116C; 116J; 173; 297A; and 473.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

SOLID WASTE REDUCTION

Section 1. Minnesota Statutes 1988, section 115A.15, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] By January 1 of each odd-numbered year, the commissioner of administration shall submit a report to the governor and to the legislative commission summarizing past activities and proposed goals of the program for the following biennium. The report shall include at least:

(1) a summary list of product and commodity purchases that contain recycled materials;

(2) the results of any performance tests conducted on recycled products and agencies' experience with recycled products used;

(3) a list of all organizations participating in and using the cooperative purchasing program; and

(4) a list of products and commodities purchased for their recyclability and of recycled products reviewed for purchase.

By July 1 of each even-numbered year the commissioner of the pollution control agency and the commissioner of public service shall submit recommendations to the commissioner regarding the operation of the program.

Sec. 2. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

Subd. 7. [WASTE REDUCTION; PROCUREMENT MODEL.] For the purposes of reducing the amount of solid waste generated by the state and providing a model for other public and private procurement systems, the commissioner, in cooperation with the commissioner of the pollution control agency, shall develop, based on the recommendations in the study in section 7, waste reduction procurement programs, including an expanded life cycle costing system for procurement of durable and repairable items. The commissioner shall implement the program by January 1, 1992. On implementation of the model procurement system, the commissioner, in cooperation with the commissioner of the pollution control agency, shall develop and distribute informational materials for the purpose of promoting the procurement model to other public and private entities under section 6, subdivision 2.

Sec. 3. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

Subd. 8. [RECYCLING BARRIERS.] The commissioner, together with the commissioner of public safety, shall review the barriers that limit recycling systems in buildings and address those barriers to recycling that may exist due to building, safety, and fire codes. By November 1, 1991, the commissioners shall jointly report their findings to the legislative commission on waste management, along with recommendations for legislative or administrative action to enable a comprehensive recycling system consistent with necessary safety and fire prevention concerns.

Sec. 4. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

Subd. 9. [RECYCLED MATERIALS; PURCHASING.] The commissioner shall develop and implement a cooperative purchasing program under section 471.59 to include state agencies, local governmental units, and, where feasible, other state governments and the federal government, for the purpose of purchasing recycled

materials. By January 1, 1991, the commissioner shall develop a program to promote the cooperative purchasing program to those units of government and other persons.

Sec. 5. Minnesota Statutes 1988, section 115A.15, is amended by adding a subdivision to read:

Subd. 10. [RECYCLING GOAL.] By January 1, 1992, the commissioner shall recycle or compost at least 25 percent by weight of the solid waste generated by state offices and other operations located in the metropolitan area. The commissioner must keep records of the recycling and composting operation and share them annually with the metropolitan council and counties to assist the council and the counties in their data collection efforts.

Sec. 6. [115A.55] [SOLID WASTE REDUCTION.]

Subdivision 1. [AGENCY COORDINATION.] The agency shall develop and coordinate solid waste reduction programs to include at least public education, promotion of waste reduction, and technical and financial assistance to solid waste generators.

Subd. 2. [EDUCATION; PROMOTION; PROCUREMENT.] The agency shall include waste reduction as an element of its program of public education on waste management required under section 115A.072. The waste reduction education program must include dissemination of information and may include an award program for model waste reduction efforts. Waste reduction educational efforts must also include provision of information about and promotion of the model procurement program developed by the commissioner of administration under section 1, or any other model procurement program that results in significant waste reduction.

Subd. 3. [TECHNICAL ASSISTANCE.] The agency shall provide technical assistance to solid waste generators to enable the waste generators to implement programs or methods to reduce the amount of solid waste generated. The agency may use any means specified in section 115A.52 to provide technical assistance.

Subd. 4. [FINANCIAL ASSISTANCE.] The agency shall make loans and grants to any person for the purpose of developing and implementing projects or practices to prevent or reduce the generation of solid waste including those that involve reuse of items in their original form or procuring, using, or producing products with long useful lives. Grants may be used to fund studies needed to determine the technical and financial feasibility of a waste reduction project or practice or for the cost of implementation of a waste reduction project or practice that the agency has determined is technically and financially feasible.

In making grants or loans, the agency shall give priority to waste reduction projects or practices that have broad application in the state and that have the potential for significant reduction of the amount of waste generated.

All information developed as a result of a grant or loan shall be made available to other solid waste generators through the public information program established in subdivision 2.

The agency shall adopt rules for the administration of this program. Agency rules must prescribe the level or levels of matching funds required for grants or loans under this subdivision.

Sec. 7. [STUDY; PURCHASE AND USE OF RECYCLED MATERIALS.]

The commissioner of administration shall contract with an outside consultant for a study and evaluation of practices, procedures, and methods to ensure that state contracts and purchasing may be structured to encourage the procurement and use of recycled materials and to meet the requirements of section 1.

By January 1, 1991, the commissioner shall develop a plan and implementation strategy based on the study and shall present it, along with any proposals for legislative action, to the legislative commission on waste management.

ARTICLE 2

RECYCLING

Section 1. [115A.151] [STATE AND LOCAL FACILITIES.]

By July 1, 1990, a state agency or local unit of government shall:

(1) ensure that facilities under its control, from which mixed municipal solid waste is collected, have containers for at least three recyclable materials; and

(2) transfer all recyclable materials collected to a recycler.

Sec. 2. Minnesota Statutes 1988, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and opportunities for improvements in the systems. The plans shall

include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. The plans shall require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste. The plans shall address at least waste reduction, separation, and resource recovery; ~~and;~~ shall include objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste; and shall describe proposed mechanisms for complying with the recycling requirements of section 4 and the household hazardous waste management requirements of article 4, section 8. The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The plans shall include a comparison of the costs of the activities to be undertaken, including capital and operating costs, and the effects of the activities on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall include alternatives which could be used to achieve the abatement objectives if the proposed functions and activities are not established. The plans shall designate how public education shall be accomplished. The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use of facilities after they are no longer needed or usable. The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 3. Minnesota Statutes 1988, section 115A.46, is amended by adding a subdivision to read:

Subd. 4. [DELEGATION; SOLID WASTE RESPONSIBILITIES.] A county or a solid waste management district established under sections 115A.62 to 115A.72 may not delegate to another governmental unit or other person any portion of its responsibility for solid waste management unless it establishes a funding mechanism to

assure the ability of the entity to which it delegates responsibility to adequately carry out the responsibility delegated.

Sec. 4. [115A.551] [RECYCLING.]

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

(a) "Recycling" means, in addition to the meaning given in section 115A.03, subdivision 25b, yard waste composting and recycling that occurs through mechanical or hand separation of materials that are then delivered for reuse in their original form or for use in manufacturing processes.

(b) "Total solid waste generation" means the total by weight of:

(1) materials separated for recycling;

(2) materials separated for yard waste composting; and

(3) mixed municipal solid waste plus yard waste, used oil, tires, lead acid batteries, and white goods.

Subd. 2. [COUNTY RECYCLING GOALS.] It is the goal of each county to recycle a minimum of 25 percent by weight of its annual total solid waste generation by July 1, 1993. Each county shall either develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or any other law may be construed to prohibit a county from establishing a higher recycling goal. The Western Lake Superior Sanitary District established by Laws 1971, chapter 478, as amended, shall have all of the duties, authority, and rights of a county under this section with respect to recycling and total solid waste generation within the district.

Subd. 3. [INTERIM GOALS; NONMETROPOLITAN COUNTIES.] The agency shall establish interim recycling goals for the nonmetropolitan counties to assist them in meeting the 1993 goal.

Subd. 4. [INTERIM MONITORING.] The agency, for the nonmetropolitan counties, and the metropolitan council, for the metropolitan counties, shall monitor the progress of the counties toward meeting the recycling goal in subdivision 2 and shall report to the legislative commission on waste management on the progress of the counties by November 1 of each year. If the agency or the council finds that a county is not progressing toward the goal in subdivision 2, it shall negotiate with the county to develop and implement solid waste management techniques designed to assist the county in

meeting the goal, such as organized collection, curbside collection of source-separated materials, and volume-based pricing.

Subd. 5. [FAILURE TO MEET GOAL.] If, based on the recycling monitoring described in subdivision 4, the agency or the metropolitan council finds that a county will be unable to meet the recycling goal established in subdivision 2, the agency or council shall, after consideration of the reasons for the county's inability to meet the goal, recommend legislation for consideration by the legislative commission on waste management to establish mandatory recycling standards and to authorize the agency or council to mandate appropriate solid waste management techniques designed to meet the standards in those counties that are unable to meet the goal.

Subd. 6. [COUNTY AND DISTRICT SOLID WASTE PLANS.] Each county and the Western Lake Superior Sanitary District shall include in its solid waste management plan described in section 115A.46, or its solid waste master plan described in section 473.803, a plan for implementing the recycling goal established in subdivision 2 along with mechanisms for providing financial incentives to solid waste generators to reduce the amount of waste generated and to separate recyclable materials from the waste stream. The recycling plan must include detailed recycling implementation information to form the basis for the strategy required in subdivision 7.

Each county required to submit its plan to the agency under section 115A.46 shall amend its plan to comply with this subdivision within one year after the effective date of this section.

Subd. 7. [RECYCLING IMPLEMENTATION STRATEGY.] Within one year of agency approval of the portion of the plan required in subdivision 6, each nonmetropolitan county shall submit for agency approval a local recycling implementation strategy. The local recycling implementation strategy must:

(1) be consistent with the approved county solid waste management plan;

(2) identify the materials that are being and will be recycled in the county to meet the goals under this section and the parties responsible and methods for recycling the material; and

(3) define the need for funds to ensure continuation of local recycling, methods of raising and allocating such funds, and permanent sources and levels of local funding for recycling.

Subd. 8. [EMERGENCY RULEMAKING.] The agency may adopt emergency rules implementing subdivision 6 and article 4, section 8.

Sec. 5. [115A.555] [RECYCLING CENTER DESIGNATION.]

The commissioner shall designate recycling centers for the purpose of section 9. To be designated as a recycling center, a recycling facility must be open a minimum of 12 operating hours each week, 12 months each year, and must accept for recycling at least three different materials such as paper, glass, and metal.

Sec. 6. [115A.557] [COUNTY WASTE REDUCTION AND RECYCLING; FUNDING.]

Subdivision 1. [DISTRIBUTION; FORMULA.] Any funds appropriated to the agency for the purpose of distribution to counties under this section must be annually distributed by the agency to eligible counties according to the following formula. Fifty percent must be equally distributed among all eligible counties and 50 percent must be distributed based on each county's proportion of the total state population.

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] A county receiving money distributed by the agency under this section may use the money only for the development and implementation of programs to:

- (1) reduce the amount of solid waste generated;
- (2) recycle the maximum amount of solid waste technically feasible;
- (3) create and support markets for recycled products;
- (4) remove problem materials from the solid waste stream and develop proper disposal options for them;
- (5) inform and educate all sectors of the public about proper solid waste management procedures;
- (6) provide technical assistance to public and private entities to ensure proper solid waste management; and
- (7) provide educational, technical, and financial assistance for litter prevention.

Subd. 3. [ELIGIBILITY TO RECEIVE MONEY.] (a) To be eligible to receive money distributed by the agency under this section, a county shall within one year of the effective date of this section:

- (1) create a separate account in its general fund in which to deposit the money; and

(2) set up accounting procedures to ensure that money in the separate account is spent only for the purposes in subdivision 2.

(b) In each following year, each county shall also:

(1) have in place an approved solid waste management plan or master plan including a recycling implementation strategy under section 4, subdivision 7, or section 473.803, subdivision 1e, and a household hazardous waste management plan under article 4, section 7, by the dates specified in those provisions; and

(2) submit a report by August 1 of each year to the agency detailing how the money was spent and the resulting gains achieved in solid waste management practices during the previous fiscal year.

Subd. 4. [REPORT.] By November 1 of each year, the agency shall report on how the money was spent and the resulting statewide improvements in solid waste management to the house and senate appropriations and finance committees and the legislative commission on waste management.

Subd. 5. [WESTERN LAKE SUPERIOR SANITARY DISTRICT.] For the purposes of this section, the Western Lake Superior Sanitary District, established by Laws 1971, chapter 478, as amended, shall have all of the duties, authority, and rights of a county.

Sec. 7. [115A.945] [VISIBLE SOLID WASTE MANAGEMENT COSTS.]

Any political subdivision that provides or pays for the costs of collection or disposal of solid waste shall, through a billing or other system, make the prorated share of those costs for each solid waste generator visible and obvious to the generator.

Sec. 8. Minnesota Statutes 1988, section 116K.04, is amended by adding a subdivision to read:

Subd. 6. [MODEL ZONING CRITERIA.] The commissioner shall, in consultation with the advisory council on state and local relations, develop and disseminate model zoning criteria for use by local units of government in siting recycling facilities.

Sec. 9. [173.086] [RECYCLING CENTER SIGNS.]

Subdivision 1. [AUTHORITY TO ERECT.] A recycling facility that has complied with the permitting rules of the pollution control agency and has been designated a recycling center by the agency under section 5 may erect a recycling center sign upon payment of a fee to the department of transportation or to the local road

authority required to cover all costs of fabrication and installation of the signs.

Subd. 2. [SIGN STANDARDS.] The department of transportation shall design and manufacture the recycling center sign to specifications not contrary to other federal and state highway sign standards. The sign must contain the international three arrow recycling symbol followed by the words "recycling center."

Subd. 3. [LOCATION.] Each local road authority shall permit recycling center signs to be located on roads, excluding freeways, in its jurisdiction, subject to sign placement and distance requirements of the local authority in conformance with standard policies for placement of signs for other traffic generators.

Sec. 10. Minnesota Statutes 1988, section 400.08, is amended by adding a subdivision to read:

Subd. 5. [VARIABLE RATES; AUTHORITY.] A county may:

(1) charge or may require any person who collects solid waste in the county to charge solid waste generators rates for collection or disposal that vary depending on the volume or weight of waste generated;

(2) require collectors to provide financial incentives to solid waste generators who separate recyclable materials from their waste; or

(3) require use of any other mechanism to provide encouragement or rewards to solid waste generators who reduce their waste generation or who separate recyclable materials from their waste.

Notwithstanding any other law to the contrary, the Western Lake Superior Sanitary District may amend its solid waste management plan to require that the cities contained within the district require variable rates under clauses (1) to (3).

Sec. 11. Minnesota Statutes 1988, section 473.149, subdivision 1, is amended to read:

Subdivision 1. [POLICY PLAN; GENERAL REQUIREMENTS.] The metropolitan council shall prepare and by resolution adopt as part of its development guide a long range policy plan for solid waste management in the metropolitan area. When adopted, the plan shall be followed in the metropolitan area. The plan shall address the state policies and purposes expressed in section 115A.02. The plan shall substantially conform to all policy statements, purposes, goals, standards, maps and plans in development guide sections and plans adopted by the council, provided that no land shall be thereby excluded from consideration as a solid waste facility site except land

determined by the agency to be intrinsically unsuitable for such use. The plan shall include goals and policies for solid waste management, including recycling consistent with section 4 and household hazardous waste management consistent with article 4, section 8, in the metropolitan area and, to the extent appropriate, statements and information similar to that required under section 473.146, subdivision 1. The plan shall include criteria and standards for solid waste facilities and solid waste facility sites respecting the following matters: general location; capacity; operation; processing techniques; environmental impact; effect on existing, planned, or proposed collection services and waste facilities; and economic viability. The plan shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plan shall include additional criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. In developing the plan the council shall consider the orderly and economic development, public and private, of the metropolitan area; the preservation and best and most economical use of land and water resources in the metropolitan area; the protection and enhancement of environmental quality; the conservation and reuse of resources and energy; the preservation and promotion of conditions conducive to efficient, competitive, and adaptable systems of waste management; and the orderly resolution of questions concerning changes in systems of waste management. Criteria and standards for solid waste facilities shall be consistent with rules adopted by the pollution control agency pursuant to chapter 116 and shall be at least as stringent as the guidelines, regulations, and standards of the federal environmental protection agency.

Sec. 12. Minnesota Statutes 1988, section 473.803, subdivision 1, is amended to read:

Subdivision 1. [COUNTY MASTER PLANS; GENERAL REQUIREMENTS.] Each metropolitan county, following adoption or revision of the council's solid waste policy plan and in accordance with the dates specified therein, and after consultation with all affected local government units, shall prepare and submit to the council for its approval, a county solid waste master plan to implement the policy plan. The master plan shall be revised and resubmitted at such times as the council's policy plan may require. The master plan shall describe county solid waste activities, functions, and facilities; the existing system of solid waste generation, collection, and processing, and disposal within the county; proposed mechanisms for complying with the recycling requirements of section 4 and the household hazardous waste management requirements of article 4, section 8; existing and proposed county and

municipal ordinances and license and permit requirements relating to solid waste facilities and solid waste generation, collection, and processing, and disposal; existing or proposed municipal, county, or private solid waste facilities and collection services within the county together with schedules of existing rates and charges to users and statements as to the extent to which such facilities and services will or may be used to implement the policy plan; and any solid waste facility which the county owns or plans to acquire, construct, or improve together with statements as to the planned method, estimated cost and time of acquisition, proposed procedures for operation and maintenance of each facility; an estimate of the annual cost of operation and maintenance of each facility; an estimate of the annual gross revenues which will be received from the operation of each facility; and a proposal for the use of each facility after it is no longer needed or usable as a waste facility. The master plan shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the master plan shall contain criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan.

Sec. 13. [SAFETY GUIDE.]

The agency, in cooperation with the council, shall prepare and distribute to all interested persons a guide for operation of a recycling or yard waste composting facility to protect the environment and public health.

Sec. 14. [SOLID WASTE COMPOSITION STUDY.]

The agency, in cooperation with the council, shall study and comprehensively analyze the composition of solid waste on a state-wide and regional basis during each of the four seasons of the year. The study must include and not duplicate existing waste composition information previously gathered and must provide information on recyclables and noncombustibles in the waste, generation of the waste, and other solid waste characteristics. The agency and council shall jointly present their findings to the legislative commission on waste management by November 1, 1991.

ARTICLE 3

RECYCLING MARKET DEVELOPMENT

Section 1. Minnesota Statutes 1988, section 115A.12, subdivision 1, is amended to read:

Subdivision 1. [SOLID AND HAZARDOUS WASTE MANAGEMENT.] (a) The chair of the board shall establish a solid waste management advisory council and a hazardous waste management planning council broadly representative of the geographic areas and interests of the state.

(b) The solid waste council shall have not less than nine nor more than 18 21 members each. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least three members experienced in the private recycling industry and at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery.

(c) The hazardous waste council shall have not less than nine nor more than 18 members. The membership of the hazardous waste advisory council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives of hazardous waste generators and private hazardous waste management firms.

(d) The chairs of the advisory councils shall be appointed by the chair of the board. The chair of the board shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the chair of the board. The solid waste advisory council shall make recommendations to the board on its solid waste management activities. The hazardous waste advisory council shall make recommendations to the board on its activities under sections 115A.08, 115A.09, 115A.10, 115A.11, 115A.20, 115A.21, and 115A.24. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the chair of the board. The solid waste management advisory council and the hazardous waste management planning council expire as provided in section 15.059, subdivision 5.

Sec. 2. Minnesota Statutes 1988, section 115A.48, subdivision 3, is amended to read:

Subd. 3. [PUBLIC PROCUREMENT.] The board shall provide technical assistance and advice to political subdivisions and other public agencies to encourage solid waste reduction and development of markets for recyclable materials and compost through procurement policies and practices. Political subdivisions, educational institutions, and other public agencies shall aggressively pursue procurement practices that encourage solid waste reduction, recycling, and development of markets for recyclable materials and

compost and shall, whenever practical, procure products containing recycled materials.

Sec. 3. Minnesota Statutes 1988, section 115A.48, is amended by adding a subdivision to read:

Subd. 4. [RECYCLING TRANSPORTATION SYSTEM.] The agency shall, in consultation with local government units and other interested persons, develop a cooperative and comprehensive program to enhance existing systems to transport recyclable materials to market. The agency must begin implementation by September 1, 1990.

Sec. 4. Minnesota Statutes 1988, section 115A.48, is amended by adding a subdivision to read:

Subd. 5. [MARKET DEVELOPMENT PROJECTS.] (a) The agency shall make grants and loans and shall provide technical assistance to persons for research and development or for the acquisition and betterment of projects that develop markets or end uses for recyclable materials. The agency may use any means specified in section 115A.52 to provide technical assistance.

(b) A project may receive a loan for up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less.

(c) A project may receive a grant for up to 25 percent of the capital cost of the project or \$500,000, whichever is less.

(d) The agency shall adopt rules for the program.

Sec. 5. [116J.99] [SOLID WASTE RECYCLING; PRIORITY IN GRANTING ASSISTANCE.]

Whenever practical, the commissioner, in approving grants under this chapter, shall place a priority on those businesses or projects that recycle solid waste, transport recyclable materials, or develop end uses or markets for recyclable materials. For the purposes of this section, the terms "solid waste" and "recyclable materials" have the meanings given them in section 115A.03.

ARTICLE 4

PROBLEM MATERIALS

Section 1. Minnesota statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 24a. [RETURNABLE CONTAINER.] "Returnable container" means a container for distributing pesticides that enables the empty container and unused pesticide product to be returned to the distributor, manufacturer, or packager and facilitates the refilling or reuse of the container. Returnable container includes bulk, minibulk, or dedicated containers designed to protect the integrity of the pesticide and prevent contamination through the introduction of unauthorized materials.

Sec. 2. [18B.141] [SALE OF PESTICIDES IN RETURNABLE CONTAINERS AND MANAGEMENT OF UNUSED PORTIONS.]

(a) After July 1, 1994, no person shall distribute, offer for sale, or sell any pesticide product in containers that do not:

(1) accommodate the return of the empty container and any unused portion of the pesticide to the seller, distributor, or registrant; and

(2) facilitate the refilling or reusing of the pesticide container.

(b) After July 1, 1994, a person distributing, offering for sale, or selling any pesticide in returnable containers shall accept from any pesticide end user empty returnable pesticide containers and any unused portion of pesticide that remains in the original container if the pesticide was purchased after July 1, 1994.

(c) Pesticide products packaged solely for household use are exempt from the requirements of this section.

(d) The commissioner may adopt rules to implement this section including procedures and standards prescribing the exemption of certain pesticide products and pesticide containers.

Sec. 3. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

Subd. 24a. [PROBLEM MATERIAL.] "Problem material" means a material that, when it is processed or disposed of with mixed municipal solid waste, contributes to one of the following results:

(1) the release of a hazardous substance, or pollutant or contaminant, as defined in section 115B.02, subdivisions 8, 13, and 15;

(2) pollution of water as defined in section 115.01, subdivision 5;

(3) air pollution as defined in section 116.06, subdivision 3; or

(4) a significant threat to the safe or efficient operation of a solid waste processing facility.

Sec. 4. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

Subd. 38. [WHITE GOODS.] "White goods" means major household appliances including household clothes washers and dryers, dishwashers, hot water heaters, garbage disposals, trash compactors, conventional ovens, ranges or stoves, air conditioners, refrigerators, and freezers.

Sec. 5. [115A.952] [RETAIL SALE OF PROBLEM MATERIALS; UNIFORM LABELING AND CONSUMER INFORMATION.]

Subdivision 1. [DUTIES OF AGENCY; RULES.] The agency shall adopt rules to identify products used primarily for personal, family, or household purposes that constitute a problem material or contain a problem material as defined in section 3. The rules must also prescribe a uniform label to be used by retailers of identified products as provided in subdivision 3. The rules must identify products that constitute a problem material or contain a problem material from at least the following categories:

(1) drain cleaners, oven cleaners, and wood and metal cleaners and polishes;

(2) automotive fuel additives, grease and rust solvents, carburetor and fuel injection cleaners, and starter fluids;

(3) herbicides, insecticides, fungicides, and wood preservatives;

(4) paint and paint thinners, paint strippers, and adhesives; or

(5) nickel-cadmium batteries and products containing nickel-cadmium batteries.

The agency may adopt rules to identify additional products that meet the criteria provided in this subdivision.

Subd. 2. [PREPARATION AND SUPPLY OF MATERIALS.] The agency shall prepare and supply to retailers, without charge to the retailers, the labels and informational materials required to comply with subdivision 3. Informational materials must include specific instructions on environmentally sound ways to use identified products and to handle them when the products or their containers are discarded.

Subd. 3. [DUTIES OF RETAILERS.] A person who sells or offers for sale at retail any product that is identified pursuant to rules of the agency adopted under subdivision 1 shall:

(1) affix a uniform label as prescribed by the rules in a prominent location upon or near the display area of the product. If the adjacent display area is a shelf, the label shall be affixed to the price information for the product on the shelf. The label shall not be directly affixed to any product; and

(2) maintain and prominently display informational materials supplied by the agency at the location where identified products covered by the materials are sold or offered for sale.

Sec. 6. [115A.954] [WHITE GOODS.]

A person may not place white goods in mixed municipal solid waste or dispose of white goods in a solid waste processing or disposal facility after January 1, 1990. The agency may enforce this section pursuant to section 115.071.

Sec. 7. Minnesota Statutes 1988, section 115A.96, subdivision 2, is amended to read:

Subd. 2. [MANAGEMENT PROGRAM.] The agency shall establish a statewide program to manage household hazardous wastes. The program must include:

- (1) the establishment and operation of collection sites; and
- (2) the provision of information, education, and technical assistance regarding proper management of household hazardous wastes.

The agency shall report on its progress on establishing permanent collection sites to the legislative commission on waste management by November 1, 1991.

Sec. 8. Minnesota Statutes 1988, section 115A.96, is amended by adding a subdivision to read:

Subd. 6. [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT PLANS.] Each county shall include in its solid waste management plan required in section 115A.46 or its solid waste master plan required in section 473.803 a household hazardous waste management plan. The plan must at least:

- (1) include a broad based public education component;
- (2) include a strategy for reduction of household hazardous waste; and
- (3) address separation of household hazardous waste from mixed municipal solid waste and the collection, storage, and disposal of that waste.

Each county required to submit its plan to the agency under section 115A.46 shall amend its plan to comply with this subdivision within one year after the effective date of this section.

Each county in the state shall implement its household hazardous waste management plan by December 31, 1991.

Sec. 9. Minnesota Statutes 1988, section 116.07, is amended by adding a subdivision to read:

Subd. 4j. [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT.] The agency shall adopt rules to require the owner or operator of a solid waste disposal facility or resource recovery facility to submit a management plan for the separation of household hazardous waste from solid waste prior to disposal or processing and for the proper disposal of such waste. After January 1, 1991, the agency may not grant or renew a permit for a facility that has not submitted a household hazardous waste management plan.

Sec. 10. Minnesota Statutes 1988, section 325E.115, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGE; COLLECTION; NOTICE.] (a) A person selling lead acid batteries at retail or offering lead acid batteries for retail sale in this state shall:

(1) accept, at the point of transfer, lead acid batteries from customers; and

(2) charge a fee of \$5 per battery sold unless the customer returns a used battery to the retailer; and

(3) post written notice, which must be at least 8½ inches by 11 inches in size and must contain the universal recycling symbol and the following language:

(i) "It is illegal to put a motor vehicle battery in the garbage.";

(ii) "Recycle your used batteries."; and

(iii) "State law requires us to accept motor vehicle batteries for recycling."

(b) Any person selling lead acid batteries at wholesale or offering lead acid batteries for sale at wholesale must accept, at the point of transfer, lead acid batteries from customers.

Sec. 11. [473.804] [HOUSEHOLD HAZARDOUS WASTE MANAGEMENT.]

By December 31, 1991, each metropolitan county shall develop and implement a permanent program to manage household hazardous waste. Each program must include at least monthly collection of wastes. Each program must be consistent with the council's policy plan and must be described as part of each county's solid waste master plan revision as required under section 473.803, subdivision 1.

Sec. 12. [MANAGEMENT AND DISPOSAL STUDY.]

The agency shall conduct a study of the proper management and disposal of waste paint; polychlorinated biphenyl capacitors less than or equal to three pounds contained in white goods, as defined in section 4, and in other electrical devices; and household water and automotive filters that collect pollutants or contaminants. The agency shall report its findings together with any recommendations for legislation to the legislative commission on waste management by November 1, 1990.

Sec. 13. [PESTICIDE CONTAINER COLLECTION AND RECYCLING PILOT PROJECT.]

Subdivision 1. [PESTICIDE; DEFINITION.] For the purposes of this section, "pesticide" means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

Subd. 2. [PROJECT.] The department of agriculture, in consultation and cooperation with the commissioner of the pollution control agency, shall design and implement a pilot collection project, to be completed by June 30, 1991, to:

- (1) collect and recycle empty, triple-rinsed pesticide containers;
- (2) develop, demonstrate, and promote proper pesticide container management; and
- (3) evaluate the current pesticide container management methods and the cause and extent of the problems associated with pesticide containers.

Subd. 3. [COLLECTION AND DISPOSAL.] The department of agriculture shall provide for the establishment and operation of temporary collection sites for pesticide containers. The department of agriculture may limit the type and quantity of pesticide containers acceptable for collection.

Subd. 4. [INFORMATION AND EDUCATION.] The department

of agriculture shall develop informational and educational materials to promote proper methods of pesticide container management.

Subd. 5. [REPORT.] During the pilot project, the department of agriculture shall conduct surveys and collect information on proper and improper pesticide container storage and disposal. By November 30, 1991, the department of agriculture shall report to the legislature its conclusions from the project and recommendations for additional legislation or rules governing management of pesticide containers.

Subd. 6. [MANAGEMENT AND DISPOSAL.] The department of agriculture or other entity collecting pesticide containers must manage and dispose of the containers in compliance with applicable federal and state requirements.

ARTICLE 5

LITTER

Section 1. [115A.99] [LITTER; CIVIL PENALTY.]

Any person who unlawfully places any portion of solid waste in or on public or private lands, shorelands, roadways, or waters is subject to a civil penalty of not less than twice nor more than five times the amount of cost incurred by any governmental agency or political subdivision to remove, process, and dispose of the waste. A governmental agency or political subdivision that incurs cost as described in this section may bring an action to recover the civil penalty, any related legal, administrative, and court costs, and damages for injury to or pollution of the lands, shorelands, roadways, or waters where the waste was placed if owned or managed by the entity bringing the action.

Civil penalties paid under this section must be deposited in the general fund of the jurisdiction enforcing the penalties.

If the property where waste was unlawfully placed was owned by a private person, that person, in order to recover damages for injury to the property, may join any action to recover a civil penalty brought under this section.

Sec. 2. [115A.991] [LITTER; GRANTS.]

The agency may make grants to each county that has included in its solid waste plan required in section 115A.46, or its solid waste master plan required in section 473.803, programs to prevent, control, or abate litter. The agency shall establish eligibility criteria

for grants including the required level of matching funds from applicants.

Sec. 3. [116C.36] [LITTER PREVENTION; CONTROL; ABATEMENT.]

Subdivision 1. [DUTIES OF BOARD.] The board shall coordinate state and local efforts to prevent, control, and abate litter through an interagency committee described in subdivision 2. By November 1, 1991, the board shall report to the pollution control agency on the problems of litter prevention, control, and abatement including the advisability of creating a permanent statewide system for state and local programs and coordination to address litter and shall also report its findings, together with its recommendations for legislation to address those problems, to the governor.

Subd. 2. [ADVISORY COMMITTEE.] An advisory committee is created to advise the board on litter prevention, control, and abatement. The advisory committee will include the following officials or their designees: the commissioner of corrections, the commissioner of natural resources, the commissioner of public safety, the commissioner of education, the commissioner of the pollution control agency, the commissioner of transportation, and the commissioner of trade and economic development. The chair of the board shall appoint additional members of the task force to represent counties, cities, and towns. Not more than two members may be appointed to represent each level of government. The chair may appoint additional members representing other state agencies or political subdivisions other than counties, cities, and towns.

The advisory committee shall coordinate state and local efforts to prevent, control, and abate litter. By June 30, 1990, the advisory committee shall study litter problems in the state and report its findings, together with any proposals for legislation, to the board. The advisory committee expires July 1, 1990.

ARTICLE 6

WASTE EDUCATION

Section 1. Minnesota Statutes 1988, section 115A.072, is amended to read:

115A.072 [PUBLIC EDUCATION ON WASTE MANAGEMENT.]

Subdivision 1. [WASTE EDUCATION; COALITION.] The board shall provide for the development and implementation of a program of general public education on waste management in cooperation and coordination with the pollution control agency, metropolitan

council, department of education, department of agriculture, state planning agency, environmental quality board, environmental education board, educational institutions, and other public agencies with responsibility for waste management or public education, and three other persons who represent private industry and who have knowledge of or expertise in recycling and solid waste management issues. The objectives of the program are to: develop increased public awareness of and interest in environmentally sound waste management methods; encourage better informed decisions on waste management issues by business, industry, local governments, and the public; and disseminate practical information about ways in which households and other institutions and organizations can improve the management of waste.

The commissioner shall appoint an advisory task force, to be called the waste education coalition, of up to 18 members to advise the agency in carrying out its responsibilities under this section and whose membership represents the agencies and entities listed in this subdivision.

Subd. 2. [AGENCY DUTIES.] In addition to its general duties established in subdivision 1, the agency shall:

(1) develop a statewide waste management public education campaign with materials that may be easily adapted by political subdivisions to meet their program needs; and

(2) develop and make available to schools educational curricula on waste education for grades kindergarten to 12 to address at least waste reduction, recycling, litter, and proper management and disposal of problem materials as defined in article 4, section 1.

Subd. 3. [EDUCATION GRANTS; MODEL SCHOOL PROGRAM.] The agency shall provide grants to persons for the purpose of developing and distributing waste education information.

The agency shall provide grants and technical assistance to formal and informal education facilities to develop and implement a model program to incorporate waste reduction, recycling, litter prevention, and proper management of problem materials into educational operations.

The agency shall provide grants or awards to formal and informal education facilities to develop or implement ongoing waste reduction, recycling, litter prevention, and proper management of problem materials programs.

Subd. 4. [COORDINATION; UNIVERSITY.] Whenever practical the agency shall request assistance from the University of Minne-

sota, and the university's extension service in developing and distributing waste education materials.

Sec. 2. [WASTE EDUCATION; CURRICULUM.]

The state board of education shall amend its rules adopted pursuant to Laws 1984, chapter 463, article 7, section 26, subdivisions 1 and 2, to require a waste education component developed pursuant to section 1, subdivision 2, clause (2), as part of the minimum comprehensive educational programs for both secondary and elementary levels. The amended rules adopted by the state board must go into effect beginning in the 1990-1991 school year.

ARTICLE 7

FUNDING

Section 1. Minnesota Statutes 1988, section 275.51, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any provisions of law or municipal charter to the contrary which authorize ad valorem levies in excess of the limitations established by sections 275.50 to 275.56, but subject to section 275.56, the provisions of this section shall apply to the levies by governmental subdivisions for all purposes other than those for which special levies and special assessments are made, and for solid waste management purposes under chapter 400.

Sec. 2. Minnesota Statutes 1988, section 297A.01, subdivision 3, is amended to read:

Subd. 3. A "sale" and a "purchase" includes, but is not limited to, each of the following transactions:

(a) Any transfer of title or possession, or both, of tangible personal property, whether absolutely or conditionally, and the leasing of or the granting of a license to use or consume tangible personal property other than manufactured homes used for residential purposes for a continuous period of 30 days or more, for a consideration in money or by exchange or barter;

(b) The production, fabrication, printing or processing of tangible personal property for a consideration for consumers who furnish either directly or indirectly the materials used in the production, fabrication, printing, or processing;

(c) The furnishing, preparing, or serving for a consideration of food, meals or drinks, not including meals or drinks served to patients, inmates, or persons residing at hospitals, sanitariums, nursing homes, senior citizens homes, and correctional, detention, and detoxification facilities, meals or drinks purchased for and

served exclusively to individuals who are 60 years of age or over and their spouses or to the handicapped and their spouses by governmental agencies, nonprofit organizations, agencies, or churches or pursuant to any program funded in whole or part through 42 USCA sections 3001 through 3045, wherever delivered, prepared or served, meals and lunches served at public and private schools, universities or colleges. "Sales" also includes meals furnished by employers to employees at less than fair market value, except meals furnished at no charge to employees of hospitals, nursing homes, boarding care homes, sanitariums, group homes, and correctional, detention, and detoxification facilities, who are required to eat with the patients, residents, or inmates residing in them. Notwithstanding section 297A.25, subdivision 2, taxable food or meals include, but are not limited to, the following:

- (i) heated food or drinks;
 - (ii) sandwiches prepared by the retailer;
 - (iii) single sales of prepackaged ice cream or ice milk novelties prepared by the retailer;
 - (iv) hand-prepared or dispensed ice cream or ice milk products including cones, sundaes, and snow cones;
 - (v) soft drinks and other beverages prepared or served by the retailer;
 - (vi) gum;
 - (vii) ice;
 - (viii) all food sold in vending machines;
 - (ix) party trays prepared by the retailers; and
 - (x) all meals and single servings of packaged snack food, single cans or bottles of pop, sold in restaurants and bars;
- (d) The granting of the privilege of admission to places of amusement, recreational areas, or athletic events and the privilege of having access to and the use of amusement devices, tanning facilities, reducing salons, steam baths, turkish baths, massage parlors, health clubs, and spas or athletic facilities;
- (e) The furnishing for a consideration of lodging and related services by a hotel, rooming house, tourist court, motel or trailer camp and of the granting of any similar license to use real property other than the renting or leasing thereof for a continuous period of 30 days or more;

(f) The furnishing for a consideration of electricity, gas, water, or steam for use or consumption within this state, or local exchange telephone service, intrastate toll service, and interstate toll service, if that service originates from and is charged to a telephone located in this state; the tax imposed on amounts paid for telephone services is the liability of and shall be paid by the person paying for the services. Sales by municipal corporations in a proprietary capacity are included in the provisions of this clause. The furnishing of water and sewer services for residential use shall not be considered a sale;

(g) The furnishing for a consideration of cable television services, including charges for basic monthly service, charges for monthly premium service, and charges for any other similar television services;

(h) Notwithstanding subdivision 4, and section 297A.25, subdivision 9, the sales of horses including claiming sales and fees paid for breeding a stallion to a mare. This clause applies to sales and fees with respect to a horse to be used for racing whose birth has been recorded by the Jockey Club or the United States Trotting Association or the American Quarter Horse Association;

(i) The furnishing for a consideration of parking services, whether on a contractual, hourly, or other periodic basis, except for parking at a meter;

(j) The furnishing for a consideration of services listed in this paragraph:

(i) laundry and dry cleaning services including cleaning, pressing, repairing, altering, and storing clothes, linen services and supply, cleaning and blocking hats, and carpet, drapery, upholstery, and industrial cleaning. Laundry and dry cleaning services do not include services provided by coin operated facilities operated by the customer;

(ii) motor vehicle washing, waxing, and cleaning services, including services provided by coin-operated facilities operated by the customer, and rustproofing, undercoating, and towing of motor vehicles;

(iii) building and residential cleaning, maintenance, and disinfecting and exterminating services;

(iv) services provided by detective agencies, security services, burglar, fire alarm, and armored car services not including services performed within the jurisdiction they serve by off-duty licensed peace officers as defined in section 626.84, subdivision 1;

(v) pet grooming services; and

(vi) lawn care, fertilizing, mowing, spraying and sprigging services; garden planting and maintenance; arborist services; tree, bush, and shrub planting, pruning, bracing, spraying, and surgery; and tree trimming for public utility lines.

The services listed in this paragraph are taxable under section 297A.02 if the service is performed wholly within Minnesota or if the service is performed partly within and partly without Minnesota and the greater proportion of the service is performed in Minnesota, based on the cost of performance. In applying the provisions of this chapter, the terms "tangible personal property" and "sales at retail" include taxable services and the provision of taxable services, unless specifically provided otherwise. Services performed by an employee for an employer are not taxable under this paragraph. Services performed by a partnership or association for another partnership or association are not taxable under this paragraph if one of the entities owns or controls more than 80 percent of the voting power of the equity interest in the other entity. Services performed between members of an affiliated group of corporations are not taxable. For purposes of this section, "affiliated group of corporations" includes those entities that would be classified as a member of an affiliated group under United States Code, title 26, section 1504, and who are eligible to file a consolidated tax return for federal income tax purposes; and

(vii) solid waste collection and disposal services as described in section 4;

(k) A "sale" and a "purchase" includes the transfer of computer software, meaning information and directions that dictate the function performed by data processing equipment. A "sale" and a "purchase" does not include the design, development, writing, translation, fabrication, lease, or transfer for a consideration of title or possession of a custom computer program; and

(l) The granting of membership in a club, association, or other organization if:

(1) the club, association, or other organization makes available for the use of its members sports and athletic facilities (without regard to whether a separate charge is assessed for use of the facilities); and

(2) use of the sports and athletic facilities is not made available to the general public on the same basis as it is made available to members.

Granting of membership includes both one-time initiation fees and periodic membership dues. Sports and athletic facilities include golf courses, tennis, racquetball, handball and squash courts, basketball and volleyball facilities, running tracks, exercise equipment, swimming pools, and other similar athletic or sports facilities. The

provisions of this paragraph do not apply to camps or other recreation facilities owned and operated by an exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, for educational and social activities for young people primarily age 18 and under.

Sec. 3. Minnesota Statutes 1988, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b) and, (c), and (d) all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic development fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty fund shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (l), clauses (1) and (2), must be deposited by the commissioner of revenue in a separate and special fund, designated as the sports and health club sales tax revenue fund in the state treasury and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

(d) All revenues, including interest and penalties, derived from the taxes imposed on solid waste collection services as described in section 4 and the additional taxes imposed on problem materials in section 5 shall be deposited by the commissioner in the state treasury and credited to a solid waste reduction and recycling account.

Sec. 4. [297A.45] [SOLID WASTE COLLECTION AND DISPOSAL SERVICES.]

Subdivision 1. [APPLICATION.] The tax imposed by section 297A.02 applies to all public and private mixed municipal solid waste collection and disposal services. Notwithstanding section 297A.25, subdivision 11, a political subdivision that purchases collection or disposal services on behalf of its citizens shall pay the tax. A political subdivision that provides collection or disposal services to its citizens without direct charge to the citizens for the service shall pay the tax based on the cost to the political subdivision of providing the service. A person who transports mixed municipal solid waste generated by that person or by another person without compensation shall pay the tax at the disposal or resource recovery facility based on the disposal charge or tipping fee.

Subd. 2. [EXEMPTION.] The cost of a service or the portion of a service to collect recyclable materials separated from mixed municipal solid waste by the waste generator is exempt from the tax imposed in section 297A.02.

Sec. 5. [297A.46] [PROBLEM MATERIALS; ADDITIONAL TAX.]

There is imposed an additional tax of two percent of the gross receipts from sales at retail of the following products that pose special problems when placed in the solid waste stream:

- (1) motor oil sold in containers of one gallon or less;
- (2) nickel-cadmium batteries;
- (3) all paint and paint-related products such as enamels, lacquers, stains, varnishes, polyurethanes, sealers, shellacs, and wood preservatives; and
- (4) rechargeable appliances and tools that contain nickel-cadmium batteries.

Collection and payment of the tax are governed by the provisions of this chapter.

ARTICLE 8

APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

The following amounts are appropriated from the solid waste reduction and recycling account to the agencies and for the purposes and fiscal years specified:

	<u>1990</u>	<u>1991</u>
<u>(a) to the pollution control agency</u>		
<u>(1) for solid waste reduction programs under article 1</u>
<u>(2) for solid waste recycling programs under article 2</u>
<u>(3) for market development programs under article 3</u>
<u>(4) for programs to identify and manage problem materials under article 4</u>
<u>(5) for grants for litter prevention, control and abatement under article 5</u>
<u>(6) for public education under article 6</u>
<u>(7) for distribution to the counties for solid waste reduction and recycling under article 2, section 6</u>
<u>(b) to the department of administration for waste reduction, procurement, and recycling under article 1, sections 2 and 4</u>
<u>(c) to the department of agriculture for the pesticide activities under article 4, section 2 and 11</u>
<u>(d) to the state planning agency for activities related to litter under article 5</u>

Amounts unexpended in one fiscal year are available for expenditure in the other fiscal year."

Delete the title and insert:

"A bill for an act relating to solid waste; establishing plans and programs to reduce waste generated, recycle waste, develop markets for recyclables, address materials that cause special problems in the waste stream, prevent, control, and abate litter, inform and educate the public on proper waste management; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, by adding a subdivision; 115A.03, by adding subdivisions; 115A.072; 115A.12, subdivision 1; 115A.15, subdivision 5, and by adding subdivisions; 115A.46, subdivision 2, and by adding a subdivision; 115A.48, subdivision 3, and by adding subdivisions; 115A.96, subdivision 2, and by adding a subdivision; 116.07, by adding a subdivision;

116K.04, by adding a subdivision; 275.51, subdivision 1; 297A.01, subdivision 3; 297A.44, subdivision 1; 325E.115, subdivision 1; 400.08, by adding a subdivision; 473.149, subdivision 1; and 473.803, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 18B; 115A; 116C; 116J; 173; 297A; and 473."

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 484, A bill for an act relating to regional railroad authorities; permitting authorities to enter certain agreements; amending Minnesota Statutes 1988, section 398A.04, subdivision 9.

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

The report was adopted.

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

H. F. No. 585, A bill for an act relating to employment; requiring a semiannual survey to measure underemployment of Minnesota workers; proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 268.08, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that the individual:

(1) has registered for work at and thereafter has continued to report to an employment office, or agent of the office, in accordance with rules the commissioner may adopt; except that the commissioner may by rule waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which the commissioner finds that compliance with the requirements

would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) has made a claim for benefits in accordance with rules as the commissioner may adopt;

(3) was able to work and was available for work, and was actively seeking work. The individual's weekly benefit amount shall be reduced one-fifth for each day the individual is unable to work or is unavailable for work. Benefits shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner, is a dislocated worker as defined in section 4 who is in training approved by the commissioner, or in training approved pursuant to section 236 of the Trade Act of 1974, as amended.

An individual is deemed unavailable for work with respect to any week which occurs in a period when the individual is a full-time student in attendance at, or on vacation from an established school, college, or university unless a majority of the wage credits earned in the base period were for services performed during weeks in which the student was attending school as a full-time student.

An individual serving as a juror shall be considered as available for work and actively seeking work on each day the individual is on jury duty; and

(4) has been unemployed for a waiting period of one week during which the individual is otherwise eligible for benefits under sections 268.03 to 268.24. However, payment for the waiting week, not to exceed \$20, shall be made to the individual after the individual has qualified for and been paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of the individual's return to employment. No individual is required to serve a waiting period of more than one week within the one-year period subsequent to filing a valid claim and commencing with the week within which the valid claim was filed.

Sec. 2. Minnesota Statutes 1988, section 268.31, is amended to read:

268.31 [DEVELOPMENT OF YOUTH EMPLOYMENT OPPORTUNITIES.]

To the extent of available funding, the commissioner of jobs and training shall establish a program to employ individuals from the ages of 14 years up to 22 years. Available money may be used to operate this program on a full calendar year basis, to provide transitional services, link basic skills training and remedial education to job training and school completion, and for support services. The amount spent on support services in any one fiscal year may not

exceed 15 percent of the total annual appropriation for this program. Individuals employed in this program will be placed in service with departments, agencies, and instrumentalities of the state, county, local governments, school districts, with nonprofit organizations, and private sector employers. The maximum number of hours that an individual may be employed in a position supported under this program is 480 hours. Program funds may not be used for private sector placements. Program operators must use the targeted jobs tax credit, other federal, state, and local government resources, as well as private sector resources to fund private sector placements. The commissioner shall cooperate with the commissioner of human services in determining and implementing the most effective means of disregarding a youth's earnings from family income for purposes of the aid to families with dependent children program, to the extent permitted by the federal government.

Upon request of the commissioner of the department of natural resources, the commissioner will contract for or provide available services for remedial skills, life skills, and career counseling activities to youth in the Minnesota conservation corps program.

The commissioner must implement an evaluation mechanism and performance standards for the services provided under this section. The mechanism must measure the effectiveness of the employment placement and the associated services in preparing participants for long-term employment. The mechanism should include a component that follows a participant's progress after the participant has completed the program to measure the long-term effectiveness of the program.

Sec. 3. Minnesota Statutes 1988, section 268.677, is amended by adding a subdivision to read:

Subd. 4. [ADDITIONAL ASSISTANCE.] Up to ten percent of the money available under this section may be used to provide wage subsidies and other services to job applicants if it is determined that the job applicant does not have the necessary job skills for placement with an eligible business or nonprofit employer. No more than 20 percent of job applicants assisted under this section may receive assistance under this subdivision. The money available under this subdivision is not subject to the allocation among employers under section 268.676, subdivision 2, or the allocation between wage subsidies and support services under subdivisions 1 and 3. The assistance provided under this subdivision may be used for:

(1) wage subsidies and fringe benefits for the employment of the eligible job applicant by an eligible employer for up to an additional 520 hours over 13 weeks;

(2) wage subsidies for the temporary employment of the eligible

job applicant in a setting where the applicant may enhance their job skills;

(3) costs of providing skill training, basic skills, and literacy training;

(4) costs of labor market orientation, job search assistance, and job seeking skills; and

(5) costs of providing other services or activities to prepare the eligible job applicant for permanent employment.

Sec. 4. [268.97] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 4 to 9, the following terms have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 3. [DISLOCATED WORKER.] "Dislocated worker" means a person who:

(1) has been terminated or laid off or who has received a notice of termination or layoff from employment, is eligible for or has exhausted their entitlement to unemployment compensation, and is unlikely to return to their previous industry or occupation;

(2) has been terminated or has received a notice of termination of employment as a result of any permanent closure of or any substantial layoff at a plant, facility, or enterprise;

(3) is long-term unemployed and has limited opportunities for employment or reemployment in the same or similar occupation in the area in which the person resides, including an older person who may have substantial barriers to employment by reason of age;

(4) was self-employed, including farmers, and is unemployed as a result of general economic conditions in the community in which they reside or because of natural disasters; or

(5) is a homemaker who has been dislocated as a result of death, permanent disability, or permanent separation or divorce from a spouse, or as a result of a spouse's qualification as a dislocated worker under clause (1).

Subd. 4. [ELIGIBLE ORGANIZATION.] "Eligible organization" means a local government unit, nonprofit organization, community action agency, business organization or association, or labor organization that has applied for a prefeasibility grant under section 7.

Subd. 5. [LOCAL GOVERNMENT UNIT.] "Local government unit" means a statutory or home rule charter city, county, or town.

Subd. 6. [PLANT CLOSING.] "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment, if the shutdown results in an employment loss at the single site of employment during any 30-day period for 25 or more employees excluding any part-time employees. Plant closing also means the announced or actual permanent termination of 25 percent of the total full-time jobs at a single site whose total full-time employment is 100 or more employees.

Subd. 7. [PREFEASIBILITY STUDY GRANT; GRANT.] "Prefeasibility study grant" or "grant" means the grant awarded under section 7.

Sec. 5. [268.971] [EARLY WARNING SYSTEM.]

Subdivision 1. [EARLY WARNING INDICATORS.] The commissioner, in cooperation with the commissioners of revenue and trade and economic development, shall establish and oversee an early warning system to identify industries and businesses likely to experience large losses in employment or plant closures by collecting and analyzing information which may include, but not be limited to products and markets experiencing declining growth rates, companies and industries subject to competition from production in low wage counties, changes in ownership, layoff and employment patterns, payments of unemployment compensation contributions, and state tax payments. The commissioner may request the assistance of businesses, business organizations, and trade associations in identifying businesses, industries, and specific establishments that are likely to experience large losses in employment or plant closures. The commissioner may request information and other assistance from other state agencies for the purposes of this subdivision.

Subd. 2. [NOTICE.] The commissioner shall encourage those business establishments considering a decision to effect a closing or relocation of operations located in this state to give notice of that decision as early as possible to the commissioner, the employees of the affected establishment, any employee organization representing the employees, and the local government unit in which the affected establishment is located. This notice shall be in addition to any notice required under the Worker Adjustment and Retraining Notification Act, United States Code, title 29, section 2101.

Subd. 3. [EMPLOYER RESPONSIBILITY.] An employer providing notice of a plant closing or relocation of operations under the Worker Adjustment and Retraining Notification Act, United States Code, title 29, section 2101, or under subdivision 2 must report to

the commissioner the names, addresses, and occupations of the employees who will be or have been terminated.

Sec. 6. [268.972] [RAPID RESPONSE PROGRAM.]

The commissioner shall establish a rapid response program to assist employees, employers, business organizations or associations, labor organizations, local government units, and community organizations to quickly and effectively respond to announced or actual plant closings. The program must include or address at least the following:

(1) establish on-site contact within five working days after becoming aware of an announced or actual plant closing with the employer, employees, labor organizations if there is one representing the employees, and leaders of the local government units and community organizations to provide coordination of efforts to formulate a community-wide response to the plant closing, provide information on the public and private service and programs that might be available, inform the affected parties of the prefeasibility study grants under section 7, and collect any information required by the commissioner to assist in responding to the plant closing;

(2) provide ongoing technical assistance to employers, employees, business organizations or associations, labor organizations, local government units, and community organizations to assist them in reacting to or developing responses to plant closings;

(3) establish and administer the prefeasibility study grant program under section 7 to provide an initial assessment of the feasibility of alternatives to plant closings;

(4) work with employment and training service providers, employers, business organizations or associations, labor organizations, local government units, and community organizations in providing training, education, community support service, job search programs, job clubs, and other services to address the needs of potential or actual dislocated workers;

(5) coordinate with providers of economic development related financial and technical assistance services so that communities that are experiencing plant closings have immediate access to economic development related services; and

(6) collect and make available information on programs that might assist dislocated workers and the communities affected by plant closings.

Sec. 7. [268.973] [PREFEASIBILITY STUDIES.]

Subdivision 1. [PREFEASIBILITY STUDY GRANTS.] The commissioner may make grants for up to \$10,000 to eligible organizations to provide an initial assessment of the feasibility of alternatives to plant closings. The alternatives may include employee ownership, other new ownership, new products or production processes, or public financial or technical assistance to keep a plant open. Two or more eligible organizations may jointly apply for a grant under this section.

Interested organizations must apply to the commissioner for the grants. Applicants must provide as part of the application process a statement of need for a grant, information relating to the workforce at the plant, the area's unemployment rate, the community's and surrounding area's labor market characteristics, information of efforts to coordinate the community's response to the plant closing, a timetable of the prefeasibility study, a description of the organization applying for the grant, a description of the qualifications of persons conducting the study, and other information required by the commissioner.

The commissioner must respond to the applicant within five working days of receiving the organization's application. The commissioner must inform each organization that applied for but did not receive a grant the reasons for the grant not being awarded. The commissioner may request further information from those organizations that did not receive a grant, and the organization may reapply for the grant.

Subd. 2. [PREFEASIBILITY STUDY.] The prefeasibility study must explore the current and potential viability, profitability, and productivity of the establishment that may close and alternative uses for the establishment. The study is not to be a major examination of each possible alternative but is meant to quickly determine if further action or examination is feasible and should be explored further. The prefeasibility study must contain:

(1) a description of the establishment's present products, production techniques, management structure, and history;

(2) a brief discussion of the feasibility of the various alternatives for ownership, production technique, and products;

(3) an estimate of the financing required to keep the establishment open and the potential sources of that financing;

(4) a description of the employer's, employees', and community's efforts to maintain the operation of the establishment; and

(5) other information the commissioner may require.

Subd. 3. [REPORTS.] (a) The commissioner must report monthly to the program subcommittee of the governor's job training council on the grants made and studies completed during the previous month.

(b) The commissioner must provide an annual report to the governor, legislature, and the governor's job training council on the administration of the prefeasibility study grant program. The report must also include details of actions taken as a result of a grant.

Sec. 8. [268.974] [DISLOCATED WORKER COORDINATION.]

The commissioner must coordinate the actions taken by state agencies and public post-secondary educational institutions to respond to or address the specific needs of dislocated workers and to provide services to dislocated workers including education and retraining. The commissioner must also assist local government units, community groups, labor organizations, and others in coordinating their efforts in providing services to dislocated workers.

Sec. 9. [268.975] [EVALUATION AND PERFORMANCE STANDARDS.]

The commissioner must establish evaluation and performance standards for the programs and activities administered or funded through the rapid response program under section 6. The commissioner may use existing federal evaluation performance standards or, if the commissioner determines that the federal standards are inadequate or not suitable, may formulate new performance standards to ensure that the programs and activities of the rapid response program are effectively administered.

Sec. 10. [268.98] [SUBEMPLOYMENT INDEX.]

(a) The commissioner shall undertake or contract for a statewide survey conducted at least annually to calculate a subemployment index. The index must measure the number of:

(1) persons who are discouraged workers or those persons who did not look for employment because they believed that no jobs were available in their geographic area or that no jobs were available for which they could qualify;

(2) persons who wanted to work full time but either could not find full-time employment in their geographic area or had a full-time job and had their hours reduced because of conditions beyond their control; and

(3) persons who work full time but earn insufficient income as

measured by the federal poverty level or other measures of household income.

The commissioner must use federal definitions in developing the index to the greatest extent as is methodologically possible.

(b) The commissioner shall report the subemployment index to the governor and the legislature following completion of each survey. The data must be broken down by the categories contained in paragraph (a), clauses (1) to (3).

Sec. 11. [APPROPRIATIONS; YOUTH EMPLOYMENT.]

Subdivision 1. \$750,000 in fiscal year 1990 and \$750,000 in fiscal year 1991 is appropriated from the general fund to the commissioner of jobs and training to provide the transitional services authorized by section 2.

Subd. 2. \$260,000 in fiscal year 1990 and \$260,000 in fiscal year 1991 is appropriated from the general fund to the commissioner of jobs and training to ensure that enrollment levels or jobs in the youth employment program under section 2 are not reduced as a result of increases in the state minimum wage.

Sec. 12. [APPROPRIATION; WAGE SUBSIDY.]

\$18,000,000 is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training for the wage subsidy program authorized under Minnesota Statutes, sections 268.672 to 268.682.

Sec. 13. [APPROPRIATION; DISLOCATED WORKERS.]

Subdivision 1. [SERVICES TO DISLOCATED WORKERS.] \$ is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training. The money appropriated under this subdivision should be distributed to organizations applying for grants through the governors job council. The primary purpose of the appropriation under this subdivision is to provide services and support to dislocated workers who have lost their jobs through plant closings or mass layoffs.

Subd. 2. [DEPARTMENT OF JOBS AND TRAINING STAFF.] \$ is appropriated to the commissioner of jobs and training to fund additional department of jobs and training staff for the early warning system under section 5 and the rapid response program under section 6.

Subd. 3. [PREFEASIBILITY STUDY GRANTS.] \$ is appropriated from the general fund for the biennium ending June

30, 1991, to the commissioner of jobs and training for the prefeasibility study grants awarded under section 7.

Sec. 14. [APPROPRIATION; SUBEMPLOYMENT INDEX.]

Subdivision 1. \$ is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training to develop a methodology for measuring unemployment and underemployment of Minnesota workers as provided under section 10.

Subd. 2. \$ is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training to conduct a statewide semiannual survey measuring unemployment and underemployment of Minnesota workers.

Sec. 15. [EFFECTIVE DATE.]

Section 2 is effective the day after final enactment. Sections 1 and 3 to 15 are effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to employment; expanding eligibility for unemployment insurance to include participants of training programs; providing transitional services through the youth employment program; expanding services under the wage subsidy program; establishing an early warning system for plant closings; creating a rapid response program; providing for prefeasibility study grants; creating a subemployment index; appropriating money; amending Minnesota Statutes 1988, sections 268.08, subdivision 1; 268.31; and 268.677, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268."

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

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 601; A bill for an act relating to waste management; defining "waste reduction"; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse

political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substances compensation fund; authorizing transfer of money from the petroleum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metal finishers are not liable for payment of hazardous waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, and 7, and by adding four subdivisions; 115B.26; 115B.27, subdivision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4 and by adding a subdivision; 446.04, subdivision 1; 473.149, subdivisions 2d and 2e; 473.803, by adding a subdivision 1a; 473.845, subdivision 2; and 473.848; amending Laws 1987, chapter 348, section 50; proposing coding for new law in chapter 115A; repealing Minnesota Statutes 1988, sections 115A.98 and 115B.29, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

Subd. 36a. [WASTE REDUCTION.] "Waste reduction" means any activity that prevents generation of waste including at least reusing a product in its original form, increasing the life span of a product, reducing material used in production or packaging, or changing procurement, consumption, or waste generation habits to result in smaller quantities of waste generated.

Sec. 2. Minnesota Statutes 1988, section 115A.12, subdivision 1, is amended to read:

Subdivision 1. [SOLID AND HAZARDOUS WASTE MANAGEMENT.] The chair of the board shall establish a solid waste management advisory council and a hazardous waste management planning council broadly representative of the geographic areas and interests of the state. The councils shall have not less than nine nor more than 18 members each. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least one member experienced in each

of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery. The membership of the hazardous waste advisory council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives of hazardous waste generators and private hazardous waste management firms. The chairs of the advisory councils shall be appointed by the chair of the board. The chair of the board shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the chair of the board. The solid waste advisory council shall make recommendations to the board on its solid waste management activities. The hazardous waste advisory council shall make recommendations to the board on its activities under sections 115A.08, 115A.09, 115A.10, 115A.11, 115A.20, 115A.21, and 115A.24. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the chair of the board. The solid waste management advisory council and the hazardous waste management planning council expire as provided in section 15.059, subdivision 5 June 30, 1994.

Sec. 3. Minnesota Statutes 1988, section 115A.14, subdivision 2, is amended to read:

Subd. 2. [STAFF.] The commission is authorized, without regard to the civil service laws and rules, to appoint and fix the compensation of such additional legal and other personnel and consultants as may be necessary to enable it to carry out its functions, or to contract for services to supply necessary data, except that any state employees subject to the civil service laws and rules who may be assigned to the commission shall retain civil service status without interruption or loss of status or privilege. The staff shall be hired and supervised for the commission by the executive director of the legislative commission on Minnesota resources.

Sec. 4. Minnesota Statutes 1988, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and opportunities for improvements in the systems. The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. The plans shall require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste. The plans shall address at least waste reduction, separation, recycling, and other resource recovery options, and shall include specific and quantifiable objectives; immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste and for

the implementation of feasible and prudent reduction, separation, recycling, and other resource recovery options. The objectives must be consistent with statewide objectives identified in statute. In assessing the need for additional resource recovery or disposal capacity, plans must take into account the characteristics of waste stream components and must give priority to waste reduction, separation, and recycling. The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement, reduction, separation, recycling, and other resource recovery objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The plans shall include a comparison of the costs of the activities to be undertaken, including capital and operating costs, and the effects of the activities on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall include alternatives which could be used to achieve the abatement objectives if the proposed functions and activities are not established. The plans shall designate how public education shall be accomplished. The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use of facilities after they are no longer needed or usable. The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 5. Minnesota Statutes 1988, section 115A.80, is amended to read:

115A.80 [DESIGNATION OF RESOURCE RECOVERY SOLID WASTE MANAGEMENT FACILITIES; PURPOSE.]

In order to further the state policies and purposes expressed in section 115A.02, and to advance the public purposes served by resource recovery effective solid waste management, the legislature finds and declares that it may be necessary pursuant to sections 115A.80 to 115A.89 to authorize a qualifying solid waste manage-

ment district or county to designate a ~~resource recovery~~ solid waste processing or disposal facility.

Sec. 6. Minnesota Statutes 1988, section 115A.81, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] "Designation" means a requirement by a waste management district or county that all or any portion of the mixed municipal solid waste that is generated within its boundaries or any service area thereof be delivered to a ~~resource recovery~~ processing or disposal facility identified by the district or county.

Sec. 7. Minnesota Statutes 1988, section 115A.83, is amended to read:

115A.83 [EXEMPTION.]

The designation may not apply to or include: (1) materials that are separated from solid waste and recovered for reuse in their original form or for use in manufacturing processes; or (2) materials that are processed at ~~another~~ a resource recovery facility at the capacity in operation at the time that the designation plan is approved by the reviewing authority.

Sec. 8. Minnesota Statutes 1988, section 115A.84, is amended to read:

115A.84 [DESIGNATION PLAN.]

Subdivision 1. [REQUIREMENT.] Before commencing the designation procedure under section 115A.85, the district or county shall adopt a comprehensive solid waste management plan or, under chapter 473, a master plan. ~~The comprehensive or master plan must include county or district shall then submit a plan for designation to be approved under this section. A county or district's designation plan must be consistent with its solid waste management plan or master plan and with regional and statewide waste management goals.~~

Subd. 2. [DESIGNATION; PLAN CONTENTS.] (a) The designation plan must evaluate (1) the benefits of the designation, including the public purposes achieved by the conservation and recovery of resources, the furtherance of local and any district or regional waste management plans and policies, and the furtherance of the state policies and purposes expressed in section 115A.02; and (2) the estimated costs of the designation, including the direct capital, operating, and maintenance costs of the facility designated, the indirect costs, and the long-term effects of the designation.

(b) In particular the designation plan must evaluate:

(1) whether the designation will result in the recovery of resources or energy from materials which would otherwise be wasted;

(2) whether the designation will lessen the demand for and use of indiscriminate land disposal;

(3) whether the designation is necessary for the financial support of the facility;

(4) whether less restrictive methods for ensuring an adequate solid waste supply are available; ~~and~~

(5) other feasible and prudent waste ~~processing~~ management alternatives for accomplishing the purposes of the proposed designation, the direct and indirect costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators; and

(6) whether the designation takes into account and promotes local, regional, and state waste management goals.

(c) When the plan proposes designation to disposal facilities, the designation plan must also evaluate:

(1) whether the disposal facility is part of an integrated waste management system involving a processing facility and the designation is necessary for the financial support of the processing facility;

(2) whether the designation will better serve to protect public health and safety;

(3) the impacts upon other disposal facilities and collectors inside and outside the area;

(4) whether the designation is necessary to promote regional waste management programs and cooperation; and

(5) the extent to which the design and operation of the disposal facility protects the environment including whether it is permitted under current agency rules and whether any portion of the facility's site is listed under section 115B.17, subdivision 13.

(d) When the plan proposes designation to disposal facilities, all of the solid waste generated in the affected area must be subject to the designation unless it is subject to a contract between a hauler and a different facility and that contract is in force on the date designation is implemented.

Subd. 3. [PLAN APPROVAL.] A district or county planning a designation for waste generated wholly within the metropolitan area defined in section 473.121 shall submit its designation plan to the metropolitan council for review and approval or disapproval. Other districts or counties shall submit the designation plan to the waste management board for review and approval or disapproval. The reviewing authority shall complete its review and make its decision within 120 days following submission of the plan for review. The reviewing authority shall approve the designation plan if the plan satisfies the requirements of subdivision 2 and, in the case of designation to disposal facilities, if the reviewing authority finds that the plan has demonstrated that the designation is necessary and is consistent with section 115A.02. The reviewing authority may attach conditions to its approval that relate to matters required in a designation ordinance under section 115A.86, subdivision 1, paragraph (a), clauses (1) to (4), and paragraph (b). Amendments to plans must be submitted for review in accordance with this subdivision.

Subd. 4. [EXCLUSION OF CERTAIN MATERIALS.] When it approves the designation plan the reviewing authority shall exclude from the designation materials that the reviewing authority determines will be processed at ~~another~~ a resource recovery facility separate from the designated facility if:

(1) ~~the other~~ resource recovery facility requesting the exclusion is substantially completed or will be substantially completed within 18 months of the time that the designation plan is approved by the reviewing authority; and

(2) ~~the other~~ facility requesting the exclusion has or will have contracts for purchases of its product; and

(3) the materials are or will be under contract for delivery to the ~~other~~ facility requesting the exclusion at the time ~~the other~~ that facility is completed.

In order to qualify for the exclusion of materials under this subdivision, the operator or owner of the ~~other~~ resource recovery facility requesting the exclusion shall file with the reviewing authority and the district or county or counties a written description of the facility, its intended location, its waste supply sources, purchasers of its products, its design capacity and other information that the reviewing authority and the district or county or counties may reasonably require. The information must be filed as soon as it becomes available but not later than 30 days following the date when the county or district submits its designation plan for approval.

The reviewing authority may revoke the exclusion granted under this subdivision when it approves the designation ordinance under

section 115A.86 if in its judgment the excluded materials will not be processed at the other facility.

Sec. 9. Minnesota Statutes 1988, section 115A.85, subdivision 2, is amended to read:

Subd. 2. [HEARING.] The district or county shall hold a public hearing to take testimony on the designation. Notice of the hearing must be published in a newspaper of general circulation in the area for two successive weeks ending at least 15 days before the date of the hearing and must be mailed to political subdivisions, landfill processing and disposal facility operators, and licensed solid waste collectors who may be expected to use the facility. The notification must: (1) describe the area in which the designation will apply and the plans for the use of the solid waste; (2) specify the point or points of delivery of the solid waste; (3) estimate the types and quantities of solid waste subject to the designation; and (4) estimate the fee to be charged for the use of the facilities and for any products of the facilities. A designation or contract for use is not invalid by reason of the failure of the district or county to provide written notice to an entity listed in this subdivision.

Sec. 10. Minnesota Statutes 1988, section 115A.86, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] The designation may be placed into effect no less than 60 days following the approval required in subdivision 2. The effective date of the designation must be specified at least 60 days in advance. If the designation is not placed into effect within two years of approval, the designation must be resubmitted to the reviewing authority for approval or disapproval under subdivision 2, unless bonds have been issued to finance the resource recovery facility to which the designation applies.

Sec. 11. Minnesota Statutes 1988, section 115A.86, subdivision 5, is amended to read:

Subd. 5. [AMENDMENTS.] (a) Amendments to a designation ordinance must be submitted to the reviewing authority for approval. The reviewing authority shall approve the amendment if the amendment is in the public interest and in furtherance of the state policies and purposes expressed in section 115A.02. If the reviewing authority finds that the proposed amendment is a substantive change from the existing designation plan, the reviewing authority may require that the county or solid waste management district submit a revised designation plan to the reviewing authority for approval. After receiving approval for the designation plan amendment from the reviewing authority, the county or district shall follow the procedure outlined in section 115A.85 prior to submitting the amended designation ordinance to the reviewing authority for approval. If the reviewing authority does not act within 90 days

after receiving the proposed amendment to the designation ordinance, the amendment is approved.

(b) Prior to amending an ordinance to designate solid waste to a disposal facility, a county or district shall submit an amended designation plan to the reviewing authority for approval, and shall follow the procedures outlined in section 115A.85.

Sec. 12. Minnesota Statutes 1988, section 115A.893, is amended to read:

115A.893 [PETITION FOR EXCLUSION.]

Any person proposing to own or operate a ~~resource recovery~~ processing facility using waste materials subject to a designation ordinance may petition the waste district or county for exclusion of the materials from the designation ordinance. In order to qualify for the exclusion of materials under this section, the petitioner shall submit with the petition a written description of the proposed facility, its intended location, its waste supply sources, purchasers of its products, its design capacity, and other information that the district or county may reasonably require. The district or county, after appropriate notice and hearing, shall issue a written decision with findings of fact and conclusions on all material issues. The district or county shall grant the petition if it determines that: (a) the materials will be processed at the ~~resource recovery~~ facility, and (b) the exclusion can be implemented without impairing the financial viability of the designated facility or impairing contractual obligations or preventing the performance of contracts by the facility owner or operator, the district or county, or users of the facility. Any person aggrieved by the decision of the district or county may appeal to the reviewing authority. The review is confined to the record. The decision of the reviewing authority must be based on the standards stated in this section. If the reviewing authority approves the petition, the designation ordinance must be amended in conformance with the decision of the reviewing authority. The petition may be amended during the proceedings by agreement between the petitioner and the district or county.

Sec. 13. Minnesota Statutes 1988, section 115A.906, is amended by adding a subdivision to read:

Subd. 2a. [EMERGENCY ABATEMENT.] The commissioner may take emergency action to abate a waste fire nuisance without following the procedures of subdivision 2 if the commissioner determines that the nuisance constitutes a clear and immediate danger of uncontrollable fire, mosquito infestation, or other hazard requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment. Before taking an action under this subdivision, the commissioner shall make all reasonable efforts, taking into account the urgency of the

situation and any historical pattern of responses by the tire collector to any past problems or abatement orders, to follow as much of the procedure in subdivision 2 as is practical. Emergency action under this subdivision may include all of the activities authorized for an abatement order.

Sec. 14. Minnesota Statutes 1988, section 115A.94, is amended by adding a subdivision to read:

Subd. 6. [EFFECT.] Except as provided in subdivision 5, nothing in this section requires a city, town, or county to organize collection, or prevents a city, town, or county from organizing collection, for either solid waste or recyclable material.

Sec. 15. [115A.981] [SOLID WASTE DISPOSAL FACILITIES ANNUAL REPORTING.]

Subdivision 1. [RECORD KEEPING REQUIREMENTS.] The owner or operator of a solid waste disposal facility must maintain the records necessary to comply with the requirements of subdivisions 2 and 3.

Subd. 2. [ANNUAL REPORTING.] (a) The owner or operator of a solid waste disposal facility must:

(1) submit an annual report to the agency under section 115A.32, and Minnesota Rules, part 7035.2585;

(2) annually certify that it has established financial assurance for closure, postclosure care, and corrective action at the facility by using one or more of the financial assurance mechanisms specified by rule; and

(3) file a fee schedule with the agency with the annual report.

(b) The fee schedule must list all tipping fees, rates, charges, surcharges, and any other fees charged by each classification of customer. The owner or operator of a facility may not increase fees until 30 days after the owner or operator has submitted a fee schedule amendment to the agency.

Subd. 3. [CLASSIFICATION OF DATA.] Information declared proprietary information by the submitter that is received by the agency under subdivision 2 is nonpublic data as defined in section 13.02, subdivision 9, except that the attorney general has access to the information.

Subd. 4. [AGENCY REPORT.] The agency shall report to the legislative commission on waste management by July 1 of each even-numbered year on the viability of the state's waste processing

and disposal capability, the status of competitive forces in the market including recycling, composting, waste reduction and incineration, the extent to which existing fees for services are sufficient for facility development, engineering, environmental and safety factors, the progress of the industry in meeting the state's waste management goals, and recommendations for regulations to ensure protection of human health and the environment. In preparing the report, the agency shall consider information received under subdivision 2.

Sec. 16. Minnesota Statutes 1988, section 115B.04, subdivision 4, is amended to read:

Subd. 4. [LIABILITY OF POLITICAL SUBDIVISIONS.] The liability of a political subdivision under this section is subject to the limits imposed under section 466.04, subdivision 1, except when the political subdivision is liable under this section as the owner or operator of a disposal facility as defined in section 115A.03, subdivision 10. When a political subdivision is liable as an owner or operator of a disposal facility, the liability of each subdivision is limited to \$400,000 at each facility unless the facility was owned or operated under a valid joint powers agreement by three or more political subdivisions, in which case the aggregate liability of all political subdivisions that are parties to the joint powers agreement is limited to \$1,200,000. The limits on the liability of a political subdivision for ownership or operation of a disposal facility apply to the costs of remedial action incurred between the date a request for response action is issued by the agency and the date one year after the construction certificate of completion is approved by the commissioner, excluding costs incurred during negotiation of a consent order agreement.

When a political subdivision takes remedial action as the owner or operator of a disposal facility between the dates specified above, it may receive, after approval by the agency, reimbursement of any amount spent pursuant to an approved work plan that exceeds the applicable liability limit specified in this subdivision.

Sec. 17. Minnesota Statutes 1988, section 115B.17, is amended by adding a subdivision to read:

Subd. 15. [ACQUISITION OF PROPERTY.] The agency may acquire, by purchase or donation easements and leases, an interest in real property, including easements and leases that the agency determines is necessary for response action. The agency may acquire an easement by condemnation only if the agency is unable, after reasonable efforts, to acquire an interest in real property by purchase or donation. The provisions of chapter 117 govern condemnation proceedings by the agency under this subdivision. A donation of an interest in real property to the agency is not effective until the agency executes a certificate of acceptance. The state is not liable

under this chapter solely as a result of acquiring an interest in real property under this subdivision.

Sec. 18. Minnesota Statutes 1988, section 115B.20, subdivision 2, is amended to read:

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] Subject to appropriation by the legislature the money in the fund may be spent for any of the following purposes:

(a) Preparation by the agency for taking removal or remedial action under section 115B.17, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants under section 115B.17 or 115B.18;

(b) Removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17, including related enforcement and compliance efforts under section 115B.17 or 115B.18, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to facilities other than commercial hazardous waste facilities located under the siting authority of chapter 115A;

(c) Reimbursement to any private person for expenditures made before July 1, 1983 to provide alternative water supplies deemed necessary by the agency and the department of health to protect the public health from contamination resulting from the release of a hazardous substance;

(d) Removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17 including related enforcement and compliance efforts under section 115B.17 or 115B.18, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;

(e) Compensation as provided by law, after submission by the waste management board of the report required under section 115A.08, subdivision 5, to mitigate any adverse impact of the location of commercial hazardous waste processing or disposal facilities located pursuant to the siting authority of chapter 115A;

(f) Planning and implementation by the commissioner of natural

resources of the rehabilitation, restoration or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance;

(g) Inspection, monitoring and compliance efforts by the agency, or by political subdivisions with agency approval, of commercial hazardous waste facilities located under the siting authority of chapter 115A;

(h) Grants by the agency or the waste management board to demonstrate alternatives to land disposal of hazardous waste including reduction, separation, pretreatment, processing and resource recovery, for education of persons involved in regulating and handling hazardous waste;

(i) Intervention and environmental mediation by the legislative commission on waste management under chapter 115A; and

(j) Grants by the agency to study the extent of contamination and feasibility of cleanup of hazardous substances and pollutants or contaminants in major waterways of the state;

(k) Acquisition of a property interest under section 17;

(l) Reimbursement, in an amount to be determined by the agency in each case, to a political subdivision that is not a responsible person under section 115B.03 for reasonable and necessary expenditures resulting from an emergency caused by a release or threatened release of a hazardous substance, pollutant, or contaminant; and

(m) Reimbursement to a political subdivision for expenditures over the limit on political subdivision liability under section 16.

Sec. 19. Minnesota Statutes 1988, section 115B.25, subdivision 1, is amended to read:

Subdivision 1. [GENERAL APPLICATION.] The terms used in sections 115B.25 to 115B.37 have the definitions meanings given them in section 115B.02 and this section.

Sec. 20. Minnesota statutes 1988, section 115B.25, subdivision 2 is amended to read:

Subd. 2. [BOARD.] "Board" means the hazardous harmful substance injury compensation board established in section 115B.27.

Sec. 21. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 6a. [FACILITY.] "Facility" has the meaning given it in section 115B.02, subdivision 5.

Sec. 22. Minnesota Statutes 1988, section 115B.25, subdivision 7, is amended to read:

Subd. 7. [FUND.] "Fund" means the ~~hazardous~~ harmful substance injury compensation fund established in section 115B.26.

Sec. 23. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 7a. [HARMFUL. SUBSTANCE.] "Harmful substance" means:

(1) any commercial chemical designated under the Federal Water Pollution Control Act, United States Code, title 33, section 1321(b)(2)(A);

(2) any hazardous air pollutant listed under the Clean Air Act, United States Code, title 42, section 7412;

(3) any hazardous waste; and

(4) petroleum as defined in section 115C.02, subdivision 10.

Sec. 24. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 7b. [HAZARDOUS WASTE.] "Hazardous waste" has the meaning given it in section 115B.02, subdivision 9.

Sec. 25. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 7c. [PERSON.] "Person" has the meaning given it in section 115B.02, subdivision 12.

Sec. 26. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 9. [RELEASE.] "Release" has the meaning given it in section 115B.02, subdivision 15. Release does not include discharges or designed venting of petroleum from a tank allowed under rules of the pollution control agency.

Sec. 27. Minnesota Statutes 1988, section 115B.26, is amended to read:

115B.26 [HAZARDOUS HARMFUL SUBSTANCE INJURY COMPENSATION FUND.]

Subdivision 1. [ESTABLISHMENT.] A ~~hazardous~~ harmful substance ~~injury~~ compensation fund is established as an account in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the fund.

Subd. 2. [APPROPRIATION.] The amount necessary to pay for staff assistance, administrative services, and office space under section 115B.28, subdivision 4, and to pay claims of compensation granted by the board under sections 115B.25 to 115B.37 is appropriated to the board from the ~~hazardous~~ harmful substance ~~injury~~ compensation fund.

Subd. 3. [PAYMENT OF CLAIMS WHEN FUND INSUFFICIENT.] If the amount of the claims granted exceeds the amount in the fund, the board shall request a transfer from the general contingent account to the ~~hazardous~~ harmful substance ~~injury~~ compensation fund as provided in section 3.30. If no transfer is approved, the board shall pay the claims which have been granted in the order granted only to the extent of the money remaining in the fund. The board shall pay the remaining claims which have been granted after additional money is credited to the fund.

Subd. 4. [FUND TRANSFER REQUEST.] At the end of each fiscal year, the board shall submit a request to the petroleum tank release compensation board for transfer to the fund from the petroleum tank release cleanup fund under section 34 of an amount equal to the compensation granted by the board for claims related to petroleum releases plus administrative costs related to determination of those claims.

Sec. 28. Minnesota Statutes 1988, section 115B.27, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF BOARD.] The ~~hazardous~~ harmful substance ~~injury~~ compensation board is established. The board consists of five members who will serve part time and who will be appointed by the governor with the advice and consent of the senate. One member must be a physician knowledgeable in toxicology; one member must be a member of the bar of this state; one member must be a health professional knowledgeable in the area of ~~hazardous~~ harmful substance injuries; and two members must be members of the general public. The board shall annually elect a member to serve as chair for a term of one year. Filling of vacancies on the board and removal of members are governed by section 15.0575.

Sec. 29. Minnesota Statutes 1988, section 115B.28, subdivision 2, is amended to read:

Subd. 2. [POWERS.] In addition to exercising any powers specified in sections 115B.25 to 115B.37 or in other law, the board may:

(1) in reviewing a claim, consider any information relevant to the claim, in accordance with the evidentiary standards contained in section 115B.35;

(2) contract for consultant or other services necessary to carry out the board's duties under sections 115B.25 to 115B.37;

(3) grant reasonable partial compensation on an emergency basis pending the final decision on a claim, ~~subject to the adoption of rules by the board,~~ if the claim is one with respect to which an award will probably be made and undue hardship will result to the claimant if immediate payment is not made;

(4) limit access to information collected and maintained by the board and take any other action necessary to protect ~~privileged or confidential~~ not public data as defined in section 13.02, subdivision 8a, and protected information, in accordance with the limitations contained in section 115B.35.

Sec. 30. Minnesota Statutes 1988, section 115B.29, subdivision 1, is amended to read:

Subdivision 1. [PERSONAL INJURY AND CERTAIN PROPERTY CLAIMS.] A person may file a claim with the board pursuant to this section for compensation for an eligible injury, or for eligible property damage ~~described in section 115B.34, subdivision 2, paragraph (a), clause (1),~~ that could reasonably have resulted from an exposure in Minnesota to a hazardous harmful substance released from a facility.

Sec. 31. Minnesota Statutes 1988, section 115B.30, subdivision 3, is amended to read:

Subd. 3. [TIME FOR FILING CLAIM.] A claim is not eligible for compensation from the fund unless it is filed with the board within the time provided in this subdivision.

(a) A claim for compensation for personal injury must be filed within two years after the injury and its connection to exposure to a hazardous harmful substance was or reasonably should have been discovered.

(b) A claim for compensation for property damage must be filed within ~~six~~ two years after the ~~damage was or reasonably should have been discovered~~ full amount of compensable losses can be determined.

Notwithstanding the provisions of this subdivision, claims for compensation that would otherwise be barred by any statute of limitations provided in sections 115B.25 to 115B.37 may be filed not later than January 1, 1988 1992.

Sec. 32. Minnesota Statutes 1988, section 115B.34, subdivision 2, is amended to read:

Subd. 2. [PROPERTY DAMAGE LOSSES.] (a) Losses compensable by the fund for property damage are limited to the following losses caused by damage to the principal residence of the claimant:

(1) the reasonable cost of replacing or decontaminating the primary source of drinking water for the property not to exceed the amount actually expended by the claimant or assessed by a local taxing authority, if the department of health has determined confirmed that the remedy provides safe drinking water and advised that the water is contaminated not be used for drinking or has included the property in a well advisory area and has certified determined that the replacement or decontamination of the source of drinking water effectively has or will eliminate the contamination was necessary, up to a maximum of \$25,000; and

(2) losses incurred as a result of a bona fide sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000; and

(3) losses incurred as a result of the inability of an owner in hardship circumstances to sell the property due to the presence of harmful substances, limited to the increase in costs associated with the need to maintain two residences, but not to exceed \$25,000. In computation of the loss, the board shall offset the loss by the amount of any income received by the claimant from the rental of the property.

(b) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a hazardous harmful substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a special circumstance of the owner including catastrophic medical expenses, inability of the owner to physically maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

(c) Appraisals are subject to board approval. The board may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision.

Sec. 33. Minnesota Statutes 1988, section 115C.08, subdivision 4, is amended to read:

Subd. 4. [EXPENDITURES.] Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in sections 115C.03 to 115C.10;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04; and

(4) for training, certification, and rulemaking under sections 116.46 to 116.50; and

(5) for reimbursement of the harmful substance compensation fund under sections 27, subdivision 4, and 34.

Sec. 34. Minnesota Statutes 1988, section 115C.08, is amended by adding a subdivision to read:

Subd. 5. [FUND TRANSFER.] The board shall authorize the commissioner of finance to transfer to the harmful substance compensation fund the amount requested by the harmful substance compensation board under section 27, subdivision 4. Transfer of the amount must be made at the earliest practical date after authorization by the board unless the unexpended balance in the fund is less than \$1,000,000 in which case transfer must be made at the earliest practical date after the unexpended balance in the fund exceeds that amount.

Sec. 35. Minnesota Statutes 1988, section 116.07, is amended by adding a subdivision to read:

Subd. 4j. [PERMITS; SOLID WASTE FACILITIES.] The agency may not issue a permit for new or additional capacity for a mixed municipal solid waste resource recovery or disposal facility as defined in section 115A.03 unless each county projected in the permit to use the facility has in place a solid waste management plan approved under section 115A.46 or section 473.803. The agency

shall issue the permit only if the capacity of the facility is consistent with the needs for resource recovery or disposal capacity identified in the approved plan or plans. Consistency must be determined by the metropolitan council for counties in the metropolitan area and by the agency for counties outside the metropolitan area. Plans approved before January 1, 1990, need not be revised if the capacity sought in the permit is consistent with the approved plan or plans.

The agency shall require as part of the permit application for a waste incineration facility identification of preliminary plans for ash management and ash leachate treatment or ash utilization. The permit issued by the agency must include requirements for ash management and ash leachate treatment.

Sec. 36. Minnesota Statutes 1988, section 466.04, subdivision 1, is amended to read:

Subdivision 1. [LIMITS; PUNITIVE DAMAGES.] Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed

(a) \$200,000 when the claim is one for death by wrongful act or omission and \$200,000 to any claimant in any other case;

(b) \$600,000 for any number of claims arising out of a single occurrence;

(c) Twice the limits provided in clauses (a) and (b), ~~but not less than \$300,000 per claim~~, when the claim arises out of the release or threatened release of a hazardous substance, whether the claim is brought under sections 115B.01 to 115B.15 or under any other law.

No award for damages on any such claim shall include punitive damages.

Sec. 37. Minnesota Statutes 1988, section 473.149, subdivision 2d, is amended to read:

Subd. 2d. [LAND DISPOSAL ABATEMENT PLAN.] By January 1, 1985, After considering any county land disposal abatement proposals and waste stream analysis that have been submitted by that date, pursuant to under section 473.803, subdivision 1b, the council shall amend its policy plan to include specific and quantifiable metropolitan objectives for abating to the greatest feasible and prudent extent the need for and practice of land disposal of mixed municipal solid waste and of specific components of the solid waste stream, including residuals and ash, either by type of waste or class of generator. The objectives must be stated in annual increments through the year 1990 and thereafter in five-year increments through the year 2000 for a period of at least 20 years from the date

of adoption of policy plan revisions. The plan must identify the capacity, based on the council's abatement objectives, needed for the disposal of various types of waste in each five-year increment and the general area of the region where the capacity should be developed. The plan must include a reduced estimate, based on the council's abatement objectives, of the added solid waste disposal capacity needed in appropriate sectors of the metropolitan area, stated in annual increments through the year 1990 and thereafter in five year increments through the year 2000. The plan must include objectives for waste reduction and measurable objectives for local abatement of solid waste through resource recovery and waste reduction, recycling and source separation programs and activities for each metropolitan county and for cities of the first class, the second class, and the third class, respectively, stated in annual increments through the year 1990 and in five-year increments through the year 2000 for a period of at least 20 years. The standards must be based upon and implement the council's metropolitan abatement objectives. The council's plan must include standards and procedures to be used by the council in determining whether a metropolitan county or class of cities within a metropolitan county has implemented the council's metropolitan land disposal abatement plan and has achieved the objectives for local abatement.

Sec. 38. Minnesota Statutes 1988, section 473.149, subdivision 2e, is amended to read:

Subd. 2e. [SOLID WASTE DISPOSAL FACILITIES DEVELOPMENT SCHEDULE.] By January 1, 1985, After requesting and considering recommendations from the counties, cities, and towns, the council as part of its policy plan shall determine the number of sites and the capacity of sites to be acquired within each the metropolitan county area for solid waste disposal facilities in accordance with section 473.833. The council shall adopt a schedule of disposal capacity to be developed in each county through the year 2000 within the metropolitan area in five-year increments for a period of at least 20 years from adoption of development schedule revisions. The schedule may not allow capacity in excess of the council's reduced estimate of the disposal capacity needed because of the council's land disposal abatement plan, except as the council deems necessary to allow reallocation of capacity as required by this subdivision. The council shall make the implementation of elements of the schedule, including the disposal capacity allocated to each county, contingent on actions of each county and class of city in that county in adopting and implementing abatement plans pursuant to section 473.803, subdivision 1b. The council shall may review the development schedule every year and shall revise the development schedule and the allocation of disposal capacity required for each county based on the progress made in that county in the implementation of the council's abatement plans and achievement of metropolitan and local abatement objectives. The council shall review and

revise, by resolution following public hearing, the development schedule and the allocation of disposal capacity required based on significant changes in the landfill capacity of the metropolitan area. The schedule may include procedures to be used by counties in selecting sites for acquisition pursuant to section 473.833. The schedule must include standards and procedures for council certification of need pursuant to section 473.823. The schedule must include a facility closure schedule and plans for postclosure management and disposition, for the use of property after acquisition and before facility development, and for the disposition of property and development rights, as defined in section 473.833, no longer needed for disposal facilities. The schedule must also include a closure schedule and plans for postclosure management for facilities in existence before the adoption of the development schedule.

Sec. 39. Minnesota Statutes 1988, section 473.803, is amended by adding a subdivision to read:

Subd. 2a. [WASTE ABATEMENT.] The council may require any county that fails to meet the waste abatement objectives contained in the council's policy plan to amend its master plan to address methods to achieve the objectives. The master plan amendment is subject to council review and approval as provided in subdivision 2 and must consider at least:

- (1) minimum recycling service levels for solid waste generators;
- (2) mandatory generator participation in recycling programs including separation of recyclable material from mixed municipal solid waste;
- (3) use of organized solid waste collection under section 115A.94;
and
- (4) waste abatement participation incentives including provision of storage bins, weekly collection of recyclable material, expansion of the types of recyclable material for collection, collection of recyclable material on the same day as collection of solid waste, and financial incentives such as basing charges to generators for waste collection services on the volume of waste generated and discounting collection charges for generators who separate recyclable material for collection separate from their solid waste.

Sec. 40. Minnesota Statutes 1988, section 473.823, subdivision 3, is amended to read:

Subd. 3. [SOLID WASTE FACILITIES; REVIEW PROCEDURES.] The agency shall request applicants for solid waste facility permits to submit all information deemed relevant by the council to its review, including without limitation information relating to the

geographic areas and population served, the need, the effect on existing facilities and services, the effectiveness of proposed buffer areas to ensure at least protection of surrounding land uses from adverse impacts due to landfill operation and related activities, the anticipated public cost and benefit, the anticipated rates and charges, the manner of financing, the effect on metropolitan plans and development programs, the supply of waste, anticipated markets for any product, and alternative means of disposal or energy production. No permit may be issued for the operation of a solid waste facility in the metropolitan area which is not in accordance with the metropolitan council's solid waste policy plan. The metropolitan council shall determine whether a permit is in accordance with the policy plan. In making its determination, the council shall consider the areawide need and benefit of the applicant facility and the effectiveness of proposed buffer areas to adequately protect surrounding land uses in accordance with its policy plan, and may consider, without limitation, the effect of the applicant facility on existing and planned solid waste facilities described in a waste control commission implementation plan or county report or master plan. If the council determines that a permit is in accordance with its policy plan, the council shall approve the permit. If the council determines that a permit is not in accordance with its policy plan, it shall disapprove the permit. The council's approval of permits may be subject to conditions necessary to satisfy criteria and standards in its policy plan, including conditions respecting the type, character, and quantities of waste to be processed at a solid waste facility used primarily for resource recovery and the geographic territory from which a resource recovery facility or transfer station serving such a facility may draw its waste. For the purpose of this review and approval by the council, the agency shall send a copy of each permit application and any supporting information furnished by the applicant to the metropolitan council within 15 days after receipt of the application and all other information requested from the applicant. Within 60 days after the application and supporting information are received by the council, unless a time extension is authorized by the agency, the council shall issue to the agency in writing its determination whether the permit is disapproved, approved, or approved with conditions. If the council does not issue its determination to the agency within the 60-day period, unless a time extension is authorized by the agency, the permit shall be deemed to be in accordance with the council's policy plan. No permit shall be issued in the metropolitan area for a solid waste facility used primarily for resource recovery or a transfer station serving such a facility, if the facility or station is owned or operated by a public agency or if the acquisition or betterment of the facility or station is secured by public funds or obligations issued by a public agency, unless the council finds and determines that adequate markets exist for the products recovered and that establishment of the facility is consistent with the criteria and standards in the metropolitan and county plans respecting the protection of existing resource recovery facilities and transfer stations serving such facilities.

Sec. 41. Minnesota Statutes 1988, section 473.831, subdivision 2, is amended to read:

Subd. 2. [USE OF PROCEEDS.] The proceeds of bonds issued under subdivision 1 shall be used by the council:

(a) to provide funds for the environmental analysis of solid waste disposal sites; and

(b) to make grants to metropolitan counties to pay for: (1) the cost of the environmental review of sites, (2) the acquisition of development rights for all or part of the period that the development limitation imposed by section 473.806 is in effect, (3) the acquisition of permanent or temporary right, title, or interests in property, including easements and development rights, for solid waste disposal sites and surrounding buffer areas required to be acquired by the county, pursuant to sections 473.833 and 473.840, by the council's policy plan and development schedule adopted pursuant to section 473.149, subdivision 2e, and (4) the acquisition and improvement of resource recovery facilities; and

(c) to reimburse a city or town that contains a solid waste disposal site identified by the council under section 473.149, subdivision 2b, for costs incurred by the city or town after publication of an environmental impact statement preparation notice for the site. Reimbursement may not exceed \$100,000 for a city or town. Costs eligible for reimbursement under this paragraph are those incurred for data collection, technical review, and analysis necessary to evaluate the draft environmental impact statement prepared by the county under section 473.833, subdivision 2a and the site selection decision made under section 473.833, subdivision 3. Legal fees are not eligible for reimbursement under this paragraph.

If the council is required by law or rule to prepare environmental analyses on one or more solid waste disposal sites and surrounding buffer areas, the council may use the proceeds of the bonds issued under subdivision 1 to contract for consultant services in the preparation of such analyses only upon a finding that equivalent expertise is not available among its own staff.

Sec. 42. Minnesota Statutes 1988, section 473.833, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENT.] Each metropolitan county shall select and acquire sites and buffer areas for solid waste disposal facilities in accordance with this section and the council's policy plan and development schedule adopted pursuant to section 473.149, subdivision 2e. Each county in which a site is selected and acquired must ensure development of the site in accordance with the landfill development schedule in the council's policy plan if the site is permittable by the agency and if its development is prudent as

determined by the council relative to other sites selected under this section.

Sec. 43. Minnesota Statutes 1988, section 473.833, subdivision 2a, is amended to read:

Subd. 2a. [ENVIRONMENTAL IMPACT STATEMENT.] Each metropolitan county shall complete an environmental impact statement on the environmental effects of the decision required by subdivision 3. The statement shall be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by section 473.149 and this section. The determination of adequacy must be made within one year following the council's adoption of the facilities development schedule pursuant to section 473.149, subdivision 2e. The statement must be consistent with the establishment of facilities in accordance with the requirements of the council's development schedule, must not address or reconsider alternatives eliminated from consideration under sections 473.149, 473.803, subdivisions 1, 1a, and 1b, and this section, and must not address matters to be determined by the council under section 473.823, subdivision 6. The statement must address matters respecting permitting under section 473.823 only to the extent deemed necessary for the siting decision required by subdivision 3. The pollution control agency and the council shall assist and advise counties in the scoping decision and the preparation notice. The site selection authority established in subdivision 3, or the council, if it makes the selection under subdivision 3, shall prepare a record of decision, including specific findings of fact, that identifies how the environmental impact statement required by this subdivision was used by the site selection authority to make its site selection decision.

Sec. 44. Minnesota Statutes 1988, section 473.843, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF FEE; APPLICATION.] The operator of a mixed municipal solid waste disposal facility in the metropolitan area shall pay a fee on solid waste accepted and disposed at the facility as follows:

(a) A facility that weighs the waste that it accepts must pay a fee of ~~50 cents~~ \$2 per cubic yard based on equivalent cubic yards of waste accepted at the entrance of the facility.

(b) A facility that does not weigh the waste but that measures the volume of the waste that it accepts must pay a fee of ~~50 cents~~ \$2 per cubic yard of waste accepted at the entrance of the facility.

(c) Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing

solid waste for reuse, or from recycling facilities at which recyclable materials are separated or processed for the purposes of recycling, is exempt from one-half of the amount of the fee imposed by this subdivision if there is at least an 85 percent volume reduction in the solid waste processed. To qualify for exemption under this clause, waste residue must be brought to a disposal facility separately. The commissioner of revenue, with the advice and assistance of the council and the agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption.

Sec. 45. Minnesota Statutes 1988, section 473.843, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF PROCEEDS.] After reimbursement to the department of revenue for costs incurred in administering this section, the proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:

(a) ~~one-half~~ three-fourths of the proceeds must be deposited in the landfill abatement fund established in section 473.844; and

(b) ~~one-half~~ one-fourth of the proceeds must be deposited in the metropolitan landfill contingency action fund established in section 473.845.

Sec. 46. Minnesota Statutes 1988, section 473.844, subdivision 1a, is amended to read:

Subd. 1a. [USE OF FUNDS.] (a) The money in the fund may be spent only for the following purposes:

(1) assistance to any person for resource recovery projects funded under subdivision 4 or projects to develop and coordinate markets for reusable or recyclable waste materials, including related public education, planning, and technical assistance;

(2) grants to counties under section 473.8441; and

(3) program administration by the metropolitan council;

(4) public education on solid waste reduction and recycling; and

(5) solid waste research.

(b) The council shall allocate 50 percent of the annual revenue received by the fund for grants to counties under section 473.8441.

Sec. 47. Minnesota Statutes 1988, section 473.8441, subdivision 5, is amended to read:

Subd. 5. [GRANT ALLOCATION PROCEDURE.] (a) The council shall distribute the funds annually so that each qualifying county receives a base amount of \$25,000 an equal share of 50 percent of the council's allocation to the program described in this section, plus a proportionate share of the remaining funds available for the program. A county's proportionate share is an amount that has the same proportion to the total remaining funds as the number of households in the county has to the total number of households in all metropolitan counties. ~~The council shall distribute the funds in two parts.~~

(b) ~~The first distribution consists of the base amount plus one-third of the county's proportionate share. To qualify for the first distribution, a county must submit an application for council approval before December 1, 1987. Not more than one-half of the first distribution may be spent for planning and consultants.~~

(c) ~~The second distribution consists of the remaining funds available for the program. To qualify for the second distribution, a county must have received funds under the first distribution and must submit for council approval by December 1, 1988, a report on expenditures and activities under the program, a local recycling implementation strategy as required by section 473.803, subdivision 1c, and a proposed performance funding system that will allocate all of the remaining funds available under the program for recycling implementation activities in accordance with performance. To qualify for distribution of funds, a county, by August 15 of each year, must submit for council approval a report on expenditures and activities under the program during the preceding fiscal year and any proposed changes in its recycling implementation strategy or performance funding system.~~

Sec. 48. Minnesota Statutes 1988, section 473.845, subdivision 2, is amended to read:

Subd. 2. [WATER SUPPLY MONITORING AND HEALTH ASSESSMENTS.] Up to ten percent of the money in the fund may be appropriated to the commissioner of health for water supply monitoring and health assessments. The commissioner shall monitor the quality of water in public water supply wells and may monitor private water supply wells in the metropolitan area that may be affected by their location in relation to a facility for mixed municipal solid waste. Testing under this subdivision must be for substances not funded under the Federal Safe Drinking Water Act. The health assessments may be conducted in areas that may be affected by contaminants from mixed municipal solid waste facilities.

Sec. 49. Minnesota Statutes 1988, section 473.848, is amended to read:

473.848 [RESTRICTION ON DISPOSAL.]

Subdivision 1. [RESTRICTION.] After January 1, 1990, no person may dispose of unprocessed mixed municipal solid waste at waste disposal facilities located in the metropolitan area may not accept mixed municipal solid waste for disposal unless:

(1) the waste has been certified as unprocessable by a county under subdivision 2; or

(2)(i) the waste has been transferred to the disposal facility from a resource recovery facility identified by the council;

(ii) no other resource recovery facility in the metropolitan area is capable of processing the waste; and

(iii) the waste has been certified as unprocessable by the operator of the resource recovery facility under subdivision 3.

For purposes of this section, mixed municipal solid waste does not include street sweepings, construction debris, mining waste, foundry sand, and other materials, if they are not capable of being processed by resource recovery as determined by the council.

Subd. 2. [COUNTY CERTIFICATION; COUNCIL APPROVAL.] Each county that has not implemented designation of all or a portion of its mixed municipal solid waste to a resource recovery facility shall submit a semiannual certification report to the council detailing the quantity of waste generated in the county that was not processed prior to transfer to a disposal facility during the six months preceding the report, the reasons the waste was not processed, a strategy for development of techniques to ensure processing of waste including a specific timeline for implementation of those techniques, and any progress made by the county in reducing the amount of unprocessed waste.

The council shall approve a county's report if it determines that the county is reducing and will continue to reduce the amount of unprocessed waste, based on the report and the county's progress in development and implementation of techniques to reduce the amount of unprocessed waste transferred to disposal facilities. If the council does not approve a county's report, it shall negotiate with the county to develop and implement specific techniques to reduce unprocessed waste. If the council does not approve three or more consecutive reports from any one county, the council shall develop specific reduction techniques that are designed for the particular needs of the county. The county shall implement those techniques by specific dates to be determined by the council.

Subd. 3. [FACILITY CERTIFICATION; COUNTY REPORTS.] The operator of each resource recovery facility that receives waste from counties in the metropolitan area shall certify as unprocessable

each load of mixed municipal solid waste it does not process. Certification must be made to each county that sends its waste to the facility at intervals specified by the county. Certification must include at least the number and size of loads certified as unprocessable, including those that would otherwise have been processed but were not processed because the facility was not in operation, and the reasons the waste is unprocessable.

Each county that sends its waste to a resource recovery facility shall submit a semiannual report to the council detailing the quantity of waste generated within the county that was not processed during the six months preceding the report, the reasons the waste was not processed, and a strategy for reducing the amount of unprocessed waste.

Subd. 4. [COUNCIL REPORT.] The council shall include, as part of its report to the legislative commission on waste management required under section 473.149, an accounting of the quantity of unprocessed mixed municipal solid waste transferred to disposal facilities, the reasons the waste was not processed, a strategy for reducing the amount of unprocessed waste, and progress made by counties to reduce the amount of unprocessed waste. The council may adopt standards for determining when waste is unprocessable and procedures for expediting certification and reporting of unprocessed waste.

Sec. 50. Laws 1984, chapter 644, section 85, as amended by Laws 1987, chapter 348, section 50, is amended to read:

Sec. 85. [EFFECTIVE DATE.]

Sections 1 to 45, 48 to 51, 56 to 72, and 78 to 84 are effective the day following final enactment. Sections 46, 47, and 73 to 77 are effective January 1, 1985, except that the fees imposed in sections 46, 47, and 73 shall be effective January 1, 1990 1991, with respect to nonhazardous solid waste from metalcasting facilities. Prior to January 1, 1990 1991, an operator of a facility that is located in the metropolitan area for the disposal of mixed municipal solid waste shall deduct from the disposal charge for nonhazardous solid waste from metalcasting facilities the fee imposed under sections 46, 47, and 73.

Section 52 is effective for taxable years after December 31, 1983. Section 55 is effective for sales after June 30, 1984. Sections 53 and 54 are effective for taxable years after December 31, 1984.

Sec. 51. [SOLID WASTE MANAGEMENT DISTRICT; STUDY.]

The agency shall conduct a study of the legislation authorizing the establishment of solid waste management districts, Minnesota

Statutes, sections 115A.62 to 115A.72, and related mechanisms, such as joint powers agreements authorized by section 471.59, to determine their effectiveness in the area of solid waste management. By December 1, 1989, the agency shall report its findings, together with any recommendation for legislation, to the legislative commission on waste management.

Sec. 52. [METROPOLITAN COUNCIL; SOLID WASTE POLICY PLAN.]

At the earliest practical date, the metropolitan council shall amend its solid waste management policy plan, required under section 473.149, to include a definition of and standards and criteria for a buffer area as that term is used in relation to the inventory of solid waste disposal sites in section 473.149, subdivision 2b, and other related state law. The standards and criteria for a buffer area must ensure, at a minimum, protection of surrounding land uses from adverse or incompatible impacts due to landfill operation and related activities.

Sec. 53. [REPEALER.]

Minnesota Statutes 1988, sections 115A.98; and 115B.29, subdivision 2, are repealed.

Sec. 54. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the words "hazardous substance" whenever they appear in Minnesota Statutes, sections 13.771 and 115B.28 to 115B.33, to "harmful substance" in Minnesota Statutes 1990 and subsequent editions to the statutes.

Sec. 55. [EFFECTIVE DATE; APPLICATION.]

Section 4 is effective January 1, 1990.

Section 15 is effective June 30, 1989, and subdivision 2 of that section applies to a waste disposal facility whose fiscal year ends on or after that date.

Sections 16 and 36 are effective the day following final enactment and apply to all response actions initiated or pending on or after that date.

Sections 17 and 18 are effective the day following final enactment and section 18, paragraph (l), applies to expenditures resulting from emergencies that occur after January 1, 1988.

Sections 43 and 52 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to waste management; defining waste reduction; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substances compensation fund; authorizing transfer of money from the petroleum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metalcasters are not liable for payment of solid waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115A.46, subdivision 2; 115A.80; 115A.81, subdivision 2; 115A.83; 115A.84; 115A.85, subdivision 2; 115A.86, subdivisions 3 and 5; 115A.893; 115A.906, by adding a subdivision; 115A.94, by adding a subdivision; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, 7, and by adding subdivisions; 115B.26; 115B.27, subdivision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4, and by adding a subdivision; 116.07, by adding a subdivision; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e; 473.803, by adding a subdivision; 473.823, subdivision 3; 473.831, subdivision 2; 473.833, subdivisions 2 and 2a; 473.843, subdivisions 1 and 2; 473.844, subdivision 1a; 473.8441, subdivision 5; 473.845, subdivision 2; and 473.848; Laws 1984, chapter 644, section 85, as amended; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1988, sections 115A.98; and 115B.29, subdivision 2."

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 618, A bill for an act relating to corrections; requiring the commissioner of corrections to make high school diploma equivalency programs available to inmates; denying "good time" sentence reductions to inmates who do not have a high school diploma and

who fail to participate in these educational programs; amending Minnesota Statutes 1988, sections 244.03; and 244.04, subdivision 1, and by adding a subdivision.

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

The report was adopted.

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

H. F. No. 630, A bill for an act relating to elections; changing or clarifying provisions governing absentee voting, mail elections, election day activities, ballots, canvassing, municipal elections, school district elections, voting systems, election contests, and financial reporting; amending Minnesota Statutes 1988, sections 204B.27, by adding a subdivision; 204B.40; 204B.46; 204C.06, subdivision 1; 204C.31, by adding a subdivision; 204C.36; 204C.361; 204D.08, subdivision 1; 204D.23, by adding a subdivision; 204D.27, subdivision 9; 205.16, by adding a subdivision; 205A.07, by adding a subdivision; 206.57, subdivision 1; 206.66; 206.90, subdivision 3; 209.021, subdivision 1; 211A.02, subdivision 1; 211A.05, subdivision 1; and 211B.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 202A; 203B; and 206.

Reported the same back with the following amendments:

Page 1, after line 18, insert:

"Section 1. Minnesota Statutes 1988, section 10A.02, subdivision 8, is amended to read:

Subd. 8. The board shall:

(a) Report at the close of each fiscal year to the legislature, the governor and the public concerning the action it has taken, the names, salaries, and duties of all individuals in its employ and the money it has disbursed. The board shall include and identify in its report any other reports it has made during the fiscal year. It may indicate apparent abuses and offer legislative recommendations;

(b) Prescribe forms for statements and reports required to be filed under sections 10A.01 to 10A.34 and make the forms available to individuals required to file them;

(c) Make available to the individuals required to file the reports and statements a manual setting forth the recommended uniform methods of bookkeeping and reporting;

(d) Develop a filing, coding and cross-indexing system consistent with the purposes of sections 10A.01 to 10A.34;

(e) Make the reports and statements filed with it available for public inspection and copying by the end of the second day following the day on which they were received. Any individual may copy a report or statement by hand or by duplicating machine and the board shall provide duplicating services at cost for this purpose. No information copied from reports and statements shall be sold or utilized by any individual or association for any commercial purpose. "Commercial purpose" does not include purposes related to elections, political activities, or law enforcement. Any individual or association violating the provisions of this clause may be subject to a civil penalty of up to \$1,000. An individual who knowingly violates this subdivision is guilty of a misdemeanor;

(f) Notwithstanding the provisions of section 138.163, preserve reports and statements for a period of five years from the date of receipt;

(g) Compile and maintain a current list and summary of all statements or parts of statements pertaining to each candidate; and

(h) Prepare and publish reports as it may deem appropriate."

Page 10, line 34, strike "that" and insert "who intentionally"

Page 11, line 18, after "more" insert ", and which have been donated to the state without cost"

Page 11, after line 21, insert:

"Sec. 24. [REPEALER.]

Minnesota Statutes 1988, section 211B.11, subdivision 2, is repealed.

Sec. 25. [EFFECTIVE DATE.]

Sections 1 to 24 are effective the day following final enactment."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 7, after "sections" insert "10A.02, subdivision 8;"

Page 1, line 17, before the period insert "; repealing Minnesota Statutes 1988, section 211B.11, subdivision 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 652, A bill for an act relating to employment; providing funding for the Bemidji Area Indian Employment Council; appropriating money.

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 695, A bill for an act relating to education; reducing the Askov school board from seven to six members; requiring local approval.

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

The report was adopted.

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

H. F. No. 764, A bill for an act relating to medical assistance for needy persons; proposing changes to the method for calculating a nursing home's property-related payment rate upon refinancing; amending Minnesota Statutes 1988, section 256B.431, subdivisions 3f and 3g.

Reported the same back with the following amendments:

Page 3, strike lines 1 to 6

Page 3, line 23, after "limit" insert "divided by their capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c), for the preceding reporting year,"

Page 4, line 24, after "limitation" insert "on historical cost of capital assets, plus issuance costs as limited"

Page 5, line 2, after "under" insert "Minnesota Rules, part 9549.0060, subpart 11, as modified by"

Page 5, after line 5, insert:

"Sec. 3. [NOTIFICATION OF NURSING HOMES.]

Within five working days after final enactment of this act, the commissioner of human services shall notify all nursing homes that are potentially eligible for a property-rate adjustment under section 2 of the provisions of this act."

Page 5, line 6, delete "3" and insert "4"

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

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

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 765, A bill for an act relating to the Western Lake Superior Sanitary District; authorizing the district to issue refunding obligations without redemption of outstanding obligations prior to maturity; amending Laws 1971, chapter 478, section 9a, subdivision 4, as added; and section 13, subdivision 4.

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

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 819, A bill for an act relating to Hennepin county; providing for the number of commissioners of the county housing and redevelopment authority; amending Minnesota Statutes 1988, section 383B.77, by adding a subdivision.

Reported the same back with the recommendation that the bill

pass and be placed on the Consent Calendar.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 832, A bill for an act relating to Ramsey county; authorizing the use of certain property for public purposes.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 862, A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1988, chapters 226; 230; 233; 234; 235; 236; and 366, as amended.

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

The report was adopted.

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

H. F. No. 907, A bill for an act relating to public safety; providing for authority to regulate pipelines; imposing penalties; amending Minnesota Statutes 1988, sections 116I.01, subdivision 3; 116I.05; 216D.01, subdivisions 9 and 10, and by adding a subdivision; 299F.56, subdivisions 5 and 6a; 299F.57; 299F.59, subdivision 1; 299F.60; 299F.61; 299F.62; 299F.63; 299F.631; 299F.641; 299J.01; 299J.03, subdivision 2; 299J.04; 299J.06, subdivision 2; 299J.08; 299J.10; 299J.11; 299J.12; and 299J.16; proposing coding for new law in Minnesota Statutes, chapter 216D; repealing Minnesota Statutes 1988, sections 299J.05 and 299J.09.

Reported the same back with the following amendments:

Page 2, delete lines 30 to 35 and insert:

"Subdivision 1. [PENALTY.] A person that is engaged in excavation for remuneration or an operator other than an operator subject to section 299F.59, subdivision 1, that violates sections 216D.01 to 216D.07 is subject to a civil penalty to be imposed by the commissioner not to exceed \$500 for each violation per day of violation."

Page 3, delete lines 18 to 30

Page 4, line 11, delete "in the state of Minnesota" and insert "court in the district"

Page 4, line 12, after "business" insert "in the state"

Page 7, line 10, strike the second "and"

Page 7, line 14, strike the period and insert "; and"

Page 7, after line 14, insert:

"(d) comply with sections 216D.01 to 216D.07, the one call excavation notice system."

Page 20, line 5, strike "at times"

Page 20, line 6, before "specified" insert "as"

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

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 931, A bill for an act relating to motor vehicles; requiring owner to retain certificate of title, rather than secured party; requiring buyer to deliver certificate of title to department of public safety; allowing commissioner of public safety to suspend or revoke certificate of title if owner does not surrender it and vehicle is involuntarily transferred; amending Minnesota Statutes 1988, sections 168A.02, subdivision 1; 168A.04, subdivision 2; 168A.05, subdivision 5; 168A.06; 168A.09; 168A.10; 168A.11, subdivision 1; 168A.12, subdivision 2; 168A.14; 168A.18; 168A.20, subdivision 1, and by adding subdivisions; 168A.23, subdivision 1; repealing Minnesota Statutes 1988, sections 168A.26; 168A.27; and 168A.28.

Reported the same back with the following amendments:

Page 8, line 4, delete "AUGUST 1, 1989" and insert "JULY 1,

1990"

Page 8, line 5, delete "August 1, 1989" and insert "July 1, 1990"

Page 8, after line 32, insert:

"Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective July 1, 1990, except that the registrar of motor vehicles may take action to revise certificate of title, assignment and warranty of title, and application for title forms and other title documents prior to July 1, 1990."

With the recommendation that when so amended the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 942, A bill for an act relating to metropolitan government; extending the responsibility of the mosquito control district to disease vectoring ticks; amending Minnesota Statutes 1988, sections 473.702; 473.704; and 473.711, subdivision 2.

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1066, A bill for an act relating to sentencing; requiring certain county advisory boards and the commissioner of corrections to gather data on the capacity and usage of local correctional resources and alternative sentencing programs; requiring the sentencing guidelines commission to assist in the performance of these tasks; requiring the commission to develop nonimprisonment guideline options for legislative consideration; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 244.

Reported the same back with the following amendments:

Page 1, line 28, delete everything after the headnote and insert "The corrections administrator for each county or group of counties participating in chapter 401"

Page 2, delete line 1

Page 2, line 2, delete "subdivision 1"

Page 2, line 4, delete "represented by the board" and insert "served by the administrator"

Page 2, line 6, delete "are not subject to" and insert "do not participate in"

Page 2, line 8, delete "advisory boards" and insert "corrections administrators"

Page 2, line 10, delete "advisory boards" and insert "corrections administrators"

Page 3, line 16, delete "advisory boards" and insert "administrators"

Amend the title as follows:

Page 1, line 3, delete "advisory boards" and insert "corrections administrators"

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

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1104, A bill for an act relating to Ramsey county; increasing the size of the personnel board; permitting the personnel director to issue certain subpoenas; amending Minnesota Statutes 1988, sections 383A.287, subdivision 2; and 383A.294, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 4, before the period insert "in a board hearing" and after the period insert "The director shall issue a subpoena when requested by either party in a board hearing."

With the recommendation that when so amended the bill pass.

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1115, A bill for an act relating to Dakota county; permitting the county to pay costs of a morgue; proposing coding for new law in Minnesota Statutes, chapter 383D.

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

The report was adopted.

Olson, K., from the Committee on Education to which was referred:

S. F. No. 149, A bill for an act relating to education; authorizing the Minneapolis school district to pay health insurance premium subsidies more often than annually; amending Minnesota Statutes 1988, section 275.125, subdivision 6h.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 13, 46, 128, 243, 266, 278, 306, 484, 630, 695, 764, 765, 819, 862, 931, 942, 1104 and 1115 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 149 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Jefferson, Clark, Trimble, O'Connor and Osthoff introduced:

H. F. No. 1199, A bill for an act relating to the cities of Minneapolis and Saint Paul; authorizing housing and rehabilitation loan and grant programs; providing for the issuance of bonds; amending Laws 1974, chapter 285.

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

Pugh and Blatz introduced:

H. F. No. 1200, A bill for an act relating to health-care information; providing conditions for the disclosure of health-care information; enacting the Uniform Health-Care Information Act; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 143.

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

Trimble, Vellenga and Vanasek introduced:

H. F. No. 1201, A bill for an act relating to the environment; regulating genetic engineering; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116C.

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

McDonald, McEachern, McPherson, McGuire and McLaughlin introduced:

H. F. No. 1202, A bill for an act relating to humanity's greatest boast, the Irish people and their patron, St. Patrick; making St. Patrick's Day a holiday; amending Minnesota Statutes 1988, section 645.44, subdivision 5.

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

Pugh, Orenstein, Seaberg and Kelly introduced:

H. F. No. 1203, A bill for an act relating to nonprofit corporations; providing for the organization, operation, and dissolution of nonprofit corporations; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 8.31, subdivision 1; 79A.09, subdivision 1; 257.03; 309.67; 319A.20; 354A.021, subdivision 2; and 469.144, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 317A; repealing Minnesota Statutes 1988, sections 317.01 to 317.69.

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

Scheid, Osthoff, Pugh and Murphy introduced:

H. F. No. 1204, A bill for an act relating to labor; regulating apprentice programs; amending Minnesota Statutes 1988, section 178.03, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Tunheim; Olson, E., and Boo introduced:

H. F. No. 1205, A bill for an act relating to education; establishing a state system of post-secondary vocational technical education; amending Minnesota Statutes 1988, sections 43A.08, subdivision 1; 136C.02, subdivision 5; 136C.04, subdivisions 2, 3, 5, 12, 13, 14, and by adding a subdivision; 136C.08, subdivision 1; 136C.15; 136C.26, subdivision 5; 136C.31, subdivision 1; 136C.41, by adding a subdivision; 136C.42, subdivisions 3 and 4; 136C.44; 179A.10, subdivisions 1 and 2; and 275.125, subdivision 14a; proposing coding for new law in Minnesota Statutes, chapter 136C; repealing Minnesota Statutes 1988, sections 136C.02, subdivisions 6, 7, 8, and 9; 136C.04, subdivision 16; 136C.041; 136C.05; 136C.07, subdivisions 1, 2, 3, 4, 5, 5a, and 6; 136C.25; 136C.29; 136C.36; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; and 136C.69.

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

Reding; Simoneau; Knickerbocker; Johnson, R., and O'Connor introduced:

H. F. No. 1206, A bill for an act relating to retirement; public employees retirement association; adding employees of the association of metropolitan municipalities and the Minnesota association of townships as members; amending Minnesota Statutes 1988, section 353.01, subdivision 2a.

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

Morrison, Battaglia, Tompkins, Seaberg and Ozment introduced:

H. F. No. 1207, A bill for an act relating to counties; providing conditions for the disposition of county property; amending Minnesota Statutes 1988, section 373.01, subdivision 1.

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

on Local Government and Metropolitan Affairs.

Orenstein introduced:

H. F. No. 1208, A bill for an act relating to courts; removing the disqualification for jury service for attorneys; amending Minnesota Statutes 1988, section 593.41, subdivision 2.

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

Olson, K.; Steensma; Olson, E.; McEachern and Hugoson introduced:

H. F. No. 1209, A bill for an act relating to education; modifying the fund balance reduction; amending Minnesota Statutes 1988, section 124A.26, subdivision 1, and by adding a subdivision.

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

Munger; Anderson, G.; Jaros; Battaglia and Boo introduced:

H. F. No. 1210, A bill for an act relating to the environment; authorizing participation in the Great Lakes Protection Fund; appropriating money.

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

Begich and Rukavina introduced:

H. F. No. 1211, A bill for an act relating to recreational vehicles; providing for temporary permits to operate snowmobiles or all-terrain vehicles; amending Minnesota Statutes 1988, sections 84.82, subdivision 1a, and by adding a subdivision; and 84.922, subdivision 1, and by adding a subdivision.

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

Olson, E., introduced:

H. F. No. 1212, A bill for an act relating to natural resources; authorizing a grant to the Red Lake watershed district, Clearwater

county, to construct an improved and enlarged lake on Walker Brook; authorizing the sale of state bonds; appropriating money.

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

Kelly and Vellenga introduced:

H. F. No. 1213, A bill for an act relating to public safety; alcohol assessment and treatment; allowing courts as a sentencing option to order criminal defendants into treatment upon certification to the local agency and the commissioner of human services; amending Minnesota Statutes 1988, section 169.126, by adding a subdivision; 254B.03, subdivision 1; 609.10; and 609.115, subdivision 1.

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

Greenfield, Orenstein, Ogren, Gruenes and Segal introduced:

H. F. No. 1214, A bill for an act relating to human services; authorizing the establishment of congregate housing service programs under the administration of the Minnesota board on aging, for elderly and handicapped persons living in subsidized housing developments; establishing a congregate services advisory committee; authorizing a congregate housing resource center; establishing a grant program for congregate housing services; authorizing demonstration projects; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

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

Skoglund introduced:

H. F. No. 1215, A bill for an act relating to taxation; income; providing an additional deduction for certain stock dividends of affiliated companies; amending Minnesota Statutes 1988, section 290.21, subdivision 4.

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

Marsh introduced:

H. F. No. 1216, A bill for an act relating to state lands; conveying title to state land in St. Cloud.

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

Marsh introduced:

H. F. No. 1217, A bill for an act relating to state lands; authorizing exchange of state property with city of St. Cloud.

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

Reding introduced:

H. F. No. 1218, A bill for an act relating to retirement; public pension plans; establishing, codifying, clarifying, and revising the obligations, responsibilities, and liabilities of public pension plan fiduciaries; amending Minnesota Statutes 1988, sections 11A.01; 11A.04; 11A.07, subdivision 4; 11A.08, subdivision 6; 11A.09; 11A.13, subdivision 1; 69.30; 69.77, subdivision 2g; 69.775; 136.80, subdivision 1; 136.84; 352.03, subdivisions 1, 4, 6, 7, and 11; 352.05; 352.92, by adding a subdivision; 352.96, subdivision 3; 352B.03, subdivision 1; 352B.07; 352C.091, subdivision 1; 352D.09, subdivision 1; 353.03, subdivisions 1 and 3a; 353.05; 353.06; 353.08; 353.68, subdivision 1; 354.06, subdivisions 1, 2a, and 3; 354.07, subdivisions 3 and 4; 354A.021, subdivision 6; 354A.08; 422A.05, subdivisions 2a, 2c, and 2d; 423.374; 423.45; 423.805; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.04, subdivision 2; 490.122; and 490.123, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 3A and 490; proposing coding for new law as Minnesota Statutes, chapter 356A; repealing Minnesota Statutes 1988, sections 356.71 and 423.812.

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

Miller, by request, introduced:

H. F. No. 1219, A bill for an act relating to the city of Redwood Falls; exempting certain levies from a penalty.

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

Krueger, Williams, Sparby and Otis introduced:

H. F. No. 1220, A bill for an act relating to economic development;

providing for funding to the Minnesota marketplace program; appropriating money.

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

Olson, K.; McEachern; Pelowski; Ostrom and Ozment introduced:

H. F. No. 1221, A bill for an act relating to education; allowing school districts to be considered providers under the state medical assistance plan; proposing coding for new law in Minnesota Statutes, chapter 124.

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

Janezich, Murphy, Rukavina, Battaglia and Jaros introduced:

H. F. No. 1222, A bill for an act relating to St. Louis county; regulating budget procedures; providing for certain recorder's fees; proposing coding for new law in Minnesota Statutes, chapter 383C; repealing Minnesota Statutes 1988, sections 383C.01, 383C.011, 383C.012, 383C.013, 383C.014, 383C.015, 383C.016, 383C.017, 383C.018, and 383C.019.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Janezich, Murphy, Rukavina, Battaglia and Jaros introduced:

H. F. No. 1223, A bill for an act relating to St. Louis county; allowing the county to assess the cost of maintenance of television relay service.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Bauerly, McEachern, Ozment and Nelson, K., introduced:

H. F. No. 1224, A bill for an act relating to education; modifying transportation formula provisions; amending Minnesota Statutes 1988, sections 124.225; and 275.125, subdivisions 5, 5b, and 5c.

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

Peterson, Skoglund, Quinn and Blatz introduced:

H. F. No. 1225, A bill for an act relating to insurance; regulating cancellations of insurance agency contracts; amending Minnesota Statutes 1988, section 60A.172.

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

Rest introduced:

H. F. No. 1226, A bill for an act relating to appropriations; providing funds for Twin Cities Regional Cable.

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

McEachern, Gruenes, Stanius, Bauerly and Frerichs introduced:

H. F. No. 1227, A bill for an act relating to local government aid; including certain towns with cities for purposes of the distribution formula; amending Minnesota Statutes 1988, section 477A.011, subdivision 1a.

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

Dawkins and Rukavina introduced:

H. F. No. 1228, A bill for an act relating to housing; creating a housing initiative grant program; appropriating money; amending Minnesota Statutes 1988, sections 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision.

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

Reding introduced:

H. F. No. 1229, A bill for an act relating to the organization and operation of state government; department of employee relations; establishing a public pension plan bureau within the department; requiring continuing monitoring and oversight of public pension plans by the bureau; amending Minnesota Statutes 1988, sections 43A.01, subdivision 1; 43A.02, subdivision 1, and by adding subdivisions; 43A.03, subdivisions 2, 3, and 4; 43A.04, subdivisions 1, 3, and 7; 43A.17, subdivision 9; proposing coding for new law in

Minnesota Statutes, chapter 43A; repealing Laws 1987, chapter 186, section 11.

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

Bauerly; Bertram; Nelson, C.; Wenzel and Winter introduced:

H. F. No. 1230, A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating, enforcing violation, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 12 and 26, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 4, and 5; 18B.08, subdivisions 1 and 4; 18B.17, subdivision 2; 18B.18; 18B.20, subdivisions 1, 2, and 3; 18B.21; 18B.25, subdivision 5; 18B.26, subdivisions 1, 3, and 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 3 and 7; 18B.34, subdivisions 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, and 3; 115B.20; 116C.41, subdivision 1; 116E.02; 116E.03; 144.381; 144.382, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 17; 18B; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.05; 18B.15; 18B.16; 18B.19; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11.

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

Schafer; Schreiber; Olsen, S.; Runbeck and Frederick introduced:

H. F. No. 1231, A bill for an act relating to education; increasing the formula allowance; providing an incentive for class size reductions and program improvements; encouraging an emphasis on the teaching of English, math, social studies, and science; providing additional funds for districts offering a comprehensive curriculum; requiring statewide assessment for grades six and ten; lengthening

time-on-task; restoring a categorical aid for gifted and talented programs; adjusting the minimum allowance for school districts; appropriating money; amending Minnesota Statutes 1988, sections 120.101, subdivisions 5, 6, and by adding a subdivision; 124.17, subdivision 1; 124.19, subdivision 1, and by adding a subdivision; 124A.22, subdivisions 2 and 9; proposing code for new law in Minnesota Statutes, chapters 124 and 124A.

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

Kelly, Wynia and Pappas introduced:

H. F. No. 1232, A bill for an act relating to taxation; exempting public parking facilities; amending Minnesota Statutes 1988, sections 272.01, subdivision 2; 459.14, by adding a subdivision; 469.012, by adding a subdivision; and 469.040, subdivision 2.

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

Simoneau introduced:

H. F. No. 1233, A bill for an act relating to retirement; various statewide or major public pension plans; mandating the establishment of bounce-back optional joint and survivor annuity forms; amending Minnesota Statutes 1988, sections 136.82, subdivision 2; 352.116, subdivision 3; 352B.08, subdivision 3; 353.30, subdivision 3; 354.45, subdivision 1; 354A.32; 422A.17; and 490.124, subdivision 11.

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

O'Connor, Beard, Sarna, McEachern and Bennett introduced:

H. F. No. 1234, A bill for an act relating to consumer protection; regulating certain rental-purchase agreements; prescribing the rights and duties of all parties; requiring disclosures; regulating advertising; providing remedies; amending Minnesota Statutes 1988, sections 325G.06, subdivision 2; 325G.12, subdivision 2; and 325G.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Reding and Haukoos introduced:

H. F. No. 1235, A bill for an act relating to traffic regulations; exempting certain combinations hauling milk from seasonal load restrictions; amending Minnesota Statutes 1988, section 169.87, by adding a subdivision.

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

Murphy; Williams; Anderson, R.; Greenfield and Rodosovich introduced:

H. F. No. 1236, A bill for an act relating to health; establishing a grant for a prenatal care media campaign; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Otis; Brown; Munger; Anderson, G., and Rice introduced:

H. F. No. 1237, A bill for an act relating to capital improvements; appropriating money for the port of Duluth; authorizing sale of state bonds.

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

Steensma, Bertram and Kostohryz introduced:

H. F. No. 1238, A bill for an act relating to natural resources; allowing members of the Minnesota national guard to camp at state campgrounds for half the regular price; allowing members of the Minnesota national guard to purchase a fishing license for half the regular price; amending Minnesota Statutes 1988, sections 85.052, subdivision 3; 89.21; and 97A.465, by adding a subdivision.

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

Rukavina, Begich, Solberg, Battaglia and Janezich introduced:

H. F. No. 1239, A bill for an act relating to taxation; property tax; limiting property tax paid by certain retired persons on certain seasonal, recreational, nonhomestead property; providing for state

reimbursement for lost local tax revenue; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 273.

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

Krueger and Reding introduced:

H. F. No. 1240, A bill for an act relating to economic development; providing for funding of a grant to a nonprofit technology transfer, applied research, and economic development organization; appropriating money.

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

Skoglund, Greenfield, Ogren, Vellenga and Anderson, R., introduced:

H. F. No. 1241, A bill for an act relating to public health; changing the structure and authorities of the Minnesota Institute for Addiction and Stress Research; amending Minnesota Statutes 1988, sections 152A.01, subdivisions 1, 2, 3, 6, and by adding subdivisions; 152A.02; 152A.03; and 152A.04; repealing Laws 1988, chapter 689, article 2, section 269, subdivision 5.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Krueger, Vanasek and Kahn introduced:

H. F. No. 1242, A bill for an act relating to state government; creating a legislative budget office; providing for its duties; providing for a director of the legislative budget office and the manner of the director's appointment and service; eliminating the department of finance and transferring its powers and duties to the department of revenue; amending Minnesota Statutes 1988, sections 3.30, subdivision 1; 3.303, subdivision 2; 3.98, subdivisions 1 and 4; 3.982; 15.06, subdivision 1; 270.66, subdivision 1; 282.09, subdivision 1; and 293.06; proposing coding for new law in Minnesota Statutes, chapter 270A; proposing coding for new law as Minnesota Statutes, chapters 3D and 272A; repealing Minnesota Statutes 1988, sections 3.30, subdivision 2; 16A.01; 16A.1281; and 16A.45.

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

Winter and Simoneau introduced:

H. F. No. 1243, A bill for an act relating to state government; requiring agencies to notify members of the legislature of rulemaking proceedings; specifying the contents of the notice; amending Minnesota Statutes, sections 14.14, subdivision 1; 14.16, subdivision 1; 14.22; 14.26; 14.30; 14.32, subdivision 1; and 14.365.

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

Jefferson, Clark, Greenfield, Trimble and O'Connor introduced:

H. F. No. 1244, A bill for an act relating to human services; endorsing the store-to-door grocery delivery program for elderly and disabled citizens; appropriating money for a grant to expand the program.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Winter, Welle and Steensma introduced:

H. F. No. 1245, A bill for an act relating to workers' compensation; providing a comprehensive reform; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 62I.02, subdivision 1; 62I.07; 62I.21; 79.01, subdivision 1; 79.074, by adding subdivisions; 79.50; 79.59; 176.011, subdivisions 11a, 18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 4, 5, and by adding subdivisions; 176.102, subdivisions 2, 4, 6, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 9a, 12, 14, 15, 20, and 21; 176.131, subdivisions 1, 1a, 2, 3, 5, 8, and by adding a subdivision; 176.135, subdivision 3; 176.136, subdivisions 1, 5, and by adding subdivisions; 176.155, subdivision 1; 176.179; 176.221, subdivision 6a; 176.238, by adding a subdivision; 176.261; 176.421, subdivision 6; 176.645, subdivision 2; 176.66, subdivision 11; 176.83, by adding a subdivision; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62I; 79; and 176; repealing Minnesota Statutes 1988, sections 79.51; 79.52, subdivisions 2 and 12; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.60; 79.61; 79.62; 176.011, subdivision 26; 176.101, subdivisions 3a to 3u; and 176.111, subdivisions 8 and 8a.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Greenfield; Ogren; Segal; Anderson, R., and McLaughlin introduced:

H. F. No. 1246, A bill for an act relating to children; creating a statewide grant program to provide neighborhood-based support to enhance the health, development, and school readiness of preschool children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Wynia, Winter, Schreiber, Sparby and Anderson, G., introduced:

H. F. No. 1247, A bill for an act relating to agriculture; renaming the commissioner and department of agriculture as the commissioner and department of agriculture and food; clarifying the commissioner's authority and responsibilities; providing for demonstration projects to allow women, infants, and children program recipients to redeem coupons for Minnesota grown food; appropriating money; amending Minnesota Statutes 1988, sections 17.01 and 17.013; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Kelso; Segal; Olsen, S.; Pugh and McGuire introduced:

H. F. No. 1248, A bill for an act relating to education; providing for cost of living differential revenue; appropriating money; amending Minnesota Statutes 1988, section 124A.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 124A.

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

Greenfield; Johnson, R.; Ogren and Clark introduced:

H. F. No. 1249, A bill for an act relating to crimes; prohibiting abuse or culpable neglect of patients receiving treatment from licensed health care facilities or programs; providing penalties; amending Minnesota Statutes 1988, sections 609.231; and 626.557, subdivision 19.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Rukavina; Simoneau; Knickerbocker; Johnson, R., and O'Connor introduced:

H. F. No. 1250, A bill for an act relating to retirement; providing partial postretirement adjustments for certain retired public employees; amending Minnesota Statutes 1988, section 11A.18, subdivisions 9 and 10.

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

Pauly, Kelso, Schreiber, Vellenga and Valento introduced:

H. F. No. 1251, A bill for an act relating to transit; eliminating certain preconditions to regional transit board contracts with recipients of transit assistance; repealing Minnesota Statutes 1988, section 473.384, subdivision 7.

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

Greenfield, Jefferson, Rodosovich, Ogren and Anderson, R., introduced:

H. F. No. 1252, A bill for an act relating to human services; allowing rate review for nursing homes in involuntary receivership; eliminating the exemption of certain allowable employee pension contributions from care-related cost limits and other operating cost limits; clarifying historical cost of capital assets and issuance costs; providing payment rate adjustments for nursing homes; allowing a one-time adjustment to comply with OBRA; amending Minnesota Statutes 1988, sections 144.50, by adding a subdivision; 144.562, subdivisions 2 and 3; 144.651, subdivision 2; 144A.01, by adding subdivisions; 144A.04, subdivision 7, and by adding a subdivision; 144A.073, subdivision 1; 144A.10, by adding subdivisions; 144A.12, subdivision 1; 144A.15, subdivision 1, and by adding subdivisions; 144A.611; 256B.091, subdivision 3; 256B.25, by adding a subdivision; 256B.431, subdivisions 2c, 2e, 2i, 3a, 3f, 3g, 4, and by adding subdivisions; 256B.47, subdivision 3; and 256B.48, subdivision 6; Laws 1988, chapter 689, article 2, section 269, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 144; 144A; and 256B; repealing Minnesota Statutes 1988, section 144A.10, subdivision 4a.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Pauly, Jennings, Valento, Schreiber and Morrison introduced:

H. F. No. 1253, A bill for an act relating to taxation; property; repealing local government levy limitations; amending Minnesota Statutes 1988, sections 6.62, subdivision 1; 18.023, subdivision 8; 38.27, subdivision 3; 110B.15, subdivision 4; 115.34, subdivision 1; 129A.06, subdivision 2; 134.34, subdivision 5; 145A.08, subdivision 3; 164.041; 273.123, subdivision 7; 275.14; 275.15; 275.16; 275.57; 298.28, subdivision 12; 298.282, subdivisions 2 and 3; 298.39; 298.396; 353A.10, subdivision 3; 360.037, subdivision 2; 375.167, subdivision 1; 412.251; 414.01, subdivision 15; 423.376, subdivision 3; 426.04; 444.075, subdivision 4; 447.34, subdivision 1; 447.35; 465.73; 469.107, subdivision 1; 471.1921; 471.572, subdivision 2; 471.74, subdivision 2; 471A.03, subdivision 4; 473.87; 473.882, subdivision 3; 473F.08, subdivision 3a; 475.74; and 475.754; repealing Minnesota Statutes 1988, sections 134.34, subdivision 6; 275.11; 275.50; 275.51; 275.54; 275.55; 275.56; 275.561; 275.58; and 471A.04.

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

Pugh and Blatz introduced:

H. F. No. 1254, A bill for an act relating to collection and dissemination of data; enacting the uniform criminal history records act; prescribing penalties; amending Minnesota Statutes 1988, section 13.82, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 13B; repealing Minnesota Statutes 1988, section 13.87.

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

Girard, Marsh, Henry and Macklin introduced:

H. F. No. 1255, A bill for an act relating to appropriations; appropriating money to the crime victims reparation board.

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

Waltman, Olson, E.; Jennings, Richter and Olson, K., introduced:

H. F. No. 1256, A bill for an act relating to the English language; making it the official language of the state; proposing coding for new law in Minnesota Statutes, chapter 1.

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

Pappas, Trimble and Rukavina introduced:

H. F. No. 1257, A bill for an act relating to education; establishing assessment requirements for Braille instruction; amending Minnesota Statutes 1988, section 126.071, subdivision 2, and by adding a subdivision.

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

Pappas, Clark, Sviggum, Dauner and Macklin introduced:

H. F. No. 1258, A bill for an act relating to health; defining the practice of traditional midwifery; providing for parental rights and informed consent disclosure statement; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1988, sections 148.30; 148.31; and 148.32.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Janezich, Winter, Steensma, Kinkel and Weaver introduced:

H. F. No. 1259, A bill for an act relating to independent school district No. 701; authorizing a permanent transfer from the pupil transportation fund reserved for bus purchases.

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

Onnen, Jennings, Olsen, S.; Valento and McDonald introduced:

H. F. No. 1260, A bill for an act proposing an amendment to the Minnesota Constitution, providing for a unicameral legislature, changing article IV, sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, and 26; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing by statute for a unicameral legislature to consist of 135 members; amending Minnesota Statutes 1988, sections 2.021; and 2.031, subdivision 1.

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

Jefferson, Kelso, Ogren, Greenfield and Stanius introduced:

H. F. No. 1261, A bill for an act relating to human services; requiring joint, uniform rules for services for persons with a disability; funding work activity and community-based employment services at a level equal to day training and habilitation services; appropriating money; amending Minnesota Statutes 1988, sections 129A.03; 129A.08, subdivision 5; and 252.43; proposing coding for new law in Minnesota Statutes, chapter 252.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Valento introduced:

H. F. No. 1262, A bill for an act relating to retirement; excluding Roseville firefighters from membership in the public employees police and fire fund.

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

Stanis introduced:

H. F. No. 1263, A bill for an act relating to taxation; allowing a special levy to city of White Bear Lake for certain reserve funds; amending Minnesota Statutes 1988, sections 275.50, subdivision 5, and by adding a subdivision; and 471.572, subdivision 2.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Stanis introduced:

H. F. No. 1264, A bill for an act relating to crime; removing the crime of theft from the definition of "crime of violence" in the gun control law; amending Minnesota Statutes 1988, section 624.712, subdivision 5.

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

Frerichs introduced:

H. F. No. 1265, A bill for an act relating to education; approving a capital loan to independent school district No. 533.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 267, A bill for an act relating to the military; reducing from two years to one year the number of years the adjutant general of the Minnesota national guard is required to serve as a brigadier general before promotion to major general; amending Minnesota Statutes 1988, section 190.07.

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. 29, A bill for an act relating to examiners of title; increasing number of deputy examiners of title in second and fourth judicial districts; amending Minnesota Statutes 1988, section 508.12, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rest moved that the House refuse to concur in the Senate amendments to H. F. No. 29, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 294, 400 and 644.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 294, A bill for an act relating to animals; providing civil and criminal penalties for the unauthorized release of research animals; amending Minnesota Statutes 1988, section 346.56, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, section 346.56, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 400, A bill for an act relating to horse racing; regulating the medication of horses; amending Minnesota Statutes 1988, section 240.24, subdivision 2.

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

S. F. No. 644, A bill for an act relating to medical assistance for needy persons; proposing changes to the method for calculating a nursing home's property-related payment rate upon refinancing; amending Minnesota Statutes 1988, section 256B.431, subdivisions 3f and 3g.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Kahn moved that the rule therein be suspended and an urgency be declared so that S. F. No. 644 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Kahn moved that the Rules of the House be so far suspended that S. F. No. 644 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 644 was read for the second time.

S. F. No. 644, A bill for an act relating to medical assistance for needy persons; proposing changes to the method for calculating a nursing home's property-related payment rate upon refinancing; amending Minnesota Statutes 1988, section 256B.431, subdivisions 3f and 3g.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krueger	Orenstein	Seaberg
Anderson, G.	Greenfield	Lasley	Osthoft	Segal
Anderson, R.	Gruenes	Lieder	Ostrom	Simoneau
Battaglia	Gutknecht	Limmer	Otis	Skoglund
Bauerly	Hartle	Long	Ozment	Solberg
Begich	Hasskamp	Lynch	Pappas	Sparby
Bennett	Haukoos	Macklin	Pauly	Stanius
Bertram	Heap	Marsh	Pellow	Steenasma
Blatz	Henry	McDonald	Pelowski	Sviggum
Boo	Himle	McEachern	Peterson	Swenson
Brown	Hugoson	McGuire	Poppenhagen	Tjornhom
Burger	Jacobs	McLaughlin	Price	Tompkins
Carlson, D.	Janezich	McPherson	Pugh	Trimble
Carlson, L.	Jaros	Milbert	Quinn	Tunheim
Carruthers	Jefferson	Miller	Redalen	Uphus
Clark	Jennings	Munger	Reding	Valento
Conway	Johnson, A.	Nelson, C.	Rest	Vellenga
Cooper	Johnson, R.	Nelson, K.	Rice	Wagenius
Dauner	Johnson, V.	Neuenschwander	Richter	Waltman
Dawkins	Kahn	O'Connor	Rodosovich	Weaver
Dempsey	Kalis	Ogren	Rukavina	Welle
Dille	Kelly	Olsen, S.	Runbeck	Wenzel
Dorn	Kelso	Olson, E.	Sarna	Williams
Forsythe	Kinkel	Olson, K.	Schafer	Winter
Frederick	Knickerbocker	Omann	Scheid	Wynia
Frerichs	Kostohryz	Onnen	Schreiber	Spk. Vanasek

The bill was passed and its title agreed to.

CONSENT CALENDAR

H. F. No. 897, A bill for an act relating to local government; clarifying certain procedures for adoption of town optional plans of government; amending Minnesota Statutes 1988, sections 367.31, subdivisions 1, 2, 3, and 5; and 367.33, subdivisions 1 and 5.

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

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

Those who voted in the affirmative were:

Abrams	Bauerly	Blatz	Carlson, D.	Cooper
Anderson, G.	Begich	Boo	Carlson, L.	Dauner
Anderson, R.	Bennett	Brown	Clark	Dawkins
Battaglia	Bertram	Burger	Conway	Dempsey

Dille,	Johnson, R.	Milbert	Peterson	Stanius
Dorn	Johnson, V.	Miller	Poppenhagen	Steenasma
Forsythe	Kahn	Munger	Price	Sviggun
Frederick	Kalis	Nelson, C.	Pugh	Swenson
Frerichs	Kelly	Nelson, K.	Redalen	Tjornhom
Girard	Kelso	Neuenschwander	Reding	Tompkins
Greenfield	Kinkel	O'Connor	Rest	Tunheim
Gruenes	Knickerbocker	Ogren	Rice	Uphus
Gutknecht	Kostohryz	Olsen, S.	Richter	Valento
Hartle	Krueger	Olson, E.	Rodosovich	Vellenga
Hasskamp	Lasley	Olson, K.	Rukavina	Wagenius
Haukoos	Lieder	Omann	Runbeck	Waltman
Heap	Limmer	Onnen	Sarna	Weaver
Henry	Long	Orenstein	Schafer	Welle
Himle	Lynch	Osthoff	Scheid	Wenzel
Hugoson	Macklin	Ostrom	Schreiber	Williams
Jacobs	Marsh	Otis	Seaberg	Winter
Janezich	McDonald	Ozment	Segal	Wynia
Jaros	McEachern	Pappas	Simoneau	Spk. Vanasek
Jefferson	McGuire	Pauly	Skoglund	
Jennings	McLaughlin	Pellow	Solberg	
Johnson, A.	McPherson	Pelowski	Sparby	

The bill was passed and its title agreed to.

CALENDAR

S. F. No. 121 was reported to the House and given its third reading.

UNANIMOUS CONSENT

Gruenes and Dauner requested unanimous consent to offer an amendment. The request was granted.

Gruenes and Dauner moved to amend S. F. No. 121, as follows:

Page 1, line 13, delete "all" and insert "any"

Page 1, line 14, after the period insert "A charge may be certified to the auditor only if, on or before September 15, the town has given written notice to the property owner of its intention to certify the charge to the auditor."

The motion prevailed and the amendment was adopted.

S. F. No. 121, A bill for an act relating to towns; authorizing town boards to provide for the collection of unpaid service charges; proposing coding for new law in Minnesota Statutes, chapter 366.

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

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

Those who voted in the affirmative were:

Abrams	Girard	Krueger	Osthoff	Segal
Anderson, G.	Greenfield	Lasley	Ostrom	Simoneau
Anderson, R.	Gruenes	Lieder	Otis	Skoglund
Battaglia	Gutknecht	Limmer	Ozment	Solberg
Bauerly	Hartle	Long	Pappas	Sparby
Begich	Hasskamp	Lynch	Pauly	Stanius
Bennett	Haukoos	Macklin	Pellow	Steensma
Bertram	Heap	Marsh	Pelowski	Sviggum
Blatz	Henry	McDonald	Peterson	Swenson
Boo	Himle	McEachern	Poppenhagen	Tjornhom
Brown	Hugoson	McGuire	Price	Tompkins
Burger	Jacobs	McLaughlin	Pugh	Trimble
Carlson, D.	Janezich	McPherson	Quinn	Tunheim
Carlson, L.	Jaros	Milbert	Redalen	Uphus
Carruthers	Jefferson	Miller	Reding	Valento
Clark	Jennings	Munger	Rest	Vellenga
Conway	Johnson, A.	Nelson, C.	Rice	Wagemus
Cooper	Johnson, R.	Nelson, K.	Richter	Waltman
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Weaver
Dawkins	Kahn	Ogren	Rukavina	Welle
Dempsey	Kalis	Olsen, S.	Runbeck	Wenzel
Dille	Kelly	Olson, E.	Sarna	Williams
Dorn	Kelso	Olson, K.	Schafer	Winter
Forsythe	Kinkel	Omann	Scheid	Wynia
Frederick	Knickerbocker	Onnen	Schreiber	Spk. Vanasek
Frerichs	Kostohryz	Orenstein	Seaberg	

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

H. F. No. 76, A bill for an act relating to juveniles; prohibiting the detention of juveniles in jails or lockups for longer than 24 hours before a detention hearing is held; prohibiting the detention of juveniles in jails or lockups after August 1, 1991, for longer than 24 hours unless a reference motion has been filed; amending Minnesota Statutes 1988, sections 260.171, subdivisions 2 and 4; and 260.172, subdivisions 1 and 2.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Conway	Frederick	Haukoos
Anderson, G.	Boo	Cooper	Frerichs	Heap
Anderson, R.	Brown	Dauner	Girard	Henry
Battaglia	Burger	Dawkins	Greenfield	Himle
Bauerly	Carlson, D.	Dempsey	Gruenes	Hugoson
Begich	Carlson, L.	Dille	Gutknecht	Jacobs
Bennett	Carruthers	Dorn	Hartle	Janezich
Bertram	Clark	Forsythe	Hasskamp	Jaros

Jefferson	Macklin	Onnen	Rice	Swenson
Jennings	Marsh	Orenstein	Richter	Tjornhom
Johnson, A.	McDonald	Osthoff	Rodosovich	Tompkins
Johnson, R.	McEachern	Ostrom	Rukavina	Tunheim
Johnson, V.	McGuire	Otis	Runbeck	Uphus
Kahn	McLaughlin	Ozment	Sarna	Valento
Kalis	McPherson	Pappas	Schafer	Vellenga
Kelly	Milbert	Pauly	Scheid	Wagenius
Kelso	Miller	Pellow	Schreiber	Waltman
Kinkel	Munger	Pelowski	Seaberg	Weaver
Knickerbocker	Nelson, C.	Peterson	Segal	Welle
Kostohryz	Nelson, K.	Poppenhagen	Simoneau	Wenzel
Krueger	Neuenschwander	Price	Skoglund	Williams
Lasley	O'Connor	Pugh	Solberg	Winter
Lieder	Ogren	Quinn	Sparby	Wynia
Limmer	Olsen, S.	Redalen	Stanis	Spk. Vanasek
Long	Olson, E.	Reding	Steensma	
Lynch	Omann	Rest	Sviggum	

Those who voted in the negative were:

Olson, K.

The bill was passed and its title agreed to.

H. F. No. 101, A bill for an act relating to education; requiring the student member of the board of regents to be a student at the time of election; amending Minnesota Statutes 1988, section 137.023.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Kalis	Neuenschwander	Rest
Anderson, G.	Frederick	Kelly	Ogren	Rice
Anderson, R.	Frerichs	Kelso	Olsen, S.	Richter
Battaglia	Girard	Kinkel	Olson, E.	Rodosovich
Bauerly	Greenfield	Knickerbocker	Olson, K.	Rukavina
Begich	Gruenes	Kostohryz	Omann	Runbeck
Bennett	Gutknecht	Krueger	Onnen	Sarna
Bertram	Hartle	Lasley	Orenstein	Schafer
Blatz	Hasskamp	Lieder	Osthoff	Scheid
Boo	Haukoos	Limmer	Ostrom	Schreiber
Brown	Heap	Long	Otis	Seaberg
Burger	Henry	Lynch	Ozment	Segal
Carlson, D.	Himle	Macklin	Pappas	Simoneau
Carlson, L.	Hugoson	Marsh	Pauly	Skoglund
Carruthers	Jacobs	McDonald	Pellow	Solberg
Clark	Janezich	McGuire	Pelowski	Sparby
Conway	Jaros	McLaughlin	Peterson	Stanis
Cooper	Jefferson	McPherson	Poppenhagen	Steensma
Dauner	Jennings	Milbert	Price	Sviggum
Dawkins	Johnson, A.	Miller	Pugh	Swenson
Dempsey	Johnson, R.	Munger	Quinn	Tjornhom
Dille	Johnson, V.	Nelson, C.	Redalen	Tompkins
Dorn	Kahn	Nelson, K.	Reding	Trimble

Tunheim	Vellenga	Weaver	Williams	Spk. Vanasek
Uphus	Wagenius	Welle	Winter	
Valento	Waltman	Wenzel	Wynia	

The bill was passed and its title agreed to.

H. F. No. 135, A bill for an act relating to juvenile court; limiting the court's authority to transfer legal custody of a child for the purpose of obtaining special treatment or care; clarifying the grounds for terminating parental rights to a child; clarifying the liability of persons who provide outreach services to runaways; amending Minnesota Statutes 1988, sections 260.015, subdivision 2a; 260.191, subdivision 1; 260.221, subdivisions 1 and 3; and 260.315.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Lieder	Ostrom	Simoneau
Anderson, G.	Greenfield	Limmer	Otis	Skoglund
Anderson, R.	Gruenes	Long	Ozment	Solberg
Battaglia	Gutknecht	Lynch	Pappas	Sparby
Bauerly	Hartle	Macklin	Pauly	Stanis
Begich	Hasskamp	Marsh	Pellow	Steensma
Bennett	Haukoos	McDonald	Pelowski	Swiggum
Bertram	Heap	McEachern	Peterson	Swenson
Blatz	Henry	McGuire	Poppenhagen	Tjornhom
Boo	Himle	McLaughlin	Price	Tompkins
Brown	Hugoson	McPherson	Pugh	Trimble
Burger	Jacobs	Milbert	Quinn	Tunheim
Carlson, D.	Jaros	Miller	Redalen	Uphus
Carlson, L.	Jefferson	Munger	Reding	Valento
Carruthers	Jennings	Nelson, C.	Rest	Vellenga
Clark	Johnson, A.	Nelson, K.	Rice	Wagenius
Conway	Johnson, R.	Neuenschwander	Richter	Waltman
Cooper	Johnson, V.	O'Connor	Rodosovich	Weaver
Dauner	Kahn	Ogren	Rukavina	Welle
Dawkins	Kalis	Olsen, S.	Runbeck	Wenzel
Dempsey	Kelly	Olson, E.	Sarna	Williams
Dille	Kelso	Olson, K.	Schafer	Winter
Dorn	Knickerbocker	Omann	Scheid	Wynia
Forsythe	Kostohryz	Onnen	Schreiber	Spk. Vanasek
Frederick	Krueger	Orenstein	Seaberg	
Frerichs	Lasley	Osthoff	Segal	

The bill was passed and its title agreed to.

H. F. No. 331, A bill for an act relating to employment; limiting the employment hours of certain minors during the school year; amending Minnesota Statutes 1988, sections 181A.04, by adding a subdivision; and 181A.12, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 97 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Hartle	Long	Osthoff	Solberg
Anderson, R.	Hasskamp	Lynch	Ostrom	Sparby
Battaglia	Heap	Macklin	Otis	Steensma
Bauerly	Himle	Marsh	Pappas	Tjornhom
Begich	Jacobs	McEachern	Pellow	Trimble
Bennett	Janezich	McGuire	Pelowski	Tunheim
Bertram	Jaros	McLaughlin	Peterson	Uphus
Bishop	Jefferson	McPherson	Price	Vellenga
Blatz	Johnson, A.	Milbert	Pugh	Wagenius
Brown	Johnson, R.	Munger	Quinn	Waltman
Carlson, D.	Kahn	Nelson, C.	Reding	Weaver
Carlson, L.	Kalis	Nelson, K.	Rest	Welle
Carruthers	Kelly	Neuenschwander	Rice	Wenzel
Clark	Kelso	O'Connor	Rodosovich	Williams
Conway	Kinkel	Ogren	Rukavina	Winter
Cooper	Knickerbocker	Olsen, S.	Runbeck	Wynia
Dawkins	Kostohryz	Olson, E.	Sarna	Spk. Vanasek
Frederick	Krueger	Olson, K.	Seaberg	
Greenfield	Lasley	Omann	Segal	
Gruenes	Lieder	Orenstein	Simoneau	

Those who voted in the negative were:

Abrams	Forsythe	Johnson, V.	Poppenhagen	Sviggum
Boo	Frerichs	Limmer	Redalen	Swenson
Burger	Girard	McDonald	Richter	Tompkins
Dauner	Gutknecht	Miller	Schafer	Valento
Dempsey	Haukoos	Onnen	Scheid	
Dille	Henry	Ozment	Schreiber	
Dorn	Hugoson	Pauly	Stanisus	

The bill was passed and its title agreed to.

H. F. No. 461, A bill for an act relating to crime victims; modifying the limitations provision governing damage actions brought by sexual assault victims; requiring that victims of crimes against the person be informed of the conditions governing the convicted offender's release from confinement and the identity of the corrections agent supervising the offender; requiring that sexual assault victims be notified when the alleged sex offender is released from pretrial detention; amending Minnesota Statutes 1988, sections 541.07; 611A.03, subdivision 1; and 611A.06; proposing coding for new law in Minnesota Statutes, chapters 541 and 629.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kostohryz	Onnen	Seaberg
Anderson, G.	Girard	Krueger	Orenstein	Simoneau
Anderson, R.	Greenfield	Lasley	Osthoff	Skoglund
Battaglia	Gruenes	Lieder	Ostrom	Solberg
Bauerly	Gutknecht	Limmer	Otis	Sparby
Begich	Hartle	Long	Ozment	Stanisus
Bennett	Hasskamp	Lynch	Pappas	Steensma
Bertram	Haukoos	Macklin	Pauly	Sviggum
Bishop	Heap	Marsh	Pellow	Swenson
Blatz	Henry	McDonald	Pelowski	Tjornhom
Boo	Himle	McEachern	Peterson	Tompkins
Brown	Hugoson	McGuire	Poppenhagen	Trimble
Burger	Jacobs	McLaughlin	Price	Tunheim
Carlson, D.	Janezich	McPherson	Pugh	Uphus
Carlson, L.	Jaros	Milbert	Quinn	Valento
Carruthers	Jefferson	Miller	Redalen	Vellenga
Clark	Jennings	Munger	Reding	Wagenius
Conway	Johnson, A.	Nelson, C.	Rest	Waltman
Cooper	Johnson, R.	Nelson, K.	Richter	Weaver
Dauner	Johnson, V.	Neuenschwander	Rodosovich	Welle
Dawkins	Kahn	O'Connor	Rukavina	Wenzel
Dempsey	Kalis	Ogren	Runbeck	Williams
Dille	Kelly	Olsen, S.	Sarna	Winter
Dorn	Kelso	Olson, E.	Schafer	Wynia
Forsythe	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Frederick	Knickerbocker	Omamm	Schreiber	

The bill was passed and its title agreed to.

H. F. No. 702, A bill for an act relating to crime; expanding the crime of failure to appear for a criminal court appearance; specifying the attorney with jurisdiction to prosecute the crime; prescribing penalties; amending Minnesota Statutes 1988, section 609.49.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Burger	Frederick	Hugoson	Kelso
Anderson, G.	Carlson, D.	Frerichs	Jacobs	Kinkel
Anderson, R.	Carlson, L.	Girard	Janezich	Knickerbocker
Battaglia	Carruthers	Greenfield	Jaros	Kostohryz
Bauerly	Clark	Gruenes	Jefferson	Krueger
Begich	Conway	Gutknecht	Jennings	Lasley
Bennett	Cooper	Hartle	Johnson, A.	Lieder
Bertram	Dauner	Hasskamp	Johnson, R.	Limmer
Bishop	Dawkins	Haukoos	Johnson, V.	Long
Blatz	Dille	Heap	Kahn	Lynch
Boo	Dorn	Henry	Kalis	Macklin
Brown	Forsythe	Himle	Kelly	Marsh

McDonald	Olson, E.	Poppenhagen	Schreiber	Tunheim
McEachern	Olson, K.	Price	Seaberg	Uphus
McGuire	Omann	Pugh	Segal	Valento
McLaughlin	Onnen	Redalen	Simoneau	Vellenga
McPherson	Orenstein	Reding	Skoglund	Wagenius
Milbert	Osthoff	Rest	Solberg	Waltman
Miller	Ostrom	Rice	Sparby	Weaver
Munger	Otis	Richter	Stanisus	Welle
Nelson, C.	Ozment	Rodosovich	Steensma	Wenzel
Nelson, K.	Pappas	Rukavina	Svigum	Williams
Neuenschwander	Pauly	Runbeck	Swenson	Winter
O'Connor	Pellow	Sarna	Tjornhom	Wynia
Ogren	Pelowski	Schafer	Tompkins	Spk. Vanasek
Olsen, S.	Peterson	Scheid	Trimble	

Those who voted in the negative were:

Quinn

The bill was passed and its title agreed to.

GENERAL ORDERS

Pursuant to Rules of the House, the House resolved itself into the Committee of the Whole with Vanasek in the Chair for consideration of the bill pending on General Orders of the day. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following recommendation of the Committee was reported to the House:

H. F. No. 100 was recommended to pass.

On the motion of Wynia the report of the Committee of the Whole was adopted.

ROLL CALLS IN COMMITTEE OF THE WHOLE

Pursuant to rule 1.6, the following roll call was taken in the Committee of the Whole:

The question was taken on the motion to recommend passage of H. F. No. 100, the first engrossment, and the roll was called. There were 124 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, G.	Anderson, R.	Battaglia	Bauerly
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Begich	Hartle	Lieder	Osthoff	Simoneau
Bennett	Hasskamp	Limmer	Ostrom	Skoglund
Bertram	Haukoos	Long	Otis	Solberg
Bishop	Heap	Lynch	Ozment	Sparby
Blatz	Henry	Macklin	Pappas	Stanis
Boo	Himle	Marsh	Pauly	Steensma
Brown	Hugoson	McEachern	Pellow	Swenson
Burger	Jacobs	McGuire	Pelowski	Tjornhom
Carlson, D.	Janezich	McLaughlin	Peterson	Tompkins
Carlson, L.	Jaros	McPherson	Poppenhagen	Trimble
Carruthers	Jefferson	Milbert	Price	Tunheim
Clark	Jennings	Miller	Pugh	Uphus
Conway	Johnson, A.	Munger	Quinn	Valento
Cooper	Johnson, R.	Nelson, C.	Redalen	Vellenga
Dauner	Johnson, V.	Nelson, K.	Reding	Wagenius
Dawkins	Kahn	Neuenschwander	Rest	Waltman
Dille	Kalis	O'Connor	Rice	Weaver
Dorn	Kelly	Ogren	Rodosovich	Welle
Forsythe	Kelso	Olsen, S.	Rukavina	Wenzel
Frederick	Kinkel	Olson, E.	Runbeck	Williams
Girard	Knickerbocker	Olson, K.	Sarna	Winter
Greenfield	Kostohryz	Omann	Scheid	Wynia
Gruenes	Krueger	Onnen	Seaberg	Spk. Vanasek
Gutknecht	Lasley	Orenstein	Segal	

Those who voted in the negative were:

Dempsey	McDonald	Schreiber
Frerichs	Schafer	Svigum

The motion prevailed.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 5, a senate concurrent resolution relating to adjournment for more than three days.

PATRICK E. FLAHAVEN, Secretary of the Senate

SUSPENSION OF RULES

Wynia moved that the rules be so far suspended that Senate Concurrent Resolution No. 5 be now considered and be placed upon

its adoption. The motion prevailed.

SENATE CONCURRENT RESOLUTION NO. 5

A Senate concurrent resolution relating to adjournment for more than three days.

Be It Resolved, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon its adjournment on Monday, March 20, 1989, the House of Representatives may set its next day of meeting by motion.

2. Upon its adjournment on Wednesday, March 22, 1989, the Senate may set its next day of meeting by motion.

3. Each house consents to the adjournment of the other house for more than three days.

Wynia moved that Senate Concurrent Resolution No. 5 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 5 was adopted.

MOTIONS AND RESOLUTIONS

Bauerly moved that the names of Otis; Vellenga; Nelson, K., and Uphus be added as authors on H. F. No. 51. The motion prevailed.

Clark moved that the name of Boo be added as an author on H. F. No. 241. The motion prevailed.

Cooper moved that his name be stricken as an author on H. F. No. 813. The motion prevailed.

Clark moved that the name of Boo be added as an author on H. F. No. 1080. The motion prevailed.

Sarna moved that the name of Schreiber be added as an author on H. F. No. 1118. The motion prevailed.

Steensma moved that the names of Lynch and Conway be added as authors on H. F. No. 1146. The motion prevailed.

Pugh moved that the names of Lynch and Macklin be added as authors on H. F. No. 1150. The motion prevailed.

Reding moved that the name of Sparby be added as an author on H. F. No. 1162. The motion prevailed.

Hasskamp moved that the name of Lynch be added as an author on H. F. No. 1174. The motion prevailed.

Orenstein moved that the name of Olsen, S., be added as an author on H. F. No. 1177. The motion prevailed.

Solberg moved that the name of Neuenschwander be added as an author on H. F. No. 1185. The motion prevailed.

Solberg moved that the name of Neuenschwander be added as an author on H. F. No. 1186. The motion prevailed.

Kelly moved that H. F. No. 13, now on Technical General Orders, be re-referred to the Committee on Governmental Operations. The motion prevailed.

Krueger moved that H. F. No. 980 be recalled from the Committee on Commerce and be re-referred to the Committee on Agriculture. The motion prevailed.

Osthoff moved that H. F. No. 692 be recalled from the Committee on Appropriations and be re-referred to the Committee on Financial Institutions and Housing. The motion prevailed.

Marsh and Munger moved that H. F. No. 31 be recalled from the Committee on Appropriations and be re-referred to the Committee on Agriculture. The motion prevailed.

Tunheim moved that H. F. No. 1093 be recalled from the Committee on Education and be re-referred to the Committee on Agriculture. The motion prevailed.

Kalis moved that H. F. No. 1113 be recalled from the Committee on Transportation and be re-referred to the Committee on Agriculture. The motion prevailed.

Trimble moved that H. F. No. 144 be recalled from the Committee on Taxes and be re-referred to the Committee on Education. The motion prevailed.

Quinn moved that H. F. No. 66 be recalled from the Committee on Judiciary and be re-referred to the Committee on Governmental Operations. The motion prevailed.

Kahn moved that H. F. No. 764 be returned to its author. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 29:

Rest, Kelly and Seaberg.

ADJOURNMENT

Wynia moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, March 20, 1989. The motion prevailed.

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Monday, March 20, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives