STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

THIRTIETH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 12, 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 Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

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

A quorum was present.

Dille was excused until 3:05 p.m. Greenfield was excused until 3:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelly 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. 400, 660, 843, 1160, 1351, 1411, 1447, 1517, 13, 386, 655, 796, 812, 881, 895, 1149, 1225, 1287, 956 and 1155 and S. F. Nos. 911, 69, 717, 478, 916 and 163 have been placed in the members' files.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

April 6, 1989

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

Dear Sir:

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

H. F. No. 410, relating to public safety; defining high pressure piping; regulating the practice of pipefitting.

H. F. No. 897, relating to local government; clarifying certain procedures for adoption of town optional plans of government.

H. F. No. 210, relating to counties; permitting counties to rent county-owned residences by less formal procedure.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	*H.F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 1989*	*Date Filed 1989*
	410	22	8:32-April 6	April 6
	897	24	8:35-April 6	April 6
	210	26	8:40-April 6	April 6
686		Resolution No. 2	April 6	April 6

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

April 7, 1989

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

Dear Sir:

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

H. F. No. 323, relating to commerce; regulating motor vehicle sales

and distribution; determining reasonable compensation for warranty services performed by dealers.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

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S.F. No.	*H.F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 1989*	*Date Filed 1989*
286		23	8:41-April 7	April 7
	323	25	8:40-April 7	April 7

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

April 7, 1989

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

Dear Sir:

I have the honor of informing you that I have received, approved,

signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 68, relating to taxation; making technical corrections to the property taxation of unmined iron ore; making technical corrections and clarifications to the corporate franchise tax; retroactively providing a corporate franchise tax modification for mining income or gains; clarifying the computation of mining occupation taxes; exempting S corporations from business activity report filing requirements; repealing an obsolete reference.

H. F. No. 214, relating to taxation; making technical corrections and clarifications to individual income and corporate franchise taxes; updating references to the Internal Revenue Code; imposing a tax and providing for withholding of certain payments to nonresidents; requiring surety payment by out-of-state contractors.

Sincerely,

RUDY PERPICH
Governor

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

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	*H.F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 1989*	*Date Filed 1989*
	68	27	16:54-April 7	April 7
	214	28	16:55-April 7	April 7

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Long from the Committee on Taxes to which was referred:

H. F. No. 65, A bill for an act relating to economic development; authorizing local jurisdictions involved in economic development to participate in secondary markets; proposing coding for new law in Minnesota Statutes, chapter 465.

Reported the same back with the following amendments:

Page 1, delete lines 9 to 13

Page 1, line 14, before "municipality" insert:

"(a) A"

Page 1, line 20, after the period insert:

"(b) Sales under this section must be made through arrangements whereby the ultimate sale of the instrument is to be made as part of a pool of instruments on behalf of one or more other municipalities, port authorities, housing and redevelopment authorities, or rural development finance authorities (other than a port authority or housing and redevelopment authority located wholly or partly within the municipality). The restrictions of the previous sentence do not apply if the sale is a public sale or if the proposed sale is submitted to and approved in writing by the commissioner of commerce. The commissioner shall review the proposed sale to determine if the agreed upon price adequately compensates the municipality, given the maturity, risk and yield of the instrument. If a proposed sale is submitted to the commissioner of commerce and the sale is not disapproved by the commissioner within 30 days, the sale is deemed approved. The restrictions contained in this paragraph apply to sales made under sections 469.059, subdivision 17; 469.101, subdivision 22; and 469.146, subdivision 3.

(c) This section does not apply to an obligation to make payments to the municipality, if the underlying obligation arose out of a transaction in which the proceeds of the loan were financed, directly or indirectly, by revenues derived from tax increments."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 110, A bill for an act relating to metropolitan government; prescribing the term of the chair of the metropolitan council; amending Minnesota Statutes 1988, section 473.123, subdivisions 2a and 4.

Reported the same back with the following amendments:

Page 2, line 26, delete "are effective for the term beginning"

Page 2, line 27, delete "January 1991 and" and insert "apply on the effective date of this act so that the term of the chair expires in January 1991. Sections 1 and 2"

With the recommendation that when so amended 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. 116, A bill for an act relating to child abuse reporting; defining "physical abuse" to include use of a controlled substance by a pregnant woman; amending Minnesota Statutes 1988, section 626.556, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 253B.02, subdivision 2, is amended to read:

Subd. 2. [CHEMICALLY DEPENDENT PERSON.] "Chemically dependent person" means any person (a) determined as being incapable of self-management or management of personal affairs by reason of the habitual and excessive use of alcohol or drugs; and (b) whose recent conduct as a result of habitual and excessive use of alcohol or drugs poses a substantial likelihood of physical harm to self or others as demonstrated by (i) a recent attempt or threat to physically harm self or others, (ii) evidence of recent serious physical problems, or (iii) a failure to obtain necessary food, clothing, shelter, or medical care. "Chemically dependent person" also means, in the case of a pregnant woman, one who during the time between 24 weeks of gestation and delivery, has used cocaine or has engaged in habitual and excessive use of any other controlled substance for a nonmedical purpose.

For purposes of this subdivision:

(1) "cocaine" means any controlled substance described in section 152.02, subdivision 3, paragraph (1), clause (d); and

(2) "controlled substance" has the definition given in section 152.01, subdivision 4.

Sec. 2. Minnesota Statutes 1988, section 253B.02, subdivision 10, is amended to read:

Subd. 10. [INTERESTED PERSON.] "Interested person" means an adult, including but not limited to, a public official, including a local social service agency acting pursuant to section 5, and the legal guardian, spouse, parent, legal counsel, adult child, next of kin, or other person designated by a proposed patient.

Sec. 3. 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 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.

(k) "Controlled substance" has the definition given in section 152.01, subdivision 4.

Sec. 4. Minnesota Statutes 1988, section 626.556, subdivision 3, is amended to read:

Subd. 3. [PERSONS MANDATED TO REPORT.] (a) A person who knows or has reason to believe a child is being neglected or physically or sexually abused, or has been neglected or physically or sexually abused within the preceding three years, or who knows or has reason to believe that a pregnant woman has used a controlled substance for a nonmedical purpose, shall immediately report the information to the local welfare agency, police department, or the county sheriff if the person is:

(1) a professional or professional's delegate who is engaged in the practice of the healing arts, social services, hospital administration, psychological or psychiatric treatment, child care, education, or law enforcement; or

(2) employed as a member of the clergy and received the information while engaged in ministerial duties, provided that a member of the clergy is not required by this subdivision to report information that is otherwise privileged under section 595.02, subdivision 1, paragraph (c).

The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency orally and in writing. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing. The county sheriff and the head of every local welfare agency and police department shall each designate a person within their agency, department, or office who is responsible for ensuring that the notification duties of this paragraph and paragraph (b) are carried out. Nothing in this subdivision shall be construed to require more than one report from any institution, facility, school, or agency.

(b) Any person may voluntarily report to the local welfare agency, police department, or the county sheriff if the person knows, has reason to believe, or suspects a child is being or has been neglected or subjected to physical or sexual abuse. The police department or the county sheriff, upon receiving a report, shall immediately notify the local welfare agency orally and in writing. The local welfare agency, upon receiving a report, shall immediately notify the local police department or the county sheriff orally and in writing.

(c) A person mandated to report physical or sexual child abuse or neglect occurring within a licensed facility shall report the information to the agency responsible for licensing the facility. A health or corrections agency receiving a report may request the local welfare agency to provide assistance pursuant to subdivisions 10, 10a, and 10b.

(d) Any person mandated to report shall, upon request to the local welfare agency, receive a summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child. Any person who is not mandated to report shall, upon request to the local welfare agency, receive a concise summary of the disposition of any report made by that reporter, unless release would be detrimental to the best interests of the child.

(e) For purposes of this subdivision, "immediately" means as soon as possible but in no event longer than 24 hours.

Sec. 5. Minnesota Statutes 1988, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL ~~WELFARE~~ SOCIAL SERVICE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY ~~UPON RECEIPT OF A~~ ON RECEIVING AN ABUSE REPORT; DUTIES OF LOCAL SOCIAL SERVICE AGENCY ON RECEIVING A PRENATAL CONTROLLED SUBSTANCE REPORT.] (a) If the report alleges a pregnant woman's use of a controlled substance for a nonmedical purpose, the local welfare agency shall immediately conduct an appropriate assessment and offer services indicated under the circumstances, including but not limited to, a referral for chemical dependency assessment, chemical dependency treatment if recommended, prenatal care, and any action under chapter 253B that is appropriate under the circumstances. An action under section 253B.05 shall be brought if a pregnant woman after 24 weeks of gestation refuses recommended voluntary services or fails recommended treatment. If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. If the report alleges a violation of a criminal statute involving sexual abuse or physical abuse, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97.

(c) Authority of the local welfare agency responsible for assessing the child abuse report and of the local law enforcement agency for investigating the alleged abuse includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school

official. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota rules of procedure for juvenile courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(d) When the local welfare or local law enforcement agency determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the county welfare board or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded. Until that time, the local welfare or law enforcement agency shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged perpetrator is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational

program of the child, other students, or school staff when an interview is conducted on school premises.

(e) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(f) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(g) The commissioner, the ombudsman for mental health and mental retardation, the local welfare agencies responsible for investigating reports, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

Sec. 6. [626.5561] [PRENATAL TOXICOLOGY TESTS.]

Subdivision 1. [NOTICE; TEST; REPORT.] A physician shall obtain from each patient who seeks prenatal obstetrical care a signed statement indicating whether or not the patient consents to toxicology tests for the purpose of determining whether the patient has ingested a controlled substance for a nonmedical purpose. If the patient consents to such toxicology tests, and the results of a test are positive, the physician shall report the results under section 626.556, subdivision 3, clause (a). A negative test result does not eliminate the obligation to report, if other evidence gives the physician reason to believe that the patient has used a controlled substance for a nonmedical purpose.

Subd. 2. [TEST; REPORT.] Even if a patient has not consented to toxicology tests for use of a controlled substance pursuant to subdivision 1, during the time between 24 weeks of gestation and

delivery, a physician shall administer a toxicology test to her to determine whether there is evidence that she has ingested a controlled substance for a nonmedical purpose if she has obstetrical complications that are a medical indication of possible use of a controlled substance for a nonmedical purpose. If the results are positive, the physician shall report the results under section 626.556, subdivision 3, clause (a). A negative test result does not eliminate the obligation to report if other evidence gives the physician reason to believe that the patient has used a controlled substance for a nonmedical purpose.

Subd. 3. [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 pursuant to this section is immune from civil or criminal liability, if the physician ordering the test believes in good faith that the test is authorized by subdivision 1 or required by subdivision 2, and the test is administered in accordance with an established protocol and reasonable medical practice.

Subd. 4. [DEFINITION.] For purposes of this section, "controlled substance" has the meaning given in section 152.01, subdivision 4.

Subd. 5. [RELIABILITY OF TESTS.] A physician may not report a positive test result under this section unless the test has been verified by a confirmatory test performed by a drug testing laboratory licensed by the department of health. The confirmatory test and the laboratory must meet the standards established under section 181.953, subdivision 1, and the rules adopted thereunder."

Delete the title and insert:

"A bill for an act relating to children; controlled substances; requiring reporting of certain controlled substance use by pregnant women; requiring certain toxicology tests; providing for civil commitment of pregnant women for certain controlled substance use; amending Minnesota Statutes 1988, sections 253B.02, subdivisions 2 and 10; and 626.556, subdivisions 2, 3, and 10; proposing coding for new law in Minnesota Statutes, chapter 626."

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. 132, A bill for an act relating to animals; clarifying the liability for certain damages; increasing a penalty; amending Minnesota Statutes 1988, section 346.56.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 346.56, subdivision 2, is amended to read:

Subd. 2. [LIABILITY FOR DAMAGES.] A person who without permission releases an animal lawfully confined for science, research, commerce, or education is liable: (1) to the owner of the animal for damages ~~and~~, including the costs of restoring the animal to confinement and to its health condition prior to release; and (2) for damage to personal and real property caused by the released animal. If the release causes the failure of an experiment, the person is liable for all costs of repeating the experiment, including replacement of the animals, labor, and materials.

Sec. 2. [609.552] [UNAUTHORIZED RELEASE OF ANIMALS.]

A person who intentionally and without permission releases an animal lawfully confined for science, research, commerce, or education is guilty of a misdemeanor. A second or subsequent offense by the same person is a gross misdemeanor.

Sec. 3. [REPEALER.]

Minnesota Statutes 1988, section 346.56, subdivision 1, is repealed.

Sec. 4. [EFFECTIVE DATE.]

Sections 2 and 3 are effective August 1, 1989, and apply to crimes committed on or after that date."

Delete the title and insert:

"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."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 156, A bill for an act relating to commerce; industrial loan and thrift companies; regulating lending practices; prescribing the qualifications of the directors of certain companies; regulating the lending practices of regulated lenders; specifying the loan fees and charges that may be imposed by regulated lenders; regulating deliquency and collection charges on retail installment contracts; regulating mortgage foreclosure notices; amending Minnesota Statutes 1988, sections 53.04, subdivision 3a, and by adding a subdivision; 53.06; 56.12; 56.131, subdivisions 1, 2, and 6; 56.14; 168.71; and 580.03.

Reported the same back with the following amendments:

Page 14, delete section 10

Page 15, line 23, delete "11" and insert "10"

Page 15, line 24, delete "10" and insert "9"

Amend the title as follows:

Page 1, line 8, delete "deliquency" and insert "delinquency"

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. 166, A bill for an act relating to transportation; providing that certain information submitted to department of transportation is public data; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b, and by adding a

subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 65B and 221.

Reported the same back with the following amendments:

Page 2, after line 8, insert:

"Sec. 3. [13.793] [INTERNAL AUDITING DATA.]

Subdivision 1. [PROTECTED NONPUBLIC DATA.] The following are classified as confidential data on individuals pursuant to section 13.02, subdivision 3, or protected nonpublic data pursuant to section 13.02, subdivision 13:

(1) data, notes, and preliminary drafts of reports created, collected, and maintained by the internal audit offices of state agencies, political subdivisions, or the state auditor or persons performing audits for state agencies, political subdivisions, or the state auditor and relating to an audit or investigation, until the final report has been published or the audit or investigation is no longer actively being pursued; and

(2) data that support the conclusions of a report under clause (1) and that the agency, political subdivision, or state auditor reasonably believes will result in litigation, until the litigation is commenced.

Subd. 2. [PRIVATE DATA ON INDIVIDUALS.] Data on an individual supplying information for an audit or investigation, that could reasonably be used to determine the individual's identity, are private data on individuals pursuant to section 13.02, subdivision 12, if the information supplied was needed for an audit or investigation and would not have been provided to the internal audit office or person performing audits without an assurance to the individual that the individual's identity would remain private.

Sec. 4. Minnesota Statutes 1988, section 16A.055, subdivision 1, is amended to read:

Subdivision 1. [LIST.] The commissioner shall:

(1) receive and record all money paid into the state treasury and safely keep it until lawfully paid out;

(2) manage the state's financial affairs;

(3) keep the state's general account books according to generally accepted government accounting principles;

(4) keep expenditure and revenue accounts according to generally accepted government accounting principles;

(5) develop, provide instructions for, prescribe, and manage a state uniform accounting system; ~~and~~

(6) provide to the state the expertise to ensure that all state funds are accounted for under generally accepted government accounting principles; and

(7) coordinate the development of, and develop standards for, internal auditing in state agencies and, in cooperation with the commissioner of administration, report to the legislature and the governor by December 31, 1990, on progress made."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "transportation" and insert "state agencies"

Page 1, line 4, before "defining" insert "providing for development of internal auditing standards; classifying certain internal auditing data as other than public;"

Page 1, line 19, before "168.011" insert "16A.055, subdivision 1;"

Page 1, line 26, after "chapters" insert "13;" and after "65B" insert a semicolon

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. 193, A bill for an act relating to crimes; providing that an offender may not demand imposition of sentence; amending Minnesota Statutes 1988, section 609.135, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 9, delete "IMPOSITION" and insert "EXECUTION"

Page 1, line 10, delete "imposition" and insert "execution"

Page 1, line 12, delete everything after "who" and insert "will be

serving the sentence consecutively or concurrently with another executed felony sentence."

Page 1, delete line 13, and insert:

"Sec. 2. Minnesota Statutes 1988, section 638.04, is amended to read:

638.04 [MEETINGS.]

The board of pardons shall hold ~~regular~~ meetings ~~on the second Monday in January, April, July, and October, of~~ at least twice each year, and such other meetings as it shall deem expedient, and all shall be held in the executive chamber in the state capitol, or at such other place as may be ordered by the board."

Amend the title as follows:

Page 1, line 3, delete "imposition" and insert "execution" and before the semicolon insert "except under certain circumstances" and after the semicolon insert "requiring the board of pardons to meet at least twice each year;"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, after "subdivision" insert "; and 638.04"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 207, A bill for an act relating to public safety; establishing the board of jail employee training and standards; regulating jail employees; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 214.01, subdivision 3; 214.04, subdivisions 1 and 3; and 364.09; proposing coding for new law in Minnesota Statutes, chapter 214; proposing coding for new law as Minnesota Statutes, chapter 644.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

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

H. F. No. 301, A bill for an act relating to public employees; providing that public safety dispatchers are essential employees; amending Minnesota Statutes 1988, section 179A.03, subdivision 7.

Reported the same back with the following amendments:

Page 1, after line 25, insert:

"Sec. 2. [TRANSFER.]

The state job classifications entitled "security/communications system monitors" and "radio communications operators" are transferred to state bargaining unit "(1) law enforcement unit," as established in Minnesota Statutes, section 179A.10, subdivision 2.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1989."

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.

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

H. F. No. 341, A bill for an act relating to public safety; proposing the emergency planning and community right-to-know act; requiring reports on hazardous substances and chemicals; creating an emergency response commission; providing penalties; amending Minnesota Statutes 1988, section 609.671, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F.

Reported the same back with the following amendments:

Page 1, after line 27, insert:

"Subd. 6. [PERSON.] "Person" means any individual, partnership, association, public or private corporation, or other entity including the United States government, any interstate body, the state and any agency, department, or political subdivision of the state."

Page 4, delete lines 3 to 13 and insert:

"Political subdivisions should prepare emergency plans that adequately address the requirements contained in section 11003 of the federal act. The emergency plan may be a part of a plan prepared by a political subdivision in accordance with chapter 12. County organizations, through the county director designated under section 12.25, shall receive the plans for review, shall coordinate the emergency planning required under the federal act for political subdivisions within the county, and shall submit the plans to the regional office of the division of emergency management. The division of emergency management shall submit the plans to the regional review committee."

Page 4, line 20, delete "of" and insert "or"

Page 5, delete lines 7 and 8 and insert:

"The notification of the commission required under the federal act must be through the state emergency response center. The"

Page 5, line 9, delete "also"

Page 5, delete lines 20 to 23

Page 5, line 27, delete "HAZARDOUS CHEMICAL INVENTORY REPORTING" and insert "ADDITIONAL FACILITIES"

Page 5, line 28, after the second "facilities" insert "that are operated by employers"

Page 5, line 31, after "reporting" insert "and facilities subject to those sections that have ten or more employees shall comply with the toxic chemical release reporting requirements" and after the period insert "The additional facilities shall report under section 11021 of the federal act on October 1, 1989, and under section 11022 of the federal act on March 1, 1990."

Page 5, line 33, delete "and 11022" and insert ", 11022, and 11023"

Page 5, after line 34, insert:

"Subd. 3. [REPORTING.] Each facility shall submit material safety data sheets required under section 11021 of the federal act and the hazardous chemical inventory reports required under section 11022 of the federal act to the commission. The toxic chemical release reports required under section 11023 of the federal act must be submitted to the commission through July 1, 1991. On and after July 1, 1992, toxic chemical release reports must be submitted to the pollution control agency."

Page 6, line 11, after "(1)" insert "or (2)"

Page 6, line 18, delete "based on" and insert ". In establishing fees, the commission must consider appropriate factors, which may include"

Page 8, line 33, delete "1989" and insert "1990"

Page 9, after line 10, insert:

"Sec. 15. [APPLICATION; EFFECTIVE DATE.]

Initial toxic chemical release reports from facilities governed by section 8, subdivision 2, are due on July 1, 1992, to cover releases occurring during 1991.

Sec. 16. [EMERGENCY PLANNING REPORT.]

The emergency response commission shall report to the legislature on the effectiveness of emergency planning required under the federal act throughout the state. The report must address the numbers and composition of local emergency planning committees and planning advisory committees established in the state, and the involvement of citizens in the planning process. The commission shall submit the report to the house and senate governmental operations committees by December 31, 1990."

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

The report was adopted.

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

H. F. No. 404, A bill for an act relating to health; requiring a person to be licensed to perform radon work; regulating radon testing and mitigation work; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [326.83] [TITLE.]

Sections 326.83 to 326.94 may be cited as the "radon research and remediation act."

Sec. 2. [326.84] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 326.83 to 326.94, the following terms have the meanings given them in this section.

Subd. 2. [PERSON.] "Person" means any individual, partnership, association, private corporation, or other private business entity.

Subd. 3. [RADON.] "Radon" means the radioactive noble gas radon-222 and the short-lived radionuclides that are products of radon-222 decay, including polonium-218, lead-214, bismuth-214, and polonium-214.

Sec. 3. [326.85] [LICENSING AND REGISTRATION.]

Subdivision 1. [WHEN LICENSE REQUIRED.] No person shall perform radon testing unless the person is licensed by the department of administration. The license shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and give the name and address of the person to whom it is issued. The license must be renewed annually.

Subd. 2. [LICENSE REQUIREMENTS.] To obtain a license to perform radon testing a person must demonstrate that the person has met the requirements of the National Radon Measurement Proficiency Program established by the United States Environmental Protection Agency.

Subd. 3. [COPIES OF THE LICENSE.] A license holder must provide a copy of the license upon request by anyone who contracts for radon services from the license holder.

Subd. 4. [WHEN REGISTRATION REQUIRED.] No person may conduct radon mitigation work in Minnesota unless the person is registered with the department of administration.

Subd. 5. [WHEN LICENSING AND REGISTRATION NOT REQUIRED.] A license for radon testing and registration for radon mitigation is not required for:

(1) a person who performs radon testing or radon work involving property owned by the person; or

(2) a person performing preventive or safeguarding measures during new construction or remodeling.

Subd. 6. [CONDUCTING RADON TESTING OR MITIGATION.] A person shall be deemed to be conducting radon testing or radon mitigation work if the person, by oral or written representation, claims to determine the presence of or the level of radon in a building, or claims that repairs or changes made to a building will, or are likely to lower radon levels in a building.

Subd. 7. [LOCAL GOVERNMENT REGULATION.] A municipality or other local government entity may not require an additional license or registration or impose additional conditions or requirements upon a person performing radon testing or radon work, if the person is licensed under this section.

Sec. 4. [326.86] [FEES.]

Subdivision 1. [LICENSE AND REGISTRATION FEE.] A person required to be licensed or registered under this section must, before performing radon testing or radon mitigation work, pay the commissioner of administration an initial license or registration fee of $200. A license or registration is valid for two years after the date it is issued. The license or registration must be renewed every two years. A person seeking to renew the license or registration must pay a $200 renewal fee.

Subd. 2. [PROJECT FEE.] A person required to be licensed or registered under this section must pay to the commissioner of administration a project fee of two percent of the gross receipts for radon work conducted in Minnesota during the previous 12-month period. Gross receipts for radon work in the previous 12-month period must be reported on the license or registration renewal form and certified as accurate by the chief operating officer of the license holder or the registrant.

Sec. 5. [326.87] [REQUIRED RADON INFORMATION.]

A licensed real estate broker or real estate salesperson, as those terms are defined in section 82.17, or another agent for the seller of residential real estate must provide the buyer of the property at the closing with a copy of a radon information pamphlet provided by the department through the documents division of the department of administration. If the real estate broker, real estate salesperson, or other agent for the seller fails to provide the pamphlet required by this section, the buyer may recover a penalty of $100 from the person in a conciliation court proceeding.

Sec. 6. [326.88] [DUTIES OF THE COMMISSIONER OF HEALTH.]

Subdivision 1. [RADON EDUCATION.] (a) The commissioner of health shall establish and maintain a toll free number to provide information about radon. The commissioner of health shall also hold public meetings and publish material the commissioner of health determines is necessary to inform the public about radon. The commissioner of health shall make written materials about radon testing and remediation available to real estate agents, builders, public libraries, building code enforcement officials, hardware stores, and home improvement stores for free distribution.

(b) The commissioner of health shall prepare and distribute technical information the commissioner of health determines is necessary or useful to help assure testing, building, and mitigation practices that will accurately identify radon levels and will help reduce or abate radon problems. The commissioner of health must distribute this information to mitigation companies, builders, radon testing companies, and local officials.

(c) The commissioner of health may charge a fee for educational materials based on the cost of producing the materials.

Subd. 2. [RADON RESEARCH.] (a) The commissioner of health shall undertake research and publish the results of the research in the following areas:

(1) radon mitigation techniques for single family homes;

(2) soil gas testing to determine radon source levels;

(3) radon testing procedures for schools, licensed day care centers, and publicly owned residential facilities;

(4) testing and remediation techniques for apartment buildings and other multiple family dwellings with particular emphasis on below-grade units;

(5) health risk assessments using varying exposure levels and lengths of exposure;

(6) the estimation of long-term radon and radon daughter product levels;

(7) radon levels in selected public buildings; and

(8) other subjects the commissioner of health determines require research.

(b) To the extent possible, consistent with the objectives of the research, homes of low income residents shall be selected for research under this subdivision. Studies conducted by the commissioner of health shall not duplicate work available from the federal government or from other sources. The research in paragraph (a), clauses (1) and (4) shall be conducted under contract with the Minnesota Cold Climate Building Research Center. The research in paragraph (a), clauses (2) and (6) shall be conducted under contract with the Minnesota geological survey. The commissioner of health may establish priorities among the areas of research listed in this subdivision.

Sec. 7. [326.89] [DUTIES OF COMMISSIONER OF ADMINISTRATION.]

Subdivision 1. [RULEMAKING.] The commissioner of administration may adopt rules addressing education requirements, license revocation procedures, truth in advertising requirements, standards for remediation, radon standards, continuing education requirements, and other rules necessary to implement sections 326.83 to 326.94. The commissioner of administration shall consult with the commissioner of health on any rules proposed by the commissioner of administration.

Subd. 2. [INJUNCTIVE RELIEF.] The attorney general may bring an action for injunctive relief in the district court for Ramsey county or in the district court in the county where the testing or remediation is being undertaken to halt violations of sections 326.83 to 326.94 or rules of the commissioner of administration.

Subd. 3. [CIVIL PENALTIES.] The attorney general may seek civil penalties of up to $10,000 per day for any violations of sections 326.83 to 326.93.

Subd. 4. [DENIAL, SUSPENSION, REVOCATION, OR REFUSAL TO REISSUE A LICENSE OR REGISTRATION.] The commissioner of administration may deny, suspend, revoke, or refuse to reissue a license or registration for the following reasons:

(1) serious violation of or failure to comply with sections 326.83 to 326.94;

(2) fraudulent, deceptive, or dishonest practices by the person applying for or holding a license or registration; or

(3) false or misleading statements on any document required under sections 326.83 to 326.94.

A person denied a license or registration, or whose license or registration is suspended, revoked, or not reissued under this section may request a hearing on the matter under chapter 14.

Subd. 5. [ACCESS TO INFORMATION AND PROPERTY.] (a) A person who the commissioner of administration has reason to believe is engaged in radon-related work, or a person who is the owner of real property where the radon-related work is being or has been undertaken, when requested by the commissioner of administration, or any member, employee, or agent who is authorized by the commissioner of administration, shall give the commissioner of administration the information that the person may have or may reasonably obtain that is relevant to the radon-related work.

(b) The commissioner of administration or a person authorized by the commissioner of administration, upon presentation of credentials, and with reason to believe that violation of sections 326.83 to 326.94 may be occurring, may:

(1) examine and copy any books, papers, records, memoranda, or data related to the radon-related project of any person who has a duty to provide information to the department under paragraph (a); and

(2) enter upon a public or private property to take actions authorized by this section, including obtaining information from a person who has a duty to provide the information under paragraph (a), and conducting surveys or investigations.

Subd. 6. [SUBPOENAS.] In matters under investigation by or pending before the commissioner of administration under sections 326.83 to 326.94, the commissioner of administration may issue subpoenas and compel the attendance of witnesses and the production of papers, books, records, documents, and other relevant evidentiary materials. If a person fails or refuses to comply with the subpoena or order, the commissioner of administration may ask the district court in any district, to order the person to comply with the commissioner's order or subpoena. The commissioner of administration may also administer oaths and affirmations to witnesses. Depositions may be taken within or without the state in the manner provided by law for the taking of depositions in civil actions. A subpoena or other process or paper may be served upon any person anywhere within the state by an officer authorized to serve subpoenas in civil actions, with the same fees and mileage costs paid, and in the manner prescribed by law, for process of the state district courts. Fees and mileage and other costs of persons subpoenaed by the commissioner of administration shall be paid in the manner prescribed for proceedings in district court.

Sec. 8. [326.90] [STATE PLUMBING CODE.]

The commissioner of administration, in consultation with the commissioner of health, shall adopt changes to the state plumbing code that the commissioner of administration finds are necessary to minimize infiltration of soil gas into buildings. The changes shall be adopted within six months after federal standards are adopted.

Sec. 9. [326.91] [STATE BUILDING CODE.]

The commissioner of administration shall adopt changes to the state building code that the commissioner of administration finds are needed to minimize the accumulation of excess levels of radon in buildings. The changes shall be adopted within six months after federal standards are adopted.

Sec. 10. [326.92] [REPORT OF RADON TEST DATA.]

A person licensed under sections 326.83 to 326.94 who conducts radon tests in Minnesota must submit a copy of the test results to the department. The test results need not include the name of the property owner but must include the street address of the building. The street addresses of buildings for which data is collected under this section are nonpublic data. A government agency may share the data, including street addresses, with other government agencies.

Sec. 11. [326.93] [MANDATORY TESTING.]

Public and private schools and licensed day care centers must conduct an initial screening test for radon by July 1, 1991. The commissioner of administration may by rule require additional testing.

Sec. 12. [326.94] [RECIPROCITY.]

A person who is licensed to conduct radon testing in another state may obtain a Minnesota license without meeting the specific education requirements or taking any examination that may be required by the commissioner of administration if:

(1) the licensing requirements of the other state are equivalent to those required in this state; and

(2) the license holder pays the fees established in section 326.86.

Sec. 13. [EFFECTIVE DATE.]

Section 7, subdivision 1, is effective the day following final enactment. Sections 3 and 6 are effective October 1, 1989. Sections 4; 7, subdivisions 2, 3, 4, 5, and 6; and 10, are effective January 1, 1990.

Sec. 14. [APPROPRIATIONS.]

Subdivision 1. $200,000 is appropriated from the general fund to the commissioner of administration for the biennium ending June 30, 1991, to carry out the requirements of sections 3, 4, 7, 8, and 9. The department of administration's complement is increased by ..... persons.

Subd. 2. $20,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 5.

Subd. 3. $100,000 is appropriated from the general fund to the

commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 6, subdivision 1.

Subd. 4. $235,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 6, subdivision 2, clause (1).

Subd. 5. $240,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 6, subdivision 2, clause (2).

Subd. 6. $18,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 6, subdivision 2, clause (3).

Subd. 7. $255,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 6, subdivision 2, clause (4).

Subd. 8. $40,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 6, subdivision 2, clause (5).

Subd. 9. $47,500 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 6, subdivision 2, clause (6).

Subd. 10. $9,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 6, subdivision 2, clause (7).

Subd. 11. $60,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 11.

Subd. 12. The department of health complement is increased by ..... persons."

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

The report was adopted.

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

H. F. No. 412, A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for the purpose of licensure; changing the kinds of personnel licensed by

the board of teaching and the state board of education; changing the composition of the board of teaching; providing for teacher performance effectiveness plans; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; and 125.183, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 125.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 456, A bill for an act relating to human rights; providing that failure to implement a comparable worth plan is an unfair discriminatory practice; amending Minnesota Statutes 1988, section 363.01, subdivision 9.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 43A.05, is amended by adding a subdivision to read:

Subd. 7. [HUMAN RIGHTS.] The commissioner of human rights or any state court may use as evidence the results of any job evaluation system established under this section and the reports compiled under this section in any proceeding or action alleging discrimination.

Sec. 2. Minnesota Statutes 1988, section 471.997, is amended to read:

471.997 [HUMAN RIGHTS ACT EXCEPTION.]

~~Neither~~ The commissioner of human rights ~~nor~~ or any state court ~~shall~~ may use ~~or consider~~ as evidence the results of any job evaluation system established under section 471.994 and the reports compiled under section 471.995 in any proceeding or action ~~commenced~~ alleging discrimination ~~before August 1, 1987, under chapter 363~~."

Delete the title and insert:

"A bill for an act relating to human rights; allowing results of job evaluation systems as evidence in discrimination actions; amending

Minnesota Statutes 1988, sections 43A.05, by adding a subdivision; and 471.997."

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. 483, A bill for an act relating to crime; including controlled substance offenses in the evidentiary provision of the disorderly house crime; amending Minnesota Statutes 1988, section 609.33, subdivision 4.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 485, A bill for an act relating to resource development; establishing a legislative commission on minerals; appropriating money; amending Minnesota Statutes 1988, section 116J.61.

Reported the same back with the following amendments:

Page 3, line 22, after "economy" insert "in an environmentally sound manner" and after "and" insert "assess"

Page 4, line 35, after "economic" insert "and environmental"

Page 4, line 36, after "incentives" insert "such as credits for environmental measures"

Page 4, after line 36, insert:

"(3) adequacy of environmental policy in respect to mineral development;"

Page 5, line 1, delete "(3)" and insert "(4)"

Page 5, line 2, after "to" insert "environmentally sound"

Page 5, line 4, delete "(4)" and insert "(5)"

Page 5, line 8, delete "(5)" and insert "(6)"

Page 5, line 10, after "scientific" insert ", environmental,"

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 534, A bill for an act relating to groundwater; establishing best management practices and water resources protection requirements; regulating pollution limits; changing various requirements and procedures concerning fertilizer, soil amendments, and plant amendments; requiring a study of sustainable agriculture; changing certain pesticide laws; requiring a pesticide management plan; providing for responses to pesticide and fertilizer incidents; establishing a safe drinking water account; imposing an annual fee; reorganizing and revising laws on water wells, exploratory boring, and elevator shafts; establishing a water information committee; providing for local water resources protection and management; establishing water appropriation priorities; establishing a legislative commission on water; appropriating money; amending Minnesota Statutes 1988, sections 17.713; 17.714, subdivisions 1, 3, 6, and by adding a subdivision; 17.715, subdivisions 1, 4, and by adding subdivisions; 17.7155; 17.716, subdivisions 1 and 2; 17.717; 17.718; 17.719, subdivisions 1, 2, 3, 4, and by adding subdivisions; 17.721, by adding a subdivision; 17.723; 17.725, subdivision 2, and by adding subdivisions; 17.728, by adding subdivisions; 17.7285; 17.73, subdivision 3; 18B.01, subdivisions 5, 12, 15, 19, 21, 23, 26, 30, 31, and by adding subdivisions; 18B.03, by adding a subdivision; 18B.04; 18B.07, subdivisions 2, 3, 4, 5, 6, and 7; 18B.08, subdivisions 1, 3, and 4; 18B.15; 18B.17, subdivision 2; 18B.18; 18B.20, by adding a subdivision; 18B.21; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3, and 7; 18B.34, subdivisions 1, 2, and 5; 18B.36; 18B.37, subdivisions 1, 2, 3, and 4; 105.41, subdivision 1a; 105.418; 115.093, subdivision 5; 116C.40, by adding subdivisions; 116C.41, subdivision 1; 116E.03, subdivision 9; 156A.01; 156A.02; 156A.03; 156A.05; 156A.06; 156A.071; 156A.075; 156A.08; and 326.37; proposing coding for new law as Minnesota Statutes, chapters 110C and 115D; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 18B; 105; 115; 116C; 116E; 144; and 156A; repealing Minnesota Statutes 1988, sections 17.714, subdivisions 4, 4a, and 4b; 17.721; 17.726; 17.727; 17.728, subdivisions 4 and 5; 17.729; 17.73, subdivision 5, paragraph (d); 18B.16; 18B.19; 18B.20, subdivision 6; 156A.02, subdivision 3; 156A.031; 156A.04; 156A.07; 156A.10; and 156A.11.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PROTECTION OF GROUNDWATER

Section 1. [115D.01] [GOAL; PREVENTION OF GROUNDWATER DEGRADATION.]

It is the goal of the state that groundwater be maintained in its natural condition, free from any degradation caused by human activities. It is recognized that for some human activities this nondegradation goal cannot be practicably achieved. However, where prevention is practicable, it is intended that it be achieved. Where it is not currently practicable, the development of methods and technology that will make prevention practicable is encouraged. The prevention and cleanup of groundwater pollution is crucial to the public health and welfare and the environment of the state because:

(1) Minnesota's high quality groundwater is a precious natural resource upon which Minnesotans depend for many uses, including drinking water and agricultural and industrial uses;

(2) this resource is currently being threatened by pollution from a variety of land and water uses, including domestic, agricultural, and industrial uses;

(3) groundwater of the state is contained in a series of related and often interconnected aquifers, and pollutants entering the groundwater may spread both horizontally and vertically and may enter and impair surface waters;

(4) once groundwater becomes polluted, it is extremely difficult and at times impossible to return it to its natural state;

(5) consumption of polluted groundwater can result in significant health impacts, even at relatively low concentrations; and

(6) groundwater must be protected for consumption and other uses by future generations.

Sec. 2. [115D.02] [DEFINITIONS.]

Subdivision 1. [APPLICABLE DEFINITIONS.] The definitions provided in this section apply to terms used in sections 1 to 7, unless the context requires otherwise. The definitions provided in section 115.01 apply to terms used in sections 1 to 7, unless a different

definition is provided in this section or the context requires otherwise.

Subd. 2. [BEST MANAGEMENT PRACTICES.] "Best management practices" means those practices that are most capable of preventing, reducing, minimizing, or eliminating the pollution of the waters of the state, and are most practicable, considering availability, economic factors, effectiveness, environmental impacts, ability to be implemented, and technical feasibility. Best management practices apply to, but are not limited to, schedules of activities, operation procedures, practices, techniques, maintenance procedures, application and use of chemicals, drainage from raw material storage, treatment requirements, and other activities that may cause or contribute to water pollution.

Subd. 3. [PERSON.] "Person" means a human being; a municipality or other governmental or political subdivision; a public agency; a public or private corporation; a partnership, firm, association, or other organization; a receiver, trustee, assignee, agent, or other legal representative of any of the foregoing; or any other legal entity.

Subd. 4. [REGULATING AUTHORITY.] "Regulating authority" means a state agency, political subdivision, special purpose district, or other governmental unit with legal authority to adopt and enforce water resources protection requirements.

Subd. 5. [WATER RESOURCES PROTECTION REQUIREMENTS.] "Water resources protection requirements" means requirements intended to prevent, reduce, minimize, or eliminate pollution of the waters of the state that are enforceable under law, ordinance, permit, license, or order. Water resources protection requirements include: design criteria, guidance, or requirements; standards; operation and maintenance procedures; practices to control releases, spills, leaks, and sludge and waste disposal; restrictions on use and practices; and treatment requirements.

Sec. 3. [115D.03] [ADEQUACY OF STATE PROGRAMS.]

Subdivision 1. [PROGRAM REVIEW.] The environmental quality board shall identify those state agency programs that affect activities that may cause or contribute to groundwater pollution. Agencies shall review the identified programs and current management practices according to the following criteria:

(1) consistency with and effectiveness in achieving the goal of section 1, effectiveness in meeting the limits established under section 5, and application of special protective measures in sensitive areas identified under section 7;

(2) enforceability of current water resources protection requirements, and effectiveness of enforcement mechanisms;

(3) sufficiency of staff and funds to match the scope of the problems; and

(4) adequacy of review of individual facilities or practices.

The reviewing agencies shall report their findings to the board by July 1, 1990. The board shall determine the adequacy of groundwater protection efforts from this review. The board shall report its recommendations to the governor and the legislature by November 15, 1990, and at four-year intervals.

Subd. 2. [STATE AGENCIES.] Each state agency that has a program identified pursuant to subdivision 1 shall adopt water resources protection requirements or identify and develop best management practices to ensure that the program is consistent with and is effective in achieving the goal of section 1 and is effective in meeting the limits established under section 5. For those activities which may cause or contribute to pollution of groundwater, but are not directly regulated by the state, best management practices shall be promoted through education, support programs, incentives, and other mechanisms.

Subd. 3. [DEPARTMENT OF AGRICULTURE.] The department of agriculture shall adopt water resources protection requirements and identify and develop best management practices for the distribution, storage, and use of pesticides and fertilizers, except as otherwise provided in law.

Sec. 4. [115D.04] [DUTY TO PREVENT POLLUTION.]

Persons whose activity may cause or contribute to pollution of groundwater shall use all practicable means of preventing the pollution.

Sec. 5. [115D.05] [HEALTH AND POLLUTION LIMITS.]

Subdivision 1. [DEPARTMENT OF HEALTH.] (a) The department of health shall adopt rules specifying procedures and criteria for establishing and periodically revising a list of health risk limits for drinking water. The rules shall require the limits to be set at levels such that there is no significant long-term risk to human health from using that water, considering prudent margins of safety and complicating effects due to the presence of multiple pollutants or breakdown products. The rules shall provide for the establishment of temporary emergency limits that are not subject to paragraph (b).

(b) After rules are adopted under paragraph (a), the department shall establish a list of health risk limits in accordance with the rules and the procedures provided in this paragraph. The establish-

ment of the list is exempt from the requirements of chapter 14. The department shall reevaluate each limit at least every four years after it has been established. Before a list of health risk limits is established or revised, the department shall:

(1) publish in the State Register and disseminate through the Minnesota extension service and through soil and water conservation districts notice of its intent to establish or revise health risk limits for specific substances and shall solicit information on the health impacts of those substances;

(2) publish a proposed list of health risk limits in the State Register and disseminate through the Minnesota extension service and through soil and water conservation districts allowing 60 days for public comment; and

(3) publish the final list of health risk limits in the State Register and, at the same time, make available a summary of the public comments received and the department's responses to the comments.

(c) A limit established by the department under paragraph (b) may be challenged in the manner provided in sections 14.44 and 14.45, except that the court may declare a limit invalid only if it finds that the limit was not established in accordance with the rules adopted under paragraph (a) or the procedures provided in paragraph (b) or that the limit is arbitrary or capricious.

Subd. 2. [POLLUTION CONTROL AGENCY.] The pollution control agency shall adopt rules establishing numerical groundwater pollution limits. The rules shall:

(1) use the department of health's health risk limits as the measure of health risk;

(2) provide for the establishment of more protective limits where groundwater interactions with surface water may otherwise result in impairment of surface water quality;

(3) not preclude regulating authorities from adopting more stringent requirements for facilities or practices to further minimize pollution consistent with section 1, where it is practicable; and

(4) provide standards for measuring the adequacy of state agency programs under section 3 and guiding the actions of regulating authorities under section 6.

Sec. 6. [115D.06] [ACTIONS BY REGULATING AUTHORITIES.]

Subdivision 1. [GROUNDWATER POLLUTION OCCURRENCE.]

Where groundwater pollution is detected during ongoing monitoring programs, regardless of the limits established under section 5, the responsible state agency shall take appropriate actions consistent with the goal of section 1 to confirm detection and may investigate possible sources, investigate the extent of groundwater pollution, and may conduct informational and educational efforts and other appropriate actions in the affected areas.

Subd. 2. [GROUNDWATER POLLUTION IN EXCESS OF LIMITS.] If groundwater pollution exceeds or is likely to exceed limits established under section 5, the regulating authority shall take appropriate actions consistent with the goal of section 1 and the limits established under section 5.

Subd. 3. [APPROPRIATE ACTIONS.] For the purpose of this section, "appropriate actions" include actions to confirm detection and investigate possible sources, investigate the extent of groundwater pollution, conduct informational or educational efforts in the affected areas, require implementation of management practices, develop more protective water resources protection requirements, require changes in monitoring, restrict or modify the activity or use in question, or require or provide groundwater remediation or containment. Nothing in this section shall be interpreted to confer any authority to adopt water resources protection requirements upon any state agency, political subdivision, special purpose district, or other local governmental unit beyond the authority conferred by other law.

Subd. 4. [NITROGEN COMPOUNDS IN GROUNDWATER.] The department of agriculture and the pollution control agency, in consultation with the board of water and soil resources and Minnesota agricultural experiment station, shall prepare a report on nitrate and related nitrogen compounds in groundwater. The report shall consider recommendations made by local government in comprehensive local water plans and the program review required in section 3, subdivision 2, use data developed by the Minnesota agricultural experiment station, and shall incorporate the findings of the fertilizer nitrogen task force identified in article 2, section 12. This report shall be submitted to the environmental quality board by July 1, 1991. The board shall provide recommendations to the legislature by November 15, 1991, based upon this report.

The report shall be based on existing information and shall examine areas in which improvements in the state and local response to this problem are feasible. The report shall address, but not be limited to, the following issues: the determination of trends in nitrogen pollution; causative factors; the development of recommended best management practices to reduce or minimize pollution; regulatory controls; the feasibility of proposed treatment and corrective or mitigative measures; and the economic impacts of proposed corrective measures.

Sec. 7. [115D.07] [PROTECTION OF SENSITIVE AREAS.]

Subdivision 1. [DEFINITIONS.] (a) "Sensitive area" or "sensitive groundwater area" means a geographic area defined by natural features where the groundwater is at significant risk of contamination from activities conducted at or near the land surface.

(b) "Special protective measures" means any of a combination of measures which are undertaken in sensitive areas to meet the goal of section 1 and the limits established under section 5.

Subd. 2. [CRITERIA FOR DETERMINATION OF SENSITIVE AREAS.] The environmental quality board shall, after consultation with representatives of local government, and members of agricultural and environmental groups adopt a list of specific criteria for identifying sensitive groundwater areas, establish procedures for applying the criteria and for applying special protective measures in such areas, by September 30, 1991.

Subd. 3. [INFORMATION GATHERING.] State agencies shall incorporate these criteria and special protective measures into their programs. The environmental quality board is responsible for coordinating state and state-funded local information gathering efforts pursuant to the identification of sensitive groundwater areas. Information shall be collected and automated in accordance with article 6, section 7.

Sec. 8. [115D.08] [GROUNDWATER ADVISORY PANEL.]

A permanent groundwater advisory panel to the environmental quality board shall be appointed by the governor on a nonpartisan basis. In making the appointments, the governor shall seek the advice of independent professionals such as the dean of the college of medicine at the University of Minnesota and the chief of staff at the Mayo Clinic. Disciplines represented on the panel shall include: toxicology, internal medicine, biostatistics, public health, biochemistry, epidemiology, agricultural economics, agricultural engineering, soil science, agronomy, hydrology, geology, ecology, biology, and geophysics. The membership terms, compensation, removal, and filling of vacancies for members of the panel are governed by section 15.0575. The panel shall advise the board on groundwater concerns.

Sec. 9. [115D.09] [EFFECT ON OTHER LAW.]

Sections 1 to 7 do not limit any person's cause of action under chapter 116B; restrict the authority that a state agency or a local unit of government may have from any other law; or create new enforcement authority. Sections 1 to 7 are intended to provide direction for the implementation of existing regulatory programs.

ARTICLE 2

FERTILIZER, SOIL AMENDMENT, AND PLANT AMENDMENT

Section 1. [17.7121] [POWERS AND DUTIES OF COMMISSIONER.]

Subdivision 1. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer, implement, and enforce this chapter and the department of agriculture is the lead state agency for the regulation of fertilizer, including, but not limited to, its storage, handling, distribution, use, and disposal.

Subd. 2. [DELEGATION OF DUTIES.] The commissioner's duties under this chapter may be delegated to designated employees or agents of the department of agriculture.

Subd. 3. [DELEGATION TO APPROVED AGENCIES.] The commissioner may, by written agreements, delegate specific inspection, enforcement, and other regulatory duties of this chapter to officials of approved agencies.

Sec. 2. [17.7122] [POLICY; RULES.]

It is the policy of this state to seek to achieve and maintain uniformity with national standards and with other states, insofar as possible, of regulation and control of the manufacture, distribution, and sale of fertilizer in this state.

Sec. 3. Minnesota Statutes 1988, section 17.713, is amended to read:

17.713 [DEFINITIONS.]

Subdivision 1. [GENERALLY.] When used in sections 17.711 to 17.729 the terms defined in this section have the meanings given them.

Subd. 1a. [APPROVED AGENCY.] "Approved agency" means a state agency other than the department of agriculture or an agency of a county, home rule charter or statutory city, town, or other political subdivision that has signed a joint powers agreement under section 471.59 with the commissioner.

Subd. 1b. [BEST MANAGEMENT PRACTICES.] "Best management practices" has the meaning given to it in article 1, section 2, subdivision 1.

Subd. 1c. [WATER RESOURCES PROTECTION REQUIREMENTS.] "Water resources protection requirements" has the meaning given to it in article 1, section 2, subdivision 5.

Subd. 2. [BRAND.] "Brand" means a term, design, or trademark used in connection with one or several grades of ~~commercial~~ fertilizers or with soil and plant amendment materials.

~~Subd. 3. [BULK FERTILIZER.] "Bulk fertilizer" means any commercial fertilizer material distributed in a nonpackaged form.~~

Subd. 3a. [CHEMIGATION.] "Chemigation" means a process of applying fertilizers to land or crops including, but not limited to, agricultural, nursery, turf, golf course, or greenhouse sites in or with irrigation water during the irrigation process.

~~Subd. 4. [COMMERCIAL FERTILIZER.] "Commercial fertilizer" includes those sold which are both mixed fertilizer or fertilizer materials.~~

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

Subd. 4b. [COMPOST.] "Compost" is a material derived primarily or entirely from biological decomposition of vegetative organic matter or animal manure to which no inorganic fertilizers have been added other than to promote decomposition.

Subd. 4c. [CORRECTIVE ACTION.] Correction action means an action taken to minimize, eliminate, or clean up an incident.

Subd. 4d. [CUSTOM APPLY.] "Custom apply" means to apply a fertilizer, soil amendment, or plant amendment product for hire.

Subd. 4e. [DEFICIENCY.] "Deficiency" means that amount of nutrient found by analysis less than that guaranteed which may result from a lack of nutrient ingredients or from lack of uniformity.

Subd. 5. [DISTRIBUTOR.] "Distributor" means any person who imports, consigns, manufactures, produces, compounds, mixes, or blends ~~commercial~~ fertilizer, or who offers for sale, sells, barters, or otherwise supplies ~~commercial~~ fertilizer or soil and plant amendments in this state.

Subd. 5a. [ENVIRONMENT.] "Environment" means surface water, ground water, air, land, plants, humans, and animals and their interrelationships.

Subd. 5b. [FERTILIZER.] "Fertilizer" means a substance containing one or more recognized plant nutrients that is used for its plant

nutrient content and designed for use or claimed to have value in promoting plant growth, except unmanipulated animal and vegetable manures, marl, lime, limestone, and other products exempted by rule by the commissioner.

~~Subd. 6. [FERTILIZER MATERIAL.] "Fertilizer material" means any substance containing nitrogen, phosphorus, potassium or any recognized plant food nutrient, or any compound which is used primarily for its plant nutrient content or for compounding mixed fertilizers except unmanipulated animal and vegetable manures.~~

Subd. 6a. [FIXED LOCATION.] "Fixed location" means all stationary fertilizer facility operations, owned ~~and~~ or operated by a person, located in the same plant location or locality.

Subd. 7. [GRADE.] "Grade" means the percentage of total nitrogen (N), available phosphorus (P) or phosphoric acid (P2O5), and soluble potassium (K) or soluble potash (K2O) stated in whole numbers in the same terms, order, and percentages as in the guaranteed analysis; provided, however, that ~~fertilizer materials,~~ bone meals, manures, and similar raw materials may be guaranteed in fractional units, and specialty fertilizers may be guaranteed in fractional units of less than one percent of total nitrogen, available phosphorus or phosphoric acid, and soluble potassium or soluble potash.

Subd. 8. [GUARANTEED ANALYSIS.] "Guaranteed analysis": (1) Until the commissioner prescribes the alternative form of "guaranteed analysis" in accordance with the provisions of paragraph 2 of this subdivision, the term "guaranteed analysis" shall mean the percentage of plant nutrient content, if claimed, in the following ~~order~~ form:

(a) Total nitrogen	~~. . . . percent~~
~~Available phosphoric acid~~	~~. . . . percent~~
~~Soluble potash~~	~~. . . . percent~~
Total Nitrogen (N)	. . . . .percent
Available Phosphoric Acid (P205)	. . . . .percent
Soluble Potash (K20)	. . . . .percent

~~(b)~~ (a) For unacidulated mineral phosphatic materials and basic slag, bone, tankage, and other organic phosphate materials, the total phosphoric acid or degree of fineness, or both, may also be guaranteed.

~~(c)~~ (b) Guarantees for plant nutrients other than nitrogen, phosphorus and potassium may be permitted or required by rule of the commissioner. The guarantees for such other nutrients shall be

expressed in the elemental form. The sources of such other elements, oxides, salt, and chelates, may be required to be stated on the application for registration and may be included as a parenthetical statement on the label. Other beneficial substances or compounds, determinable by laboratory methods, also may be guaranteed by permission of the commissioner and with the advice of the director of the agricultural experiment station. When any plant nutrients or other substances or compounds are guaranteed, they shall be subject to inspection and analyses in accord with the methods and rules prescribed by the commissioner.

~~(d)~~ (c) Potential basicity or acidity expressed in terms of calcium carbonate equivalent in multiples of 100 pounds per ton, when required by rule.

(2) When the commissioner finds, after public hearing following due notice, that the requirement for expressing the guaranteed analysis of phosphorus and potassium in elemental form would not impose an economic hardship on distributors and users of fertilizer by reason of conflicting labeling requirements among the states, the commissioner may require thereafter that the "guaranteed analysis" shall be in the following form:

Total ~~nitrogen~~ Nitrogen (N)	.....percent
Available ~~phosphorus~~ Phosphorus (P)	.....percent
Soluble ~~potassium~~ Potassium (K)	.....percent

The effective date of said rule shall be not less than one year following the issuance thereof, and provided, further, that for a period of two years following the effective date of said rule the equivalent of phosphorus and potassium may also be shown in the form of phosphoric acid and potash. After the effective date of a rule issued under the provisions of this section, requiring that phosphorus and potassium be shown in the elemental form, the guaranteed analysis for nitrogen, phosphorus, and potassium shall constitute the grade.

(3) "Guaranteed analysis" of a soil amendment or plant amendment shall mean an accurate statement of composition including the percentages of each ingredient. If the product is a microbiological product, the number of viable microorganisms per milliliter for a liquid or the number of viable microorganisms per gram for a dry product must also be listed.

Subd. 9. [GUARANTOR.] "Guarantor" means the person who is guaranteeing the material to be as stated in the guaranteed analysis statement.

Subd. 9a. [HAZARDOUS WASTE.] "Hazardous waste" means a substance identified or listed as hazardous waste in the rules adopted under section 116.07, subdivision 4.

Subd. 9b. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, leak, spill, emission, discharge, escape, disposal, or other event that releases or immediately threatens to release a fertilizer, soil amendment, or plant amendment accidentally or otherwise into the environment, and may cause unreasonable adverse effects on the environment. Incident does not include a release resulting from the normal use of a product or practice in accordance with law.

Subd. 9c. [INVESTIGATIONAL ALLOWANCE.] "Investigational allowance" means an allowance for variations inherent in the taking, preparation, and analysis of an official sample of fertilizer.

Subd. ~~9a.~~ 9d. [LABEL.] "Label" means the display of all written, printed or graphic matter upon the immediate container or the statement accompanying a ~~commercial~~ fertilizer, soil amendment or plant amendment.

Subd. ~~9b.~~ 9e. [LABELING.] "Labeling" means all written, printed or graphic matter upon or accompanying any ~~commercial~~ fertilizer, soil amendment or plant amendment or advertisements, brochures, posters, television, radio or other announcements used in promoting their sale.

Subd. ~~9c.~~ 9f. [MANIPULATED ~~MANURES~~.] "Manipulated ~~manures~~" ~~means substances composed primarily of excreta, plant remains, or mixtures or substances~~ means fertilizers that are manufactured, blended, mixed, or animal or vegetable manures which have been treated in any manner, including mechanical drying, grinding, pelleting and other means, or by adding other chemicals or substances.

~~Subd. 10. [MIXED FERTILIZER.] "Mixed fertilizer" means any combination or mixture of fertilizer material designed for use or claimed to have value in promoting plant growth, with or without inert materials.~~

Subd. 11. [MOBILE MECHANICAL UNIT.] "Mobile mechanical unit" means any portable machine or apparatus used to blend, mix, or manufacture ~~fertilizer materials~~ fertilizers.

Subd. 12. [OFFICIAL SAMPLE.] "Official sample" means any sample of ~~commercial~~ fertilizer, soil amendment or plant amendment taken by the commissioner according to methods prescribed by sections 17.711 to 17.729.

Subd. 13. [ORGANIC.] "Organic" when applied to fertilizer nutrients refers only to naturally occurring substances generally recognized as the hydrogen compounds of carbon and their derivatives or synthetic products of similar composition whose water insoluble nitrogen content is at least 60 percent of the total nitrogen guaranteed.

Subd. 13a. [OWNER OF REAL PROPERTY.] "Owner of real property" means a person who is in possession of, has the right of control, or controls the use of real property, including without limitation a person who may be a fee owner, lessee, renter, tenant, lessor, contract for deed vendee, licensor, licensee, or occupant.

Subd. 14. [PERCENT; PERCENTAGE.] "Percent" or "percentage" means the percentage by weight.

Subd. 15. [PERSON.] "Person" ~~includes individuals, partnerships, associations, firms, corporations, companies, and societies.~~ means an individual, firm, corporation, partnership, association, trust, joint stock company, or unincorporated organization, the state, a state agency, or a political subdivision.

Subd. 15a. [PLANT AMENDMENT.] "Plant amendment" means any substance applied to plants or seeds which is intended to improve germination, growth, yield, product quality, reproduction, flavor, or other desirable characteristics of plants except ~~commercial~~ fertilizers, soil amendments, agricultural liming materials, ~~animal and vegetable manures,~~ pesticides, and other materials which may be exempted by rule.

Subd. 15b. [PLANT FOOD.] "Plant food" means any one of the following plant nutrients or any additional plant nutrient which might be generally recognized as beneficial for plant growth: nitrogen, phosphorus, potassium, calcium, magnesium, sulfur, boron, chlorine, cobalt, copper, iron, manganese, molybdenum, sodium and zinc.

Subd. 16. [REGISTRANT.] "Registrant" means the person who registers ~~commercial~~ fertilizer ~~material~~, soil amendment or plant amendment under the provisions of sections 17.711 to 17.729.

Subd. 16a. [RESPONSIBLE PARTY.] "Responsible party" means a person who at the time of an incident has custody of, control of, or responsibility for a fertilizer, fertilizer container, or fertilizer rinsate.

Subd. 16b. [RINSATE.] "Rinsate" means a dilute mixture of a fertilizer or fertilizer with water, solvents, oils, commercial rinsing agents, or other substances.

Subd. 16c. [SAFEGUARD.] "Safeguard" means a facility, equipment, device, or system, or a combination of these, as required by rule, designed to prevent an incident.

Subd. 17. [SELL.] "Sell," when applied to ~~commercial~~ fertilizer, soil amendment, or plant amendment, includes:

(1) The act of selling, transferring ownership;

(2) The offering and exposing for sale, exchange, distribution, giving away, and transportation in, and into, this state;

(3) The possession with intent to sell, exchange, distribute, give away or transport in, and into, this state;

(4) The storing, carrying and handling in aid of traffic therein, whether done in person or through an agent, employee or others; and

(5) Receiving, accepting, and holding of consignment for sale.

Subd. 17a. [SEWAGE SLUDGE.] "Sewage sludge" means the solids and associated liquids in municipal wastewater which are encountered and concentrated by a municipal wastewater treatment plant. Sewage sludge does not include incinerator residues and grit, scum, or screenings removed from other solids during treatment. ~~Sewage sludge is exempt from all requirements of this chapter except the soil amendment labeling requirements of section 17.716 unless the sewage sludge meets the plant food content criteria for a commercial fertilizer in which case the sewage sludge will be considered a commercial fertilizer. A copy of the sewage sludge analysis required by the rules of the pollution control agency adopted under section 116.07, subdivision 4, is sufficient to meet the labeling requirements of section 17.716.~~

Subd. 17b. [SITE.] "Site" includes land and water areas, air space, and plants, animals, structures, buildings, contrivances, and machinery, whether fixed or mobile, including anything used for transportation.

~~Subd. 18. [SMALL PACKAGE FERTILIZER.] "Small package fertilizer" means fertilizer material sold exclusively in packages of 25 pounds or less.~~

Subd. 19. [SOIL AMENDMENT.] "Soil amendment" means ~~any aggregant or additive or any synthetic organic chemical substances, or chemically or physically modified natural substances, or naturally occurring substance, or manufacturing by-products, mixed or unmixed, which are represented as having a primary function of forming or stabilizing soil aggregants in soil to which it is to be~~

~~applied and thereby improving the resistance of such soil to the slaking action of water, increasing its water and air permeability, improving the resistance of its surface to crusting, improving its ease of cultivation, or otherwise favorably modifying its structural or physical properties.~~ a substance intended to improve the physical characteristics of the soil, except fertilizers, agricultural liming materials, pesticides, and other materials exempted by rules of the commissioner.

Subd. 20. [SPECIALTY FERTILIZER.] "Specialty fertilizer" means any ~~commercial~~ fertilizer labeled and distributed for, but not limited to, the following uses: commercial gardening, greenhouses, nurseries, sod farms, home gardens, house plants, ~~lawns~~ lawn fertilizer not custom applied, shrubs, golf courses, municipal parks, cemeteries, and research or experimental purposes.

Subd. 20a. [SUBSTANTIALLY ALTERING.] "Substantially altering" means modifying a facility by adding additional safeguards or storage containers, or changing existing storage containers, safeguards, appurtenances, or piping. This does not include routine maintenance of existing safeguards, storage containers, appurtenances, and piping or of existing mixing, blending, weighing, and handling equipment.

Subd. 21. [TON.] "Ton" means a net ton of 2,000 pounds avoirdupois.

Subd. 22. [UNREASONABLE ADVERSE EFFECTS ON THE ENVIRONMENT.] "Unreasonable adverse effects on the environment" means any unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of a fertilizer.

Subd. 23. [WILDLIFE.] "Wildlife" means living things that are not human, domesticated, or pests.

Sec. 4. Minnesota Statutes 1988, section 17.714, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION FEE; CERTAIN ITEMS.] ~~Fertilizer brands and grades sold only as small package items or represented and labeled as specialty fertilizer; and soil and plant amendments sold with recommendations for commercial agricultural use, shall be registered and a fee paid pursuant to section 17.717. Fees paid for registration made in this manner shall be in lieu of any other license or tonnage fees.~~ A person may not sell brands or grades of specialty fertilizer, soil amendments, or plant amendments in this state unless they are registered with the commissioner.

Sec. 5. Minnesota Statutes 1988, section 17.714, subdivision 3, is amended to read:

Subd. 3. [COPY OF LABEL, LABELING MATERIAL.] Application for registration of ~~a small package fertilizer or~~ a specialty fertilizer or a soil or plant amendment shall be accompanied by:

(a) A label or label facsimile of each product for which registration is requested; and

(b) A copy of all labeling material used in this state for promotion and sale of each product being registered.

Sec. 6. Minnesota Statutes 1988, section 17.714, subdivision 6, is amended to read:

Subd. 6. [MAY NOT SELL WITHOUT REGISTRATION.] No distributor or manufacturer shall sell, offer for sale or distribute in this state any ~~small package fertilizer,~~ specialty fertilizer, soil or plant amendment unless it has been registered with the department of agriculture. Registration of such materials is not a warranty by the department or the state.

Sec. 7. Minnesota Statutes 1988, section 17.714, is amended by adding a subdivision to read:

Subd. 7. [EXCEPTION.] Specialty fertilizers custom applied are exempt from the registration requirements of this section.

Sec. 8. [17.7145] [APPLICATION OF REQUIREMENTS TO SEWAGE SLUDGE AND COMPOST.]

Subdivision 1. [PROVISIONS APPLYING TO SEWAGE SLUDGE.] Sewage sludge given away is exempt from all requirements of this chapter except the labeling requirements of this chapter.

Subd. 2. [ANALYSIS MEETS LABELING REQUIREMENTS.] A copy of the sewage sludge analysis required by the rules of the pollution control agency adopted under section 116.07, subdivision 4, is sufficient to meet the labeling requirements.

Subd. 3. [PROVISIONS APPLYING TO COMPOST.] Compost given away is exempt from all requirements of this chapter.

Sec. 9. Minnesota Statutes 1988, section 17.715, subdivision 1, is amended to read:

Subdivision 1. [LICENSED PERSONS.] A person ~~who manufactures, blends, mixes, or otherwise manipulates commercial fertilizer~~

~~material and a person who stores or distributes bulk fertilizer for resale shall obtain~~ may not sell, distribute, custom apply, or otherwise manipulate fertilizers without obtaining a license from the commissioner ~~for~~ from each fixed location where the person does business within the state ~~where these operations are performed~~ and one license for all fixed locations that are located outside of the state.

Sec. 10. Minnesota Statutes 1988, section 17.715, subdivision 2, is amended to read:

Subd. 2. ~~One license for all fixed locations of a firm which are located outside of the state shall be obtained from the commissioner~~ A distributor may not manipulate fertilizer by means of a mobile mechanical unit without a license from the commissioner for each mobile mechanical unit.

Sec. 11. Minnesota Statutes 1988, section 17.715, subdivision 4, is amended to read:

Subd. 4. ~~Each license is effective until January 1 next following the date of its issuance or approval.~~ All licenses shall be for the period January 1 to December 31 and shall be renewed thereafter by the licensee on or before January 1 of each year. A license ~~shall~~ is not ~~be~~ transferable from one person to another, ~~or~~ from the ownership to whom issued to another ownership, or from one location to another location.

Sec. 12. Minnesota Statutes 1988, section 17.715, is amended by adding a subdivision to read:

Subd. 6. [UNLICENSED SALES.] No distributor or manufacturer may sell, offer for sale, or distribute a fertilizer in this state without a license under this chapter unless the person is exempt from the licensing requirements in this chapter.

Sec. 13. Minnesota Statutes 1988, section 17.715, is amended by adding a subdivision to read:

Subd. 7. [COPY OF LABEL AND LABELING MATERIAL.] Application for license must include:

(1) an invoice delivery ticket, label, or label facsimile for each product manufactured or made as required by section 17.716; and

(2) a copy of all labeling material used in this state for promotion of each product manufactured or made.

Sec. 14. [17.7151] [APPLICATION REVIEW.]

Subdivision 1. [SUBSTANTIATION OF CLAIMS.] The commissioner may require a person applying for a license or registration to manufacture or distribute a product for use in Minnesota to submit authentic experimental evidence or university research data to substantiate the claims made for the product. As evidence to substantiate claims, the commissioner may rely on experimental data, evaluations, or advice furnished by experts at the University of Minnesota and may accept or reject additional sources of evidence in evaluating a fertilizer or soil or plant amendment. The experimental evidence must relate to conditions in Minnesota for which the product is intended. The commissioner may also require evidence of value when used as directed or recommended.

Subd. 2. [INSUFFICIENT EVIDENCE.] If the commissioner determines that the evidence submitted does not substantiate the product's usefulness in this state, the commissioner may require the applicant to submit samples, conduct tests, or submit additional information, including conditions affecting performance, in order to evaluate its performance and usefulness.

Subd. 3. [REFUSAL TO LICENSE OR REGISTER.] The commissioner may refuse to license a person or register a specialty fertilizer or soil or plant amendment:

(1) if the application for license or registration is not complete;

(2) if the commissioner determines that the fertilizer, soil amendment, plant amendment, or any other additives with substantially the same contents, will not or is not likely to produce the results or effects claimed when used as directed;

(3) if the commissioner determines that the fertilizer, soil amendment, plant amendment, or any other additive with substantially the same contents, is not useful in this state; or

(4) the facility is not safeguarded for bulk storage under section 17.7155 and as required by rule.

Subd. 4. [APPLICATION REVIEW AND REGISTRATION.] After reviewing the application accompanied by the application fee, the commissioner may issue a conditional license or registration to prevent unreasonable adverse effects on the environment or if the commissioner determines that the applicant needs the license or registration to accumulate information necessary to substantiate claims or to correct minor label violations. The commissioner may prescribe terms, conditions, and a limited period of time for the conditional license or registration. After a conditional license or registration is issued, the commissioner may revoke or modify the license or registration if the commissioner finds that its terms or conditions are being violated or are inadequate to avoid unreasonable adverse effects on the environment.

The commissioner may deny issuance of a conditional license or registration if the commissioner determines that issuance of a license or registration is not warranted or that the use to be made of the product under the proposed terms and conditions may cause unreasonable adverse effects on the environment.

Subd. 5. [PROTECTION OF TRADE SECRETS.] (a) In submitting data required by this chapter, the applicant may:

(1) clearly mark any portions that in the applicant's opinion are trade secrets, or commercial, or financial information; and

(2) submit the marked material separately from other material.

(b) After consideration of the applicant's request submitted under paragraph (a), the commissioner shall not make any information public that in the commissioner's judgment contains or relates to trade secrets or to commercial or financial information obtained from an applicant. When necessary, information relating to formulas of products may be revealed to a state or federal agency consulted with similar protection of trade secret authority and may be revealed at a public hearing or in findings of facts issued by the commissioner.

(c) If the commissioner proposes to release information that the applicant or registrant believes to be protected from disclosure under paragraph (b), the commissioner shall notify the applicant or registrant by certified mail. The commissioner shall not make the information available for inspection until 30 days after receipt of the notice by the applicant or registrant. During this period, the applicant or registrant may institute an action in an appropriate court for a declaratory judgment as to whether the information is subject to protection under this section.

Sec. 15. [17.7153] [FERTILIZER PRACTICES.]

The commissioner shall:

(1) establish best management practices and water resources protection requirements involving fertilizer use, distribution, storage, handling, and disposal;

(2) cooperate with other state agencies and local governments to protect public health and the environment from harmful exposure to fertilizer; and

(3) appoint a task force to study the effects and impact on water resources from nitrogen fertilizer use so that best management practices, a fertilizer management plan, and nitrogen fertilizer use regulations can be developed. The task force must include farmers,

representatives from farm organizations, the fertilizer industry, University of Minnesota, environmental groups, representatives of local government involved with comprehensive local water planning, and other state agencies, including the Minnesota pollution control agency, the Minnesota department of health, the Minnesota department of natural resources, the Minnesota state planning agency, the board of animal health, and the board of water and soil resources.

The task force shall review existing research including pertinent research from the University of Minnesota and shall develop recommendations for a nitrogen fertilizer management plan for the prevention, evaluation, and mitigation of nonpoint source occurrences of nitrogen fertilizer in waters of the state. The nitrogen fertilizer management plan must include components promoting prevention and developing appropriate responses to the detection of nitrate and related nitrogen from fertilizer sources in ground or surface water.

The task force shall report its recommendations to the commissioner by May 1, 1990. The commissioner shall report to the environmental quality board by July 1, 1990, on the task force's recommendations. The recommendations of this task force shall be incorporated into an overall nitrate and related nitrogen plan prepared by the pollution control agency and the department of agriculture as set forth in article 1, section 6.

Sec. 16. [17.7154] [PROHIBITED FERTILIZER ACTIVITIES.]

Subdivision 1. [STORAGE, HANDLING, DISTRIBUTION, OR DISPOSAL.] A person may not store, handle, distribute, or dispose of a fertilizer, rinsate, fertilizer container, or fertilizer application equipment in a manner:

(1) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife;

(2) that will cause unreasonable adverse effects on the environment; or

(3) that will cause contamination of public or other waters of the state as defined in section 105.37, subdivisions 7 and 14, from backsiphoning or backflowing of fertilizers through water wells or from the direct flowage of fertilizers.

Subd. 2. [USE OF PUBLIC WATER SUPPLIES FOR FILLING EQUIPMENT.] A person may not fill fertilizer application equipment directly from a public water supply, as defined in section 144.382, unless the outlet from the public water supply is equipped

with a backflow prevention device that complies with Minnesota Rules, parts 4715.2000 to 4715.2280.

Subd. 3. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.] A person may not fill fertilizer application equipment directly from public or other waters of the state, as defined in section 105.37, subdivisions 7 and 14, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce fertilizers into the application equipment until after filling the equipment from the public waters.

Subd. 4. [CLEANING EQUIPMENT IN OR NEAR SURFACE WATER.] A person may not:

(1) clean fertilizer application equipment in surface waters of the state; or

(2) fill or clean fertilizer application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, fertilizers or materials contaminated with fertilizers could enter or contaminate the surface waters, groundwater, or wells, as a result of overflow, leakage, or other causes.

Subd. 5. [FERTILIZER, RINSATE, AND CONTAINER DISPOSAL.] A person may only dispose of fertilizer, rinsate, and fertilizer containers in accordance with this chapter. The manner of disposal must not cause unreasonable adverse effects on the environment.

Sec. 17. Minnesota Statutes 1988, section 17.7155, is amended to read:

17.7155 [APPROVAL OF FACILITY ~~AND EQUIPMENT~~.]

Subdivision 1. [~~APPROVAL~~ CONSTRUCTION PERMIT.] A person ~~beginning construction of or substantially altering an existing facility or equipment used for the manufacture, blending, handling, or bulk storage of commercial fertilizers, soil or plant amendments shall~~ must obtain ~~the approval of~~ a permit from the commissioner on forms provided by the commissioner before the person constructs or substantially alters:

(1) safeguards; or

(2) an existing facility used for the manufacture, blending, handling, or bulk storage of fertilizers, soil amendments, or plant amendments. The commissioner may not grant a permit for a site without safeguards that are adequate to prevent the escape or movement of the fertilizers from the site.

Subd. 2. [~~TRANSFER~~ PERMIT FEES.] ~~The approval shall not be transferable from one person to another, or from the ownership to whom issued to another ownership, or from one location to another.~~ (a) An application for a new facility must be accompanied by a nonrefundable application fee of $100 for each location where fertilizer is stored.

(b) An application to substantially alter a facility must be accompanied by a nonrefundable $50 fee.

(c) In addition to the fees under paragraphs (a) and (b), a fee of $250 must be paid by an applicant who begins construction or substantial alteration before a permit is issued.

(d) An application for a facility that includes both fertilizers, as regulated under this chapter, and pesticides, as regulated under chapter 18B, shall pay only one application fee of $100.

Sec. 18. [17.7156] [CHEMIGATION.]

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not apply fertilizers through an irrigation system without a chemigation permit from the commissioner. A chemigation permit is required for one or more wells, or other irrigation water source, that is protected from fertilizer contamination by devices as required by rule. The commissioner may allow irrigation to be used to apply fertilizers on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

(b) A person must apply for a chemigation permit on forms prescribed by the commissioner.

Subd. 2. [EQUIPMENT.] A chemigation system must be fitted with effective antisiphon devices or check valves that prevent the backflow of fertilizers or fertilizer-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump or water source discharge and the point of fertilizer injection; and

(2) the point of fertilizer injection and the fertilizer supply.

Subd. 3. [APPLICATION FEE.] A person initially applying for a chemigation permit must pay a nonrefundable application fee of $50. A person who holds a valid pesticide chemigation permit as required by chapter 18B is exempt from the fee in this subdivision.

Subd. 4. [RULES.] The commissioner shall, by rule, develop

specific requirements for implementation of a program to regulate application of fertilizers by irrigation.

Sec. 19. Minnesota Statutes 1988, section 17.716, subdivision 1, is amended to read:

Subdivision 1. [LABEL CONTENTS.] Any ~~commercial~~ fertilizer offered for sale or sold or distributed in this state in bags~~,~~ or other containers~~,~~ ~~shall~~ must have placed on or affixed to the container a label setting forth in clearly legible and conspicuous form the following information: ~~(a)~~ (1) the net weight; ~~(b)~~ (2) the brand and grade~~.~~ ~~When~~, except that the grade is not required if no primary nutrients are claimed, and if the ~~commercial~~ fertilizer ~~material~~ is used solely for agricultural purposes, inclusion of the grade on the tag or label~~,~~ ~~shall be~~ is optional ~~providing~~ if the guaranteed analysis statement is shown in the complete form as in section 17.713, subdivision 8; ~~(c)~~ (3) the guaranteed analysis; ~~(d)~~ (4) the name and address of the guarantor~~.~~; (5) directions for use; and (6) a derivatives statement. ~~Such~~ This information, if not appearing on the face or display side of the container in a conspicuous form, ~~shall~~ must appear on the upper one third of the side of the container~~,~~ or on the upper end of the container or ~~shall~~ must be printed on tags affixed conspicuously to the upper end of the container.

Sec. 20. Minnesota Statutes 1988, section 17.716, subdivision 2, is amended to read:

Subd. 2. [BLENDS AND MIXTURES.] Any distributor who blends or mixes fertilizer ~~materials~~ to a customer's order without a guaranteed analysis of the final mixture shall furnish each and every purchaser, in written or printed form, an invoice or delivery ticket showing the net weight and guaranteed analysis of each and every one of the materials used in the mixture~~,~~ ~~which shall~~. This document must accompany the delivery. Records of invoices or delivery tickets must be kept for five years after the delivery or application.

Sec. 21. Minnesota Statutes 1988, section 17.716, subdivision 4, is amended to read:

Subd. 4. The plant food content of a given lot must remain uniform and may not become segregated within the lot.

Sec. 22. Minnesota Statutes 1988, section 17.717, is amended to read:

17.717 [LICENSE, INSPECTION, AND REGISTRATION FEES.]

Subdivision 1. [LICENSE FEE.] ~~Each~~ An application for a license

from each fixed location within the state ~~shall~~ must be accompanied by a ~~fee of $50~~ $100 fee.

A fee of ~~$50 shall~~ $100 must accompany the application for a license for all fixed locations of each firm outside of the state. In the case of mobile mechanical units, each unit owned and operated by any one distributor ~~shall~~ must be licensed at a rate of ~~$50~~ $100 for the first unit and ~~$25~~ $50 for each additional mobile mechanical unit.

Subd. 1a. [FERTILIZER INSPECTION ACCOUNT.] A fertilizer inspection account is established in the state treasury. The commissioner shall deposit all fees and penalties collected under sections 17.711 to 17.729 in the fertilizer inspection account. Money in that account, including interest earned and any money appropriated for the purposes of sections 17.711 to 17.729, is annually appropriated to the commissioner for the administration and enforcement of sections 17.711 to 17.729.

Subd. 3. [~~SMALL PACKAGE;~~ SPECIALTY FERTILIZER.] ~~Each~~ An application for registration of a ~~commercial fertilizer material sold as a small package or as a~~ specialty fertilizer shall be accompanied by a registration and inspection fee of ~~$50~~ $100 for each brand and grade to be sold or distributed. This shall be in accordance with the provisions of section 17.714, subdivision 1.

Subd. 4. [SOIL AMENDMENT, PLANT AMENDMENT.] Each application for registration of a soil amendment or plant amendment shall be accompanied by a registration and inspection fee of ~~$100~~ $200 for each brand sold or distributed. This shall be in accordance with the provisions of section 17.714, subdivision 1.

Subd. 4a. [ADDITIONAL FEE AFTER JANUARY 1 OR JULY 1.] If an application for renewal of a fertilizer ~~blending~~ license or registration of a ~~small package fertilizer,~~ specialty fertilizer, soil amendment or plant amendment is not filed prior to January 1 or July 1 of any year, as required, an additional fee amounting to 50 percent of the amount due shall be assessed before the renewal license or registration may be issued.

Subd. 5. [INSPECTION FEES.] There shall be paid to the commissioner for all ~~commercial~~ fertilizers and soil and plant amendments offered for sale, sold, or distributed in this state an inspection fee at the rate of ~~ten~~ 15 cents per ton, with a minimum fee of $10. Products sold to manufacturers or exchanged between them are hereby exempted from the fee imposed by this subdivision when used exclusively for manufacturing purposes. ~~Inspection fees of products registered under provisions of subdivisions 3 and 4, are also exempted.~~

Subd. 6. [ADDITIONAL FEE.] An additional fee of 100 percent of

the amount due must be paid by the applicant for each license or registration for products distributed or used in the state before initial state licensing or registration.

Sec. 23. Minnesota Statutes 1988, section 17.718, is amended to read:

17.718 [TONNAGE REPORT.]

Subdivision 1. [SEMIANNUAL STATEMENT.] Each licensed distributor of ~~commercial~~ fertilizer and each registrant of a ~~commercial~~ specialty fertilizer, soil amendment, or plant amendment shall file with the commissioner on forms furnished by the commissioner, a semiannual statement for the periods ending December 31 and June 30 setting forth the number of net tons of each brand or grade of ~~commercial~~ fertilizer, soil amendment, or plant amendment distributed in this state during the reporting period. A report from a licensee who sells to an ultimate consumer must be accompanied by records or invoice copies indicating the name of the distributor who paid the inspection fee, the net tons received, and the grade or brand name of the products received. The report is due on or before the ~~30th~~ 31st of the month following the close of each reporting period of each calendar year. The inspection fee at the rate stated in section 17.717, subdivision 5 shall accompany the statement. For the tonnage report that is not filed or the payment of inspection fees that is not made within ~~30~~ 31 days after the end of the reporting period, a penalty of ten percent of the amount due, with a minimum penalty of ~~$10~~ $25, shall be assessed against the licensee or registrant, and the total amount of fees due, plus penalty, shall constitute a debt and may be recovered in a civil action against the licensee or registrant. The assessment of this penalty shall not prevent the department from taking other actions as provided in this chapter. The commissioner may by rule require additional reports for the purpose of gathering statistical data relating to fertilizer, soil amendments, and plant amendments distribution in the state.

Subd. 2. When more than one person is involved in the distribution of a ~~commercial~~ fertilizer, soil amendment, or plant amendment, the ~~last person licensed~~ distributor who imports, manufactures, or produces the fertilizer or who has the specialty fertilizer, soil amendment, or plant amendment registered ~~and who distributes to a nonlicensed or nonregistrant dealer or consumer~~ is responsible for the inspection fee on products produced or brought into this state after July 1, 1989. The distributor must separately list the inspection fee on the invoice to the licensee. The last licensee must retain the invoices showing proof of inspection fees paid for three years and must pay the inspection fee on products brought into this state before July 1, 1989, unless the reporting and paying of fees have been made by a prior distributor of the fertilizer.

Subd. 3. Submission of each tonnage report ~~shall~~ is also ~~be~~

authority for the commissioner's permission to verify the records upon which ~~such~~ the statement of tonnage is based.

Sec. 24. Minnesota Statutes 1988, section 17.719, subdivision 1, is amended to read:

Subdivision 1. [~~POWERS AND DUTIES OF COMMISSIONER~~ ACCESS AND ENTRY.] ~~The commissioner shall sample, inspect, make analysis of, and test commercial fertilizers, soil amendments and plant amendments offered for sale, sold, or distributed within this state at a time and place and to an extent the commissioner may deem necessary to determine whether the commercial fertilizers, soil amendments and plant amendments are in compliance with the provisions of sections 17.711 to 17.729, and may obtain additional information as the commissioner deems advisable. The commissioner is authorized to enter upon any public or private premises during regular business hours in order to have access to commercial fertilizers, soil amendments, and plant amendments subject to the provisions of sections 17.711 to 17.729 and rules adopted under section 17.725.~~ (a) The commissioner, upon presentation of official department credentials, must be granted access at reasonable times without delay to sites:

(1) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a fertilizer, soil amendment, or plant amendment; and

(2) which the commissioner reasonably believes are affected, or possibly affected, by the use of a fertilizer, soil amendment or plant amendment, or device in violation of a provision of this chapter.

(b) The commissioner may enter sites for:

(1) inspection of equipment for the manufacture, blending, distribution, disposal, or application of fertilizers, soil amendments or plant amendments, and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to fertilizers, soil amendments, or plant amendments;

(3) inspection of storage, handling, distribution, use, or disposal areas of fertilizer, soil amendments, or plant amendments containers;

(4) inspection or investigation of complaints of injury to the environment;

(5) sampling of fertilizers, soil amendments, or plant amendments;

(6) observation of the use and application of a fertilizer, soil amendments, or plant amendments;

(7) inspection of records related to the manufacture, distribution, storage, handling, use, or disposal of fertilizer, soil amendments, or plant amendments;

(8) investigating the source, nature, extent of an incident, and the extent of the adverse effects on the environment;

(9) an emergency inspection at any time when a suspected incident may threaten public health or the environment; and

(10) other purposes necessary to implement this chapter.

Sec. 25. Minnesota Statutes 1988, section 17.719, subdivision 2, is amended to read:

Subd. 2. [~~OFFICIAL SAMPLE~~ INSPECTION SAMPLES AND ANALYSES.] ~~An official fertilizer, soil amendment or plant amendment sample shall be one drawn from a lot or shipment of fertilizer, soil amendment or plant amendment sold or exposed for sale in this state in the manner prescribed by the commissioner. In sampling a lot of commercial fertilizer, soil amendment or plant amendment registered under section 17.714, subdivision 1, a single package may constitute the official sample.~~ (a) Before leaving the premises the commissioner shall provide the owner, operator, or agent in charge of an inspected site with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.

(b) The methods of sampling and analysis shall be those adopted by the Association of Official Analytical Chemists. In cases not covered by such methods, or in cases where methods are available in which improved applicability has been demonstrated, the commissioner may adopt such appropriate methods from other sources.

In sampling a lot of fertilizer, soil amendment, or plant amendment registered under section 17.714, subdivision 1, a single package may constitute the official sample.

Sec. 26. Minnesota Statutes 1988, section 17.719, subdivision 3, is amended to read:

Subd. 3. [~~METHODS OF ANALYSIS~~ POWERS OF COMMISSIONER.] ~~The methods of analysis shall be those adopted by the commissioner from published sources such as those of the association of official analytical chemists.~~ In making inspections under this chapter, the commissioner shall have the power to administer oaths,

certify as to official acts, take and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. In case of failure of any person to comply with any subpoena lawfully issued, or on the refusal of any witness to produce evidence or to testify to any matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the commissioner, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify therein.

Sec. 27. Minnesota Statutes 1988, section 17.719, subdivision 4, is amended to read:

Subd. 4. [~~INSPECTION; SAMPLING; ANALYSIS~~ REQUEST FOR INSPECTION.] ~~The commissioner shall inspect facilities and equipment used for the manufacture, blending, handling, or storing of commercial fertilizers or soil and plant amendments. The commissioner is authorized to enter upon any public or private premises during regular business hours in order to have access to facilities and equipment used to manufacture, blend, handle, or store commercial fertilizers or soil and plant amendments subject to the provisions of sections 17.711 to 17.729 and rules adopted under section 17.725.~~ Any person who believes that a violation of this chapter has occurred may request an inspection by giving notice to the commissioner of such violation. Any such notice shall be in writing, shall set forth with reasonable particularity the grounds for the notice, and shall be signed by the person. If, upon receipt of such notice, the commissioner reasonably believes that such violation occurred, the commissioner shall, as soon as is practicable, make a special inspection in accordance with the provisions of this section to determine if such violation occurred. An inspection conducted pursuant to a complaint may cover an entire site and shall not be limited to that portion of the site specified in the notice. If the commissioner determines that there are no reasonable grounds to believe that such a violation occurred, the commissioner shall notify the person in writing of such determination.

Sec. 28. Minnesota Statutes 1988, section 17.719, is amended by adding a subdivision to read:

Subd. 5. [ORDER.] Upon the refusal or anticipated refusal, based on a refusal to permit entrance on a prior occasion, of an owner, operator, or agent in charge to permit entry as specified in this chapter, the commissioner may apply for an order in the district court in the county in which a site is located, that permits the commissioner to enter and inspect the site.

Sec. 29. Minnesota Statutes 1988, section 17.719, is amended by adding a subdivision to read:

Subd. 6. [EXEMPTIONS FROM SUBPOENA AUTHORITY.] (a) Neither the commissioner nor any employee of the department, including those employees of other approved agencies providing services to the department, is subject to subpoena for purposes of inquiry into any inspection except in enforcement proceedings brought under this chapter.

(b) Once an inspection file is closed by the commissioner, the commissioner shall, upon request from any person, certify as official department records any information contained in a file which is public information.

Sec. 30. Minnesota Statutes 1988, section 17.719, is amended by adding a subdivision to read:

Subd. 7. [PAYMENT OF COSTS.] If an inspection or investigation reveals that a violation of this chapter has occurred, the commissioner may require the violator to pay the commissioner for the reasonable costs incurred by the commissioner in that inspection or investigation. The commissioner may enter an order for recovery of such costs.

Sec. 31. Minnesota Statutes 1988, section 17.72, is amended to read:

17.72 [FERTILIZER, SOIL AMENDMENT OR PLANT AMENDMENT-PESTICIDE MIXTURE.]

Each distributor who blends, mixes, or otherwise adds pesticides to ~~commercial~~ ~~fertilizer~~ ~~materials~~ fertilizers, soil amendments or plant amendments shall be licensed in accordance with section 17.715, and shall comply with the provisions of ~~sections 18A.21 to 18A.45~~ article 3 and ~~the federal insecticide, fungicide and rodenticide act~~ (Public Law 92-516), as amended.

Sec. 32. Minnesota Statutes 1988, section 17.721, is amended by adding a subdivision to read:

Subd. 3. [PLANT FOOD DEFICIENCIES.] Paragraphs (a) to (d) cover plant food deficiencies.

(a) Analysis must show that a fertilizer is deficient (1) in one or more of its guaranteed primary plant nutrients beyond the investigational allowances and compensations as established by regulation, or (2) if the overall index value of the fertilizer is shown below the level established by rule.

(b) A deficiency in an official sample of mixed fertilizer resulting from nonuniformity is not distinguishable from a deficiency due to

actual plant nutrient shortage and is properly subject to official action.

(c) For the purpose of determining the commercial index value to be applied, the commissioner shall determine at least annually the values per unit of nitrogen, available phosphoric acid, and soluble potash in fertilizers in this state.

(d) If any fertilizer in the possession of the consumer is found by the commissioner to be short in weight, the registrant or licensee of the fertilizer must within 30 days after official notice from the commissioner submit to the consumer a penalty payment of two times the value of the actual shortage.

Sec. 33. Minnesota Statutes 1988, section 17.722, is amended to read:

17.722 [FALSE OR MISLEADING STATEMENTS.]

The ~~commercial~~ fertilizer, soil amendment or plant amendment is misbranded if it carries a false or misleading statement on the container, on the label attached to the container, or if false or misleading statements concerning the fertilizer, soil amendment or plant amendment are disseminated in any manner or by any means. It is unlawful to distribute a misbranded fertilizer, soil amendment or plant amendment.

Sec. 34. Minnesota Statutes 1988, section 17.723, is amended to read:

17.723 [ADULTERATION.]

No person shall distribute an adulterated fertilizer, soil amendment or plant amendment product. A ~~commercial~~ fertilizer, soil amendment or plant amendment shall be deemed to be adulterated: (a) If it contains any deleterious or harmful ingredient in sufficient amount to render it injurious to plant life when applied in accordance with directions for use on the label; or (b) If its composition falls below or differs from that which it is purported to possess by its labeling; or (c) If it contains unwanted crop seed or weed seed.

Adulterated products that cannot be reconditioned must be disposed of according to ~~approved~~ methods approved by the commissioner.

Sec. 35. Minnesota Statutes 1988, section 17.725, subdivision 2, is amended to read:

Subd. 2. [LIMING MATERIALS.] The commissioner may adopt rules governing the labeling, registration, and distribution of liming

materials sold for agricultural purposes, ~~including limestone (carbonates), sulfates, slags (silicates), burned lime (oxides), and hydrated lime (hydroxides). Such products shall not be subject to any tonnage fees under section 17.717, subdivision 4. No registration fee may be imposed on any distributor who sells liming materials only at retail to customers~~.

Sec. 36. Minnesota Statutes 1988, section 17.725, is amended by adding a subdivision to read:

Subd. 4. [NATIONAL CONFORMITY.] The commissioner may promulgate and amend rules for the efficient administration and enforcement of the Minnesota fertilizer, soil amendment and plant amendment law. The rules must conform with national standards, insofar as that is practicable and consistent with state law.

Sec. 37. Minnesota Statutes 1988, section 17.725, is amended by adding a subdivision to read:

Subd. 5. [HEARINGS.] Hearings authorized or required by law must be conducted by the commissioner or an officer, agent, or employee the commissioner designates.

Sec. 38. Minnesota Statutes 1988, section 17.725, is amended by adding a subdivision to read:

Subd. 6. [ADOPTION OF NATIONAL STANDARDS.] Applicable national standards contained in the 1989 official publication number 42, of the Association of American Plant Food Control Officials including the rules and regulations, statements of uniform interpretation and policy, and the official fertilizer terms and definitions, and not otherwise adopted by the commissioner, may be adopted as fertilizer rules of this state.

Sec. 39. Minnesota Statutes 1988, section 17.728, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION.] The commissioner may cancel the registration of any ~~commercial~~ specialty fertilizer, soil amendment or plant amendment or refuse to register any brand of ~~commercial~~ specialty fertilizer, soil amendment or plant amendment as herein provided, upon satisfactory evidence that the registrant has used fraudulent or deceptive practices in the evasion or attempted evasion of the provisions of sections 17.711 to 17.729 or any rules adopted under section 17.725. No registration shall be revoked until the registrant has been given opportunity for a hearing by the commissioner.

Sec. 40. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 6. [ENFORCEMENT REQUIRED.] (a) The commissioner shall enforce this chapter.

(b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws shall take action to the extent of their authority necessary or proper for the enforcement of this chapter or special orders, standards, stipulations, and agreements of the commissioner.

(c) The commissioner shall have authority by administrative order to assess penalties of up to $5,000 for a violation of a provision of this chapter.

(d) In determining the size of a penalty, the commissioner shall give due consideration to the economic benefit gained by the person by allowing or committing the violation, the gravity of the violation in terms of actual or potential damage to the environment, and the violator's culpability, good faith, and history of violations.

(e) The administrative penalty may be assessed if the person subject to a corrective action order or remedial action order does not comply with the order in a reasonable time as provided in the order. The commissioner must state the amount of the administrative penalty in the corrective action order or remedial action order.

(f) Penalties assessed under this chapter shall be paid to the commissioner for deposit in the fertilizer regulatory account. If a violator fails to pay a penalty which is part of a final order within 30 days, the commissioner may commence a civil action for double the assessed penalty and attorney fees and costs. Any penalty may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office.

Sec. 41. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 7. [CRIMINAL ACTIONS] For a criminal action, the county attorney from the county where a criminal violation occurred is responsible for prosecuting a criminal violation of this chapter. If the county attorney refuses to prosecute, the attorney general may prosecute.

Sec. 42. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 8. [CIVIL ACTIONS.] Civil judicial enforcement actions may be brought by the attorney general in the name of the state on behalf of the commissioner. A county attorney may bring a civil

judicial enforcement action upon the request of the commissioner and agreement by the attorney general.

Sec. 43. Minnesota Statutes 1988, section 17.728, is amended by adding a subdivision to read:

Subd. 9. [INJUNCTION.] The commissioner may apply to a court with jurisdiction for a temporary or permanent injunction to prevent, restrain, or enjoin violations of this chapter.

Sec. 44. [17.7281] [ADMINISTRATIVE ACTION.]

Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations by a written warning, administrative meeting, cease and desist, stop-use, stop-sale removal, or other special order, seizure, stipulation, agreement, or administrative penalty if the commissioner determines that the remedy is in the public interest.

Subd. 2. [REVOCATION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant a registration, permit, license, or certification if a person violates this chapter or has a history within the past three years of violations of this chapter.

Subd. 3. [SERVICE OF ORDER OR NOTICE.] If the person is not available for service of an order, the commissioner may attach the order to the fertilizer, soil amendment or plant amendment equipment, or device or facility, and notify the person. The fertilizer, soil amendment, or plant amendment, equipment, or device may not be sold, used, or removed until the fertilizer, soil amendment, or plant amendment equipment, or device has been released under conditions specified by the commissioner, an administrative law judge, or a court.

Sec. 45. [17.7282] [ADMINISTRATIVE COMPLIANCE.]

Subdivision 1. [DUTY TO RESPOND.] After service of an order, a person shall be granted at least 45 days from receipt of the order within which to notify the commissioner in writing that the person intends to contest the order. If the person fails properly to notify the commissioner that the person intends to contest the order, the order shall be deemed a final order of the agency and not subject to review by any court or agency.

Subd. 2. [ADMINISTRATIVE REVIEW.] (a) If a person notifies the commissioner that the person intends to contest an order issued under this chapter, the state office of administrative hearings shall conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings. A hearing shall be conducted at a place

designated by the commissioner within the county where the violation occurred or where the person contesting the order resides or has a principal place of business or any other place on which all the parties agree.

(b) Notwithstanding any provision of chapter 14, the final administrative law report shall be the final decision of the agency. Only an administrative law judge, under rules adopted by the office of administrative hearings, may entertain any application or reconsideration of a final agency decision.

Subd. 3. [JUDICIAL REVIEW.] (a) The commissioner or any party aggrieved by a final agency decision may seek judicial review of a final agency decision under sections 14.63 to 14.69.

(b) Any additional evidence required by a reviewing court under section 14.67 shall be taken by an administrative law judge. Only an administrative law judge may change the agency decision or any findings contained in it. The administrative law judge shall file with the reviewing court the additional evidence, together with any modifications or new findings or decisions as provided in section 14.67.

Subd. 4. [RECOVERING EXPENSES.] A prevailing party, including the commissioner, may recover the reasonable and necessary expenses incurred in a contested case or an appeal from a contested case.

Sec. 46. [17.7283] [CIVIL PENALTIES.]

Subdivision 1. [GENERAL PENALTY.] Except as provided in subdivision 2, a person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner is subject to a civil penalty of up to $5,000 per day of violation as determined by the court.

Subd. 2. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner that relates to disposal of fertilizers, soil amendments, or plant amendments so that they become hazardous waste, is subject to the penalties in section 115.071.

Subd. 3. [DEFENSE TO CIVIL REMEDIES AND DAMAGES.] As a defense to a civil penalty or claim for damages under subdivisions 1 to 4, the defendant may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Subd. 4. [ACTIONS TO COMPEL PERFORMANCE.] In an action to compel performance of an order of the commissioner to enforce a provision of this chapter, the court may require a defendant adjudged responsible to perform the acts within the person's power that are reasonably necessary to accomplish the purposes of the order.

Subd. 5. [RECOVERY OF PENALTIES BY CIVIL ACTION.] The civil penalties and payments provided for in this section may be recovered by a civil action brought by the county attorney or the attorney general in the name of the state.

Subd. 6. [RECOVERY OF LITIGATION COSTS AND EXPENSES.] A prevailing party may recover the reasonable and necessary value of all or a part of the litigation expenses incurred in an action brought under this chapter for civil penalties or injunctive relief, or in an action to compel compliance. In determining the amount of these litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.

Sec. 47. [17.7284] [CRIMINAL PENALTIES.]

Subdivision 1. [GENERAL VIOLATION.] Except as provided in subdivisions 2 and 3, a person is guilty of a misdemeanor, if the person violates a provision of this chapter, or a special order, standard, stipulation, agreement, or schedule or compliance of the commissioner.

Subd. 2. [VIOLATION ENDANGERING HUMANS.] A person is guilty of a gross misdemeanor if the person violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner, and the violation endangers humans.

Subd. 3. [VIOLATION WITH KNOWLEDGE.] A person is guilty of a gross misdemeanor if the person knowingly violates a provision of this chapter or standard, or a special order, stipulation, agreement, or schedule of compliance of the commissioner.

Subd. 4. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who knowingly, or with reason to know, disposes of a fertilizer or soil and plant amendment so that the product becomes hazardous waste is subject to the penalties in section 115.071.

Sec. 48. Minnesota Statutes 1988, section 17.7285, is amended to read:

17.7285 [INCIDENTS.]

The commissioner may apply appropriate, efficient procedures to

contain and control fertilizers and soil and plant amendments involved in an emergency incident likely to cause unreasonable adverse effects on the environment. ~~For purposes of this section "incident" includes a flood, fire, tornado, or motor vehicle accident, which unintentionally releases fertilizers and soil and plant amendments on the environment. Persons involved in or responsible for an incident shall report the incident to the commissioner immediately upon discovering the incident. The department of agriculture shall be the lead government agency for decisions involving the emergency.~~

Sec. 49. [17.7286] [FERTILIZER RELEASE INCIDENTS.]

Subdivision 1. [CORRECTIVE ACTION ORDERS.] A responsible party or an owner of real property must, upon discovering that an incident has occurred, immediately report that incident to the commissioner. The responsible party must submit a written report of the incident to the commissioner containing the information requested by the commissioner within the time specified by the commissioner. After determining an incident has occurred, the commissioner may order the responsible party to take reasonable and necessary corrective actions. The commissioner shall notify the owner of real property where corrective action is ordered that access to the property will be required for the responsible party or the commissioner to take corrective action. A political subdivision may not request or order any person to take an action that conflicts with the corrective action ordered by the commissioner. The attorney general may bring an action to compel corrective action.

Subd. 2. [COMMISSIONER AND COMPELLED PERFORMANCE CORRECTIVE ACTIONS.] The commissioner may take corrective action if:

(1) a responsible party cannot be identified; or

(2) an identified responsible party cannot or will not comply with an order issued under subdivision 1.

Subd. 3. [EMERGENCY CORRECTIVE ACTION.] To assure an adequate response to an incident, the commissioner may take corrective action without following the procedures of subdivision 1 if the commissioner determines that the incident constitutes a clear and immediate danger 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 consideration the urgency of the situation, to order a responsible party to take a corrective action and notify the owner of real property where the corrective action is to be taken.

Subd. 4. [LEAD AGENCY.] The department of agriculture is the lead state agency in taking corrective action for incidents.

Subd. 5. [CONTINGENCY PLAN.] Persons storing bulk fertilizers or soil and plant amendment products must develop and maintain a contingency plan that describes the storage, handling, disposal, and incident handling practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request. The plan must be available for inspection by the commissioner.

Sec. 50. [17.7287] [LIABILITY.]

Subdivision 1. [LIABILITY.] (a) A responsible party is liable for the costs, including administrative costs, for corrective action under section 49. The commissioner may issue an order for recovery of corrective action costs. The cleanup costs and other expenses must be paid after a corrective order is issued.

(b) A responsible party is also liable for the costs of any destruction to wildlife. Payments of these costs must be deposited in the game and fish fund in the state treasury.

Subd. 2. [AVOIDANCE OF LIABILITY.] (a) A responsible party may not avoid liability by a conveyance of any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar agreement.

(b) This subdivision does not:

(1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;

(2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or

(3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.

Subd. 3. [OWNER OF REAL PROPERTY.] An owner of real property is not a responsible party for an incident on the property unless that person:

(1) was engaged in manufacturing, making, transporting, storing, handling, applying, distributing, or disposing of a fertilizer on the property;

(2) knowingly permitted any person to make regular use of the property for disposal of fertilizers; or

(3) violated this chapter in a way that contributed to the incident.

Subd. 4. [DEFENSE.] As a defense to a penalty or liability for damages, a person may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Sec. 51. [17.7288] [APPORTIONMENT AND CONTRIBUTION.]

Subdivision 1. [RIGHT OF APPORTIONMENT; FACTORS.] A person held liable under this chapter has the right to have the trier of fact apportion liability among the parties as provided in this section. The burden is on each responsible party to show how that responsible party's liability should be apportioned. The trier of fact shall reduce the amount of damages in proportion to any amount of liability apportioned to the party recovering.

In apportioning the liability of a party under this section, the trier of fact shall consider the following:

(1) the extent to which that party contributed to the incident;

(2) the amount of fertilizer, soil amendment, or plant amendment involved;

(3) the degree of toxicity of the fertilizer, soil amendment, or plant amendment involved;

(4) the degree of involvement of and care exercised by the party in manufacturing, blending, handling, storing, distributing, transporting, applying, and disposing of the fertilizer, soil amendment, or plant amendment;

(5) the degree of cooperation by the party with federal, state, or local officials to prevent any harm to the public health or the environment; and

(6) knowledge by the party of the hazardous nature of the fertilizer, soil amendment, or plant amendment.

Subd. 2. [CONTRIBUTION.] If a person is held liable under this chapter and establishes a proportionate share of the aggregate liability, section 604.02, subdivisions 1 and 2, apply with respect to contribution and reallocation of any uncollectible amounts, except that an administrative law judge may also perform the functions of a court identified in section 604.02, subdivision 2.

Sec. 52. Minnesota Statutes 1988, section 17.73, subdivision 5, is amended to read:

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

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

(c) The commissioner shall notify a certified lab that its certification lapses within 30 to 60 days of the date when the certification lapses.

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

Sec. 53. [EMPLOYEES; COMPENSATION.]

The commissioner may employ necessary agents and assistants to administer and enforce this chapter, none of whom, except those who are employed on a full-time basis, shall come within or be governed by chapter 43A. The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the commissioner's plan of the department of employee relations or the appropriate bargaining unit contract.

Sec. 54. [REPEALER.]

Minnesota Statutes 1988, sections 17.714, subdivisions 4, 4a, and 4b; 17.715, subdivision 3; 17.721; 17.726; 17.727; 17.728, subdivisions 4 and 5; 17.729; and 17.73, subdivision 5, paragraph (d), are repealed.

ARTICLE 3

PESTICIDE CONTROL

Section 1. [17.114] [SUSTAINABLE AGRICULTURE.]

Subdivision 1. [PURPOSE.] The purpose of this section is to assure the viability of Minnesota agriculture.

Subd. 2. [REPORT.] The commissioner of agriculture shall investigate, demonstrate, report on, and make recommendations on the current and future sustainability of Minnesota agriculture.

Subd. 3. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Sustainable agriculture" represents the best aspects of traditional and modern agriculture by using a fundamental understanding of nature, as well as the latest scientific advances to create integrated, self-reliant, resource conserving practices that increase farm profitability, maintain or improve the quality of soil and water resources, and lessen dependency on nonrenewable resources, and thereby enhance the enrichment of the environment and provide short- and long-term productive agriculture.

(b) "Integrated pest management" means use of a combination of approaches, incorporating the judicious application of ecological principles, management techniques, cultural and biological controls, and chemical methods, to keeping pests below levels where they do economic damage.

Subd. 4. [DUTIES.] The commissioner shall:

(1) establish a task force of appropriate agencies and organizations to assist the department by:

(i) recommending indices or measures to assess the long-term sustainability of Minnesota agriculture;

(ii) assisting the commissioner in evaluating the identified trends;

(iii) identifying new innovations; and

(iv) suggesting state policies and programs that may be needed to assure the sustainability of Minnesota agriculture and related natural resources;

(2) establish a clearinghouse and provide information, appropriate educational opportunities, and other assistance to individuals, producers, and groups about sustainable agricultural techniques, practices, and opportunities;

(3) survey producers, support services, and organizations to determine information and research needs in the area of sustainable agricultural practices;

(4) demonstrate the applicability of sustainable agriculture practices to Minnesota conditions;

(5) coordinate the efforts of state agencies regarding activities relating to sustainable agriculture;

(6) direct the programs of the department so as to work toward the sustainability of Minnesota agriculture;

(7) inform agencies of how state or federal programs could utilize and support sustainable agriculture practices;

(8) work with farmers, the University of Minnesota, public post-secondary institutions, and other appropriate organizations to identify opportunities and needs as well as promote cooperation, assure coordination, and avoid duplication of efforts regarding research, teaching, and extension work relating to sustainable agriculture; and

(9) report to the legislature every odd-numbered year on at least the following:

(i) the presentation and analysis of findings regarding the current status and trends of the economic condition of producers, the status of soil and water resources utilized by production agriculture, the magnitude of off-farm inputs used and the amount of nonrenewable resources used by Minnesota farmers;

(ii) a description of current state or federal programs directed toward sustainable agriculture including significant results and experience of those programs;

(iii) a description of specific actions the department of agriculture is taking in the area of sustainable agriculture;

(iv) a description of current and future research needs at all levels in the area of sustainable agriculture; and

(v) suggestions for changes in existing programs or policies or enactment of new programs of policies that will affect farm profitability, maintain soil and water quality, reduce input costs, or lessen dependence upon nonrenewable resources.

Subd. 5. [INTEGRATED PEST MANAGEMENT.] The state shall promote and facilitate the use of integrated pest management through education, financial assistance, information and research.

Subd. 6. [INTEGRATED PEST MANAGEMENT APPROACH.] The commissioner shall coordinate the development of a state approach to the promotion and use of integrated pest management, which shall include delineation of the responsibilities of the state, public post-secondary institutions, Minnesota extension service, local units of government, and the private sector; establishment of

information exchange and integration; procedures for identifying research needs and reviewing and preparing informational materials; procedures for factoring integrated pest management into state laws, rules, and uses of pesticides; and identification of barriers to adoption. The commission shall report to the governor and legislature by November 15, 1990 and on a biennial basis thereafter.

Subd. 7. [CONSULTANT CERTIFICATION.] The commissioner shall, in consultation with Minnesota extension service and the consultant community, develop recommendations for a mandatory state crop consultant certification program under chapter 326 and report its recommendations to the governor and legislature by November 15, 1990. The program shall include consideration of educational requirements, current professional certification programs, and certification subcategories based on the need for consultant specialization.

Subd. 8. [STATE USES OF PESTICIDES AND NUTRIENTS.] The state shall use integrated pest management techniques in its management of public lands, including roadside rights-of-way, parks and forests; and shall use planting regimes that minimize the need for pesticides and added nutrients.

Subd. 9. [USER INFORMATION SYSTEM.] The commissioner shall promote establishment of a pilot pesticide and nutrient user information system at the county level in cooperation with the board of water and soil resources, the United States Soil Conservation Service, and the Minnesota extension service, to ensure that accurate and consistent information is available at the local level on recommended application rates and possible environmental impacts.

Subd. 10. [COOPERATION OF OTHER AGENCIES.] Other agencies of state government and the University of Minnesota shall cooperate with the commissioner in the exercise of responsibilities under this section. The commissioner of agriculture shall consult with the University of Minnesota and other agencies and organizations in carrying out duties under this section.

Sec. 2. Minnesota Statutes 1988, section 17.73, subdivision 3, is amended to read:

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

(b) If a certified laboratory offers a recommendation, the University of Minnesota recommendation or that of another land grant

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

(c) Information on efficient and environmentally sound practices based on research studies shall be included with all soil test results.

Sec. 3. Minnesota Statutes 1988, section 18B.01, subdivision 5, is amended to read:

Subd. 5. [COMMERCIAL APPLICATOR.] "Commercial applicator" means a person who has or is required to have a commercial applicator license.

Sec. 4. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 6a. [CORRECTIVE ACTION.] "Corrective action" means action taken to minimize, eliminate, or clean up an incident.

Sec. 5. Minnesota Statutes 1988, section 18B.01, subdivision 12, is amended to read:

Subd. 12. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, ~~portable container rupture,~~ leak, spill, emission, discharge, escape, leach, disposal, or other event that releases or immediately threatens to release a pesticide accidentally or otherwise into the environment, and may cause unreasonable adverse effects on the environment. "Incident" does not include the lawful use or intentional release of a pesticide in accordance with its approved label or labeling or a discharge or other release authorized by law.

Sec. 6. Minnesota Statutes 1988, section 18B.01, subdivision 15, is amended to read:

Subd. 15. [NONCOMMERCIAL APPLICATOR.] "Noncommercial applicator" means a person ~~with~~ who has or is required to have a noncommercial applicator license.

Sec. 7. Minnesota Statutes 1988, section 18B.01, is amended by adding a subdivision to read:

Subd. 15a. [OWNER OF REAL PROPERTY.] "Owner of real property" means a person who is in possession of, has the right of control, or controls the use of real property, including without

limitation a person who may be a fee owner, lessee, renter, tenant, lessor, contract for deed vendee, licensor, licensee, or occupant.

Sec. 8. Minnesota Statutes 1988, section 18B.01, subdivision 19, is amended to read:

Subd. 19. [PESTICIDE DEALER.] "Pesticide dealer" means a person ~~with~~ who has or is required to have a pesticide dealer license.

Sec. 9. Minnesota Statutes 1988, section 18B.01, subdivision 21, is amended to read:

Subd. 21. [PRIVATE APPLICATOR.] "Private applicator" means a person certified to use ~~or supervise use of~~ restricted use pesticides.

Sec. 10. Minnesota Statutes 1988, section 18B.01, subdivision 23, is amended to read:

Subd. 23. [RESPONSIBLE PARTY.] "Responsible party" means a person or persons who at the time of an incident has custody of, control of, or responsibility for a pesticide, pesticide container, or pesticide rinsate. Responsible party does not include a person who receives a pesticide in a sealed package or container and subsequently sells or transfers the package or container, if the seal and the package or container remain intact. Responsible party may include a person who manufactures, packages, or repackages a pesticide.

Sec. 11. Minnesota Statutes 1988, section 18B.01, subdivision 26, is amended to read:

Subd. 26. [SAFEGUARD.] "Safeguard" means a facility, equipment, device, or system, or a combination of these, as required by rule, designed to prevent ~~the escape or movement of a pesticide from the place it is stored or kept under conditions that might otherwise result in contamination of the environment~~ an incident.

Sec. 12. Minnesota Statutes 1988, section 18B.01, subdivision 30, is amended to read:

Subd. 30. [STRUCTURAL PEST CONTROL APPLICATOR.] "Structural pest control applicator" means a person ~~with~~ who has or is required to have a structural pest control license.

Sec. 13. Minnesota Statutes 1988, section 18B.03, is amended by adding a subdivision to read:

Subd. 4. [EMPLOYEES; COMPENSATION.] The commissioner may employ necessary agents and assistants to administer and enforce this chapter, none of whom, except those who are employed

on a full-time basis, shall come within or be governed by chapter 43A. The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the commissioner's plan of the department of employee relations or the appropriate bargaining unit contract.

Sec. 14. Minnesota Statutes 1988, section 18B.04, is amended to read:

18B.04 [PESTICIDE IMPACT ON ~~WATER QUALITY~~ THE ENVIRONMENT.]

The commissioner shall:

(1) determine the impact of pesticides on the environment, including surface water and ground water in ~~this~~ the state;

(2) develop best management practices and water resources protection measures as defined in article 1, section 2, involving pesticide distribution, storage, handling, use, and disposal; and

(3) cooperate with and assist other state agencies and local governments to protect public health and the environment from harmful exposure to pesticides.

Sec. 15. Minnesota Statutes 1988, section 18B.07, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED PESTICIDE USE.] (a) A person may not use, store, handle, distribute, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

(1) that is inconsistent with a label or labeling;

(2) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife~~, or beneficial insects~~; or

(3) that will cause unreasonable adverse effects on the environment.

(b) A person may not:

(1) direct a pesticide ~~on~~ onto property beyond the boundaries of the target site~~. A person may not apply a pesticide resulting in~~;

(2) apply a pesticide so as to cause damage to ~~adjacent~~ nearby property~~.~~

~~(c) A person may not directly~~;

(3) apply a pesticide on a human by overspray or target site spray~~.~~; or

~~(d) A person may not~~

(4) apply a pesticide ~~in a manner~~ so as to expose a ~~worker~~ human in an immediately adjacent~~,~~ ~~open field~~ area.

Sec. 16. Minnesota Statutes 1988, section 18B.07, subdivision 3, is amended to read:

Subd. 3. [POSTING.] (a) If the pesticide labels prescribe specific hourly or daily intervals for human reentry following application, the person applying the pesticide must post fields, buildings, or areas where the pesticide has been applied. The posting must be done with placards in accordance with label requirements and rules adopted under this section.

(b) ~~Fields~~ Sites being treated with pesticides through irrigation systems must be posted throughout the period of pesticide treatment. The posting must be done in accordance with labeling and rules adopted under this chapter.

Sec. 17. Minnesota Statutes 1988, section 18B.07, subdivision 4, is amended to read:

Subd. 4. [PESTICIDE SAFEGUARDS AT ~~APPLICATION~~ SITES.] A person may not allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in or on any site without safeguards adequate to prevent ~~the escape or movement of the pesticides from the site~~ an incident.

Sec. 18. Minnesota Statutes 1988, section 18B.07, subdivision 5, is amended to read:

Subd. 5. [USE OF PUBLIC WATER SUPPLIES FOR FILLING EQUIPMENT.] A person may not fill pesticide application equipment directly from a public water supply, as defined in section 144.382, unless the outlet from the public water supply is equipped with a backflow prevention device that complies with the Minnesota Plumbing Code under Minnesota Rules, parts 4715.2000 to 4715.2280. The person may not introduce pesticides into the application equipment until after filling the equipment from a public water supply.

Sec. 19. Minnesota Statutes 1988, section 18B.07, subdivision 6, is amended to read:

Subd. 6. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.] (a) A person may not fill pesticide application equipment

directly from public or other waters of the state, as defined in section 105.37, subdivision 7 or 14, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce pesticides into the application equipment until after filling the equipment from the public waters.

(b) This subdivision does not apply to permitted applications of aquatic pesticides to public waters.

Sec. 20. Minnesota Statutes 1988, section 18B.07, subdivision 7, is amended to read:

Subd. 7. [CLEANING EQUIPMENT IN OR NEAR ~~SURFACE~~ WATER.] ~~(a)~~ A person may not:

(1) clean pesticide application equipment in surface waters of the state; or

(2) fill or clean pesticide application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, pesticides or materials contaminated with pesticides could enter or contaminate the surface waters, ground water, or wells, as a result of overflow, leakage, or other causes.

~~(b)~~ This subdivision does not apply to permitted application of aquatic pesticides to public waters.

Sec. 21. Minnesota Statutes 1988, section 18B.08, subdivision 1, is amended to read:

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not apply pesticides through an irrigation system without a chemigation permit from the commissioner. Only one chemigation permit is required for ~~two~~ one or more wells or other irrigation water sources that are protected from pesticide contamination by ~~the same~~ devices as required by rule. The commissioner may allow irrigation to be used to apply pesticides on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

(b) A person must apply for a chemigation permit on forms prescribed by the commissioner.

Sec. 22. Minnesota Statutes 1988, section 18B.08, subdivision 3, is amended to read:

Subd. 3. [EQUIPMENT.] A chemigation system must be fitted with effective antisiphon devices or check valves that prevent the backflow of pesticides or pesticide-water mixtures into water supplies or other materials during times of irrigation system failure or

equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump or water source discharge and the point of pesticide injection; and

(2) the point of pesticide injection and the pesticide supply.

Sec. 23. Minnesota Statutes 1988, section 18B.08, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] A person initially applying for a chemigation permit must pay a nonrefundable application fee of $50 ~~for each well that is to be used in applying the pesticides by irrigation~~. A person who holds a valid fertilizer chemigation permit, as defined in chapter 17, is exempt from the fee in this section.

Sec. 24. Minnesota Statutes 1988, section 18B.15, is amended to read:

18B.15 [PESTICIDE RELEASE INCIDENTS.]

Subdivision 1. [~~DUTIES OF RESPONSIBLE PARTY~~ CORRECTIVE ACTION ORDERS.] ~~(a)~~ A responsible party ~~involved in an incident~~ or an owner of real property must immediately, upon discovering that an incident has occurred, report ~~the~~ that incident to the ~~department of agriculture and provide information as requested by the commissioner. The responsible party must pay for the costs and immediately take all action necessary to minimize or abate the release and to recover pesticides involved in the incident.~~

~~(b) The responsible party must submit a written report of the incident to the commissioner containing the information requested by the commissioner within the time specified by the~~ commissioner and also submit a written report to the commissioner containing the information requested by the commissioner within the time specified by the commissioner. After determining that an incident has occurred, the commissioner may order the responsible party to take reasonable and necessary corrective actions. The commissioner shall notify the owner of real property where corrective action is ordered that access to the property will be required for the responsible party or the commissioner to take corrective action. A political subdivision may not request or order any person to take an action that conflicts with the corrective action ordered by the commissioner. The attorney general may bring an action to compel corrective action.

Subd. 2. [~~COMMISSIONER'S~~ COMMISSIONER AND COMPELLED PERFORMANCE CORRECTIVE ACTION.] ~~(a) If in the judgment of the commissioner the responsible party does not take~~

~~immediate and sufficient action to abate the release of and to recover the pesticide.~~ The commissioner may take corrective action ~~necessary to mitigate or correct the conditions resulting from an incident. The responsible party must reimburse the commissioner for the costs incurred by the commissioner in the enforcement of this subdivision.~~

~~(b) The department of agriculture is the lead state agency for responding to and taking action with regard to pesticide incidents.~~ if:

(1) a responsible party cannot be identified; or

(2) an identified responsible party cannot or will not comply with an order issued under subdivision 1.

Subd. 3. [EMERGENCY CORRECTIVE ACTION.] To assure an adequate response to an incident, the commissioner may take corrective action without following the procedures of subdivision 1 if the commissioner determines that the incident constitutes a clear and immediate danger 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 consideration the urgency of the situation, to order a responsible party to take a corrective action and notify the owner of real property where the corrective action is to be taken.

Subd. 4. [LEAD AGENCY.] The department of agriculture is the lead state agency in taking corrective action for incidents.

Sec. 25. Minnesota Statutes 1988, section 18B.17, subdivision 2, is amended to read:

Subd. 2. [EDUCATION AND TRAINING AGREEMENTS.] For purposes of education and training ~~only~~, the commissioner may enter into agreements or contracts with qualified public or private organizations that wish to offer training programs developed under this chapter. In addition, the commissioner may provide pesticide information and related educational materials to interested clientele and residents of Minnesota.

Sec. 26. Minnesota Statutes 1988, section 18B.18, is amended to read:

18B.18 [INSPECTION.]

Subdivision 1. [ACCESS AND ENTRY.] (a) The commissioner, ~~and the commissioner's agents,~~ upon ~~issuance~~ presentation of ~~a notice of inspection~~ official department credentials, must be granted access at

reasonable times without delay to ~~(1)~~ sites ~~where a restricted use pesticide is used;~~ ~~(2)~~ (1) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a pesticide ~~in violation of provisions of this chapter~~; and ~~(3) to all sites~~ (2) which the commissioner reasonably believes are affected, or possibly affected, by the use of a pesticide, rinsate, pesticide container, or device in violation of a provision of this chapter.

(b) The commissioner ~~and commissioner's agents~~ may enter sites for:

(1) inspection of equipment for the manufacture, formulation, distribution, disposal, or application of pesticides and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to pesticides;

(3) inspection of storage, handling, distribution, use, or disposal areas of pesticides or pesticide containers;

(4) inspection or investigation of complaints of injury to ~~humans, wildlife, domesticated animals, crops, or~~ the environment;

(5) sampling of pesticides;

(6) observation of the use and application of a pesticide;

(7) inspection of records related to the manufacture, distribution, storage, handling, use, or disposal of pesticides; ~~and~~

(8) investigating the source, nature, and extent of an incident, and the extent of the adverse effects on the environment; and

(9) other purposes necessary to implement this chapter.

Subd. 2. [NOTICE OF INSPECTION SAMPLES AND ANALYSES.] ~~Before leaving the premises inspected,~~ The commissioner shall provide the owner, operator, or agent in charge with a receipt describing the suspected violation and any samples obtained. The commissioner shall also split any samples obtained and provide these to the owner, operator, or agent in charge for independent analysis if so desired. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge within 30 days of completion. If an analysis is not completed on the samples obtained, the commissioner shall notify the owner, operator, or agent in charge within 30 days of making this decision.

Subd. 3. [OBTAINING EVIDENCE.] In making inspections under this chapter, the commissioner may administer oaths, certify as to

official acts, take and cause to be taken depositions of witnesses, issue subpoenas, and compel the attendance of witnesses and production of papers, books, documents, records, and testimony. If a person fails to comply with a subpoena lawfully issued, or a witness refuses to produce evidence or testify to a matter regarding which the person may be lawfully interrogated, the district court shall, upon application of the commissioner, compel obedience proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued by the court or a refusal to testify in the court.

Subd. 4. [REQUEST FOR INSPECTION.] A person who believes that a violation of this chapter has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, set forth with reasonable particularity the grounds for the notice, and be signed by the person. If upon receipt of the notice the commissioner reasonably believes that a violation occurred, the commissioner shall provide the party believed responsible with a copy of the request for investigation, excluding the name of the person who made the request, and notice of intent to investigate. The commissioner shall make a special inspection in accordance with this section as soon as practicable to determine if a violation occurred. An inspection conducted because of a complaint may cover an entire site and is not limited to that portion of the site specified in the notice. If the commissioner determines that there are no reasonable grounds to believe that a violation occurred, the commissioner shall notify the person in writing of that determination.

Subd. 5. [REFUSAL TO PERMIT ENTRY.] Upon the refusal or anticipated refusal, based on a refusal to permit entrance on a prior occasion, of an owner, operator, or agent in charge to permit entry under this chapter, the commissioner may apply for an order in the district court in the county in which a site is located to compel a person with authority to permit the commissioner to enter and inspect the site.

Subd. 6. [SUBPOENA OF DEPARTMENTAL EMPLOYEES.] (a) Neither the commissioner nor any employee of the department, including those employees of other approved agencies providing services to the department, is subject to subpoena for purposes of expert witness testimony.

(b) Once an inspection file is closed by the commissioner, the commissioner shall, upon request from any person, certify as official department records any information contained in a file which is public information.

Subd. 7. [COSTS OF INVESTIGATION.] In addition to any other penalties, the cost of reinspection and reinvestigation may be assessed by the commissioner if the person subject to a corrective

action order or remedial action order does not comply with the order in a reasonable time as provided in the order.

Sec. 27. [18B.191] [RESPONSIBILITY FOR COSTS.]

Subdivision 1. [RESPONSIBLE PARTY.] (a) A responsible party is liable for the costs including administrative costs for corrective action under section 17. The commissioner may issue an order for recovery of those costs.

(b) A responsible party is liable for the costs of any destruction of wildlife. Payments of these costs must be deposited in the game and fish fund in the state treasury.

Subd. 2. [AVOIDANCE OF LIABILITY.] (a) A responsible party may not avoid liability by means of a conveyance of any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar agreement.

(b) This subdivision does not:

(1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;

(2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or

(3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.

Subd. 3. [OWNER OF REAL PROPERTY.] An owner of real property is not a responsible party for an incident on the owner's property unless that owner:

(1) was engaged in manufacturing, formulating, transporting, storing, handling, applying, distributing, or disposing of a pesticide on the property;

(2) knowingly permitted a person to make regular use of the property for disposal of pesticides; or

(3) violated this chapter in a way that contributed to the incident.

Subd. 4. [LIABILITY FOR APPLICATION ACCORDING TO THE LABEL.] (a) Notwithstanding other provisions relating to liability for pesticide use, a pesticide end user or landowner is not liable for the cost of active cleanup or damages associated with or resulting from pesticides in groundwater if the person has applied or has had

others apply pesticides in compliance with the label of the pesticide and other state law and orders of the commissioner.

(b) It is a complete defense for liability if the person has complied with the provisions in paragraph (a).

Subd. 5. [DEFENSES.] As a defense to a penalty or liability for damages, a person may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.

Sec. 28. [18B.192] [APPORTIONMENT AND CONTRIBUTION.]

Subdivision 1. [RIGHT OF APPORTIONMENT; FACTORS.] A responsible party held liable under this chapter may have the trier of fact apportion liability among the responsible parties under this section. The burden is on each responsible party to show how that responsible party's liability should be apportioned. The trier of fact shall reduce the amount of damages in proportion to any amount of liability apportioned to the party recovering.

In apportioning the liability of a party under this section, the trier of fact shall consider the following:

(1) the extent to which that responsible party contributed to the incident;

(2) the amount of pesticide involved;

(3) the degree of toxicity of the pesticide involved;

(4) the degree of involvement of and care exercised by the responsible party in manufacturing, formulating, handling, storing, distributing, transporting, applying, and disposing of the pesticide;

(5) the degree of cooperation by the responsible party with federal, state, or local officials to prevent harm to the public health or the environment; and

(6) knowledge by the responsible party of the hazardous nature of the pesticide.

Subd. 2. [CONTRIBUTION.] If a responsible party is held liable under this chapter and establishes a proportionate share of the aggregate liability, the provisions of section 604.02, subdivisions 1 and 2, apply with respect to contribution and reallocation of any uncollectible amounts, except that an administrative law judge may also perform the functions of a court identified in section 604.02, subdivision 2.

Sec. 29. [18B.193] [ADMINISTRATIVE PENALTIES.]

Subdivision 1. [FACTORS.] In determining the size of the penalty, the commissioner shall give due consideration to the economic benefit gained by the person by allowing or committing the violation, the gravity of the violation in terms of actual or potential damage to the environment, and the violator's culpability, good faith, and history of violations.

Subd. 2. [DOLLAR LIMIT.] The commissioner may by administrative order assess penalties of up to $5,000 for a violation of this chapter.

Subd. 3. [PAYMENT.] Penalties assessed under this chapter must be paid to the commissioner for deposit in the pesticide regulatory account. If a violator fails to pay a penalty which is part of a final order within 30 days, the commissioner may commence a civil action for double the assessed penalty and attorney fees and costs. A penalty may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office.

Subd. 4. [COMPLIANCE TIME.] The administrative penalty may be assessed if the person subject to a corrective action order or remedial action order does not comply with the order in a reasonable time as provided in the order.

Sec. 30. Minnesota Statutes 1988, section 18B.20, is amended by adding a subdivision to read:

Subd. 7. [EMPLOYER LIABILITY FOR EMPLOYEES.] Structural pest control applicators, commercial applicators, noncommercial applicators, and pesticide dealers are civilly liable for violations of this chapter by their employees and agents.

Sec. 31. [18B.205] [ADMINISTRATIVE COMPLIANCE.]

Subdivision 1. [CONTESTED ORDER.] After being served with an order, a person has at least 45 days from receipt of the order within which to notify the commissioner in writing that the person intends to contest the order. If the person fails to properly notify the commissioner that the person intends to contest the order, the order is a final order of the agency and not subject to review by any court or agency.

Subd. 2. [ADMINISTRATIVE REVIEW.] (a) If a person notifies the commissioner that the person intends to contest an order issued under this chapter, the state office of administrative hearings shall conduct a hearing in accordance with the applicable provisions of

chapter 14 for hearings. A hearing shall be conducted at a place designated by the commissioner, within the county where the violation occurred, or where the person contesting the order resides or has a principal place of business or any other place on which all the parties agree.

(b) Notwithstanding any provision of chapter 14, the final administrative law report shall be the final decision of the agency. Only an administrative law judge, under rules adopted by the office of administrative hearings, may entertain an application for reconsideration of a final agency decision.

Subd. 3. [JUDICIAL REVIEW.] (a) The commissioner or any party aggrieved by a final agency decision may seek judicial review of a final agency decision under sections 14.63 to 14.69.

(b) Any additional evidence required by a reviewing court under section 14.67 shall be taken by an administrative law judge. Only an administrative law judge may change the agency decision or any findings contained in it. The administrative law judge shall file with the reviewing court the additional evidence, together with any modifications or new findings or decisions, as provided in section 14.67.

Subd. 4. [EXPENSES.] A prevailing party, including the commissioner, may recover the reasonable and necessary expenses in a contested case or an appeal from a contested case.

Sec. 32. Minnesota Statutes 1988, section 18B.21, is amended to read:

18B.21 [~~ADMINISTRATIVE ACTION~~ REMEDIES FOR VIOLATIONS.]

Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations of this chapter or the commissioner's orders by (1) a written warning, (2) an administrative meeting, (3) a cease and desist, stop-use, stop-sale, removal, administrative penalty, or other special order, or (4) a seizure, stipulation, or agreement, if the commissioner determines that the remedy is in the public interest.

Subd. 2. [REVOCATION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant or renew a registration, permit, license, or certification if a person violates ~~a provision of~~ this chapter or has a history, within the last three years, of violations of chapter 18A or 18B.

Subd. 3. [~~REMEDIAL ACTION ORDERS~~ SERVICE OF ORDER OR NOTICE.] ~~(a) If the commissioner has probable cause that a~~

~~pesticide, pesticide container, rinsate, pesticide equipment, or device is being used, manufactured, distributed, stored, or disposed of in violation of a provision of this chapter, the commissioner may investigate and issue a written cease and desist, stop-sale, stop-use, or removal order or other remedial action to the owner, custodian, or other responsible party.~~ If ~~the owner, custodian, or other responsible party~~ a person is not available for service of ~~the~~ an order, the commissioner may attach the order to the pesticide, pesticide container, rinsate, pesticide equipment, or device or facility and notify the owner, custodian, other responsible party, or the registrant. The pesticide, pesticide container, rinsate, pesticide equipment, or device may not be sold, used, or removed until ~~the violation has been corrected and~~ the pesticide, pesticide container, rinsate, pesticide equipment, or device has been released ~~in writing~~ under conditions specified by the commissioner, ~~or until the violation has been otherwise disposed of by~~ an administrative law judge, or a court.

~~(b) If a violation of a provision of this chapter results in conditions that may have an unreasonable adverse effect on humans, domestic animals, wildlife, or the environment, the commissioner may, by order, require remedial action, including removal and proper disposal.~~

Sec. 33. Minnesota Statutes 1988, section 18B.26, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used only with the written permission of the commissioner.

(d) Each pesticide with a unique EPA registration number or brand name must be registered with the commissioner.

Sec. 34. Minnesota Statutes 1988, section 18B.26, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FEE.] (a) An application for initial

registration and renewal must be accompanied by a nonrefundable application fee of ~~$125~~ $200 for each pesticide to be registered.

(b) An additional fee of $100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

~~(c) An additional fee of $200 must be paid by the applicant for each pesticide distributed or used in the state before initial state registration.~~

Sec. 35. Minnesota Statutes 1988, section 18B.26, subdivision 5, is amended to read:

Subd. 5. [~~APPLICATION~~ REVIEW AND REGISTRATION.] (a) The commissioner may not deny the registration of a pesticide because the commissioner determines the pesticide is not essential.

(b) The commissioner shall review each application and may approve, deny, or cancel the registration of any pesticide. The commissioner may impose state use or distribution restrictions on a pesticide as part of the registration to prevent unreasonable adverse effects on the environment.

(c) The commissioner must notify the applicant of the approval, denial, cancellation, or state use or distribution restrictions ~~within 30 days after the application and fee are received~~.

(d) The applicant may request a hearing on any adverse action of the commissioner within 30 days after being notified by the commissioner.

Sec. 36. Minnesota Statutes 1988, section 18B.26, is amended by adding a subdivision to read:

Subd. 6. [WITHDRAWAL.] A person who intends to discontinue a pesticide registration must do one of the following to ensure complete withdrawal from distribution or further use of the pesticide:

(1) terminate a further distribution within the state and continue to register the pesticide annually for two successive years;

(2) initiate and complete a total recall of the pesticide from all distribution in the state within 60 days from the date of notification to the commissioner of intent to discontinue registration; or

(3) submit to the commissioner evidence adequate to document that no distribution of the registered pesticide has occurred in the state.

Sec. 37. [18B.281] [PESTICIDE EDUCATION AND TRAINING.]

Subdivision 1. [EDUCATION AND TRAINING.] The commissioner shall develop, in conjunction with the University of Minnesota extension service, unique and innovative educational and training programs addressing pesticide concerns including, but not limited to: (1) water quality protection; (2) endangered species; (3) pesticide residues in food and water; (4) worker protection; (5) chronic toxicity; (6) integrated pest management; and (7) pesticide disposal. Educational planning session committees must include representatives of industry and of the commissioner. Specific current regulatory concerns must be discussed and, where appropriate, incorporated into each training session. These training materials must be used as a parameter for all educational programs affected by any organization.

Subd. 2. [TRAINING MANUAL AND EXAMINATION DEVELOPMENT.] The commissioner, in conjunction with the University of Minnesota extension service, shall continually revise and update pesticide applicator training manuals and examinations. The manuals and examinations must be written to meet or exceed the minimum standards required by the United States Environmental Protection Agency and pertinent state-specific information. Questions in the examinations must be determined by the responsible agencies. Manuals and examinations must include pesticide management practices that discuss prevention of pesticide occurrence in groundwaters of the state.

Subd. 3. [PESTICIDE APPLICATOR EDUCATION AND EXAMINATION REVIEW BOARD.] The commissioner shall establish and chair a pesticide applicator education and examination review board. This board shall meet at least once a year before the initiation of pesticide educational planning programs. The purpose of this board is to discuss topics of current concern that can be incorporated into pesticide applicator training sessions and appropriate examinations. This board shall review and evaluate the various educational programs recently conducted and recommend options to increase overall effectiveness. Membership on this board must represent industry, private, nonprofit organizations, and other governmental agencies, including the University of Minnesota, the pollution control agency, and the departments of health, natural resources, and transportation.

Sec. 38. Minnesota Statutes 1988, section 18B.31, subdivision 3, is amended to read:

Subd. 3. [LICENSE.] A pesticide dealer license:

(1) expires on December 31 of each year unless it is suspended or revoked before that date; ~~and~~

(2) is not transferable to another person, or location; and

(3) must be prominently displayed to the public in the pesticide dealer's place of business.

Sec. 39. Minnesota Statutes 1988, section 18B.31, subdivision 5, is amended to read:

Subd. 5. [APPLICATION FEE.] (a) An application for a pesticide dealer license must be accompanied by a nonrefundable application fee of $50.

(b) If an application for renewal of a pesticide dealer license is not filed before January 1 of the year for which the license is to be issued, an additional fee of $20 must be paid by the applicant before the license is issued.

(c) A $10 fee must be paid for the issuance of a duplicate pesticide dealer license.

Sec. 40. Minnesota Statutes 1988, section 18B.32, subdivision 2, is amended to read:

Subd. 2. [LICENSES.] (a) A structural pest control license:

(1) expires on December 31 of the year for which the license is issued; ~~and~~

(2) is not transferable.; and

(3) must be prominently displayed to the public in the structural pest controller's place of business.

(b) The commissioner shall establish categories of master, journeyman, and fumigator for a person to be licensed under a structural pest control license.

Sec. 41. Minnesota Statutes 1988, section 18B.33, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories except a licensed structural pest control applicator.

(b) A person with a commercial applicator license may not apply pesticides on or into surface waters without an aquatic category endorsement on a commercial applicator license.

(c) A commercial applicator licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Sec. 42. Minnesota Statutes 1988, section 18B.33, subdivision 3, is amended to read:

Subd. 3. [LICENSE.] A commercial applicator license:

(1) expires on December 31 of the year for which it is issued, unless suspended or revoked before that date; ~~and~~

(2) is not transferable to another person.; and

(3) must be prominently displayed to the public in the commercial applicator's place of business.

Sec. 43. Minnesota Statutes 1988, section 18B.33, subdivision 7, is amended to read:

Subd. 7. [~~APPLICATION~~ FEES.] (a) A person initially applying for or renewing a commercial applicator license ~~as a business entity~~ must pay a nonrefundable application fee of $50, ~~except a person who is an employee of a business entity that has a commercial applicator license and is applying for or renewing a commercial applicator license as an individual the nonrefundable application fee is $25~~.

(b) If a renewal application is not filed before March 1 of the year for which the license is to be issued, an additional penalty fee of $10 must be paid before the commercial applicator license may be issued.

(c) A $10 fee must be paid for the issuance of a duplicate commercial applicator license.

Sec. 44. Minnesota Statutes 1988, section 18B.34, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except for a licensed commercial applicator, certified private applicator, or licensed structural pest control applicator, a person, including a government employee, may not use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.

(b) ~~A person with~~ A licensed noncommercial applicator ~~license~~ may not apply pesticides into or on surface waters without an aquatic category endorsement on the license.

(c) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Sec. 45. Minnesota Statutes 1988, section 18B.34, subdivision 2, is amended to read:

Subd. 2. [LICENSE.] A noncommercial applicator license:

(1) expires on December 31 of the year for which it is issued unless suspended or revoked before that date; ~~and~~

(2) is not transferable.; and

(3) must be prominently displayed to the public in the noncommercial applicator's place of business.

Sec. 46. Minnesota Statutes 1988, section 18B.34, subdivision 5, is amended to read:

Subd. 5. [FEES.] (a) A person initially applying for or renewing a noncommercial applicator license as a business entity must pay a nonrefundable application fee of $50. ~~A person who is an employee of a business entity that has a noncommercial applicator license and is applying for or renewing a noncommercial applicator license as an individual must pay a nonrefundable application fee of $25~~, except an applicant who is a government employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of $10.

(b) If an application for renewal of a noncommercial license is not filed before March 1 in the year for which the license is to be issued, an additional penalty fee of $10 must be paid before the renewal license may be issued.

(c) A $10 fee must be paid for the issuance of a duplicate noncommercial applicator license.

Sec. 47. Minnesota Statutes 1988, section 18B.36, is amended to read:

18B.36 [PRIVATE APPLICATOR CERTIFICATION.]

Subdivision 1. [REQUIREMENT.] (a) Except for a licensed commercial or noncommercial applicator, only a ~~person~~ certified ~~as a~~ private applicator may use ~~or supervise the use of~~ a restricted use pesticide to produce an agricultural commodity:

(1) as a traditional exchange of services without financial compensation; or

(2) on a site owned, rented, or managed by the person or the person's employees.

(b) A private applicator may not purchase a restricted use pesticide without presenting a private applicator card or the card number.

Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training that meets or exceeds EPA standards to certify ~~persons as~~ private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies and must be a minimum of three hours in duration.

(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, which must include an examination as determined by the commissioner, an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of ~~five~~ three years from the applicant's nearest birthday.

(c) The commissioner shall issue a private applicator card to a private applicator.

Subd. 3. [FEES.] (a) A person applying to be certified as a private applicator must pay a nonrefundable $10 application fee for the certification period.

(b) A $5 fee must be paid for the issuance of a duplicate private applicator card.

Sec. 48. Minnesota Statutes 1988, section 18B.37, subdivision 1, is amended to read:

Subdivision 1. [PESTICIDE DEALER.] (a) A pesticide dealer must maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept at the time of the sale on forms supplied by the commissioner or on the pesticide dealer's forms if ~~they~~ those forms are approved by the commissioner.

(b) Records must be submitted annually with the renewal application for a pesticide dealer license or upon request of the commissioner.

(c) Copies of records required under this subdivision must be

maintained by the pesticide dealer for a period of five years after the date of the pesticide sale.

Sec. 49. Minnesota Statutes 1988, section 18B.37, subdivision 2, is amended to read:

Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.] (a) A commercial ~~or noncommercial~~ applicator, or the applicator's authorized agent, ~~must~~ shall maintain a record of pesticides used on each site. A noncommercial applicator, or the applicator's authorized agent, shall maintain a record of restricted use pesticides used on each site. The record must include the:

(1) date of the pesticide use;

(2) time the pesticide application was completed;

(3) brand name of the pesticide, EPA registration number, and dosage used;

(4) number of units treated;

(5) temperature, wind speed, and wind direction;

(6) location of the site where the pesticide was applied;

(7) name and address of the customer;

(8) name and signature of the applicator, company name, license number of the applicator, and address~~, and signature~~ of the applicator or company; and

(9) any other information required by the commissioner.

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained in a single page document not to exceed five pages for each day's pesticide application, or individual site application. Portions of the required record may include a map to identify treated areas. ~~Invoices~~ An invoice containing the required information may constitute the required record.

(d) A commercial applicator must give a copy of the record to the customer when the application is completed.

(e) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

Sec. 50. Minnesota Statutes 1988, section 18B.37, subdivision 3, is amended to read:

Subd. 3. [STRUCTURAL PEST CONTROL APPLICATORS.] (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

(1) date of structural pest control application;

(2) target pest;

(3) brand name of the pesticide, EPA registration number, and amount of pesticide used;

(4) for fumigation, the temperature and exposure time;

(5) time the pesticide application was completed;

(6) name and address of the customer;

~~(6)~~ (7) structural pest control applicator's company name and address, applicator's signature, and license number; and

~~(7)~~ (8) any other information required by the commissioner.

(b) ~~Invoices~~ All information for this record requirement must be contained in a single page document for each pesticide application. An invoice containing the required information may constitute the record.

(c) Records must be retained for five years after the date of treatment.

(d) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site.

Sec. 51. Minnesota Statutes 1988, section 18B.37, subdivision 4, is amended to read:

Subd. 4. [STORAGE, HANDLING, AND DISPOSAL PLAN.] A commercial, noncommercial, or structural pest control applicator or the ~~licensed~~ business that the applicator is employed by must develop and maintain a plan that describes its pesticide storage, handling, and disposal practices. The plan must be kept at a principal business site or location within this state and must be

submitted to the commissioner upon request on forms provided by the commissioner. The plan must be available for inspection by the commissioner.

Sec. 52. [18B.41] [PESTICIDE MANAGEMENT PLAN.]

Subdivision 1. [PLAN SPECIFICATIONS.] The commissioner shall develop a pesticide management plan for the prevention, evaluation, and mitigation of occurrences of pesticides or pesticide breakdown products in groundwaters and surface waters of the state. The pesticide management plan must include components promoting prevention, developing appropriate responses to the detection of pesticides or pesticide breakdown products in groundwater and surface waters, and providing responses to reduce or eliminate continued pesticide movement to groundwater and surface water as outlined in subdivisions 3 to 8.

The pesticide management plan shall be coordinated and developed with other state agency plans and with other state agencies through the environmental quality board. In addition, the University of Minnesota extension service, farm organizations, farmers, environmental organizations, and industry shall be involved in the pesticide management plan development.

Subd. 2. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Pesticide" means a pesticide active ingredient as defined in section 18B.01, subdivision 18, or the breakdown product or metabolite of the pesticide active ingredient.

(b) "Specific management plan" means a plan applied to a pesticide and may be specific to a pesticide-sensitive groundwater protection area that incorporates voluntary chemical and nonchemical activities, procedures, and practices or pesticide use restrictions established by the department of agriculture in consultation with the University of Minnesota agricultural extension service due to determination of common detection of a pesticide in groundwater.

(c) "Nonpoint source" means the presence of a pesticide in groundwater or surface water from normal registered use of a pesticide.

(d) "Pesticide-sensitive groundwater protection areas" means a geographically definable area with characteristics of susceptibility to pesticide migration to groundwater and containing criteria as stipulated in article 1, section 5, subdivision 2.

(e) "Best management practices" means practices as defined in article 1, section 2, subdivision 2.

(f) "Water resources protection measures" has the meaning given it in article 1, section 2, subdivision 5.

(g) "Monitoring" means a program designed for the collection of data, through a network of groundwater quality sampling stations or surface water sampling points, for scientific inquiry and statistically significant analysis.

Subd. 3. [PESTICIDE-SENSITIVE GROUNDWATER PROTECTION AREAS.] The commissioner shall designate pesticide-sensitive groundwater protection areas based on criteria established in article 1, section 7, subdivision 2, and may involve cooperation with the department of natural resources, the pollution control agency, the University of Minnesota, and other pertinent local, state, or federal agencies. Pesticide-sensitive groundwater protection areas must be based on factors associated with susceptibility of groundwater to the leaching or direct movement of pesticides to the groundwater.

Upon designation of pesticide-sensitive groundwater protection areas the commissioner shall conduct an assessment of the likelihood of certain pesticides to migrate to groundwater. Determination of pesticide mobility must be based on the best currently available data and may involve pesticide registrants data and state and federal data bases. Mobile pesticide determination must include pesticide use, physiochemical properties, and previous groundwater detection information.

The commissioner shall increase regulatory efforts in pesticide-sensitive groundwater protection areas, provide additional and increased pesticide educational and training activities for prevention of movement of pesticides to water resources.

Subd. 4. [PESTICIDE USE INFORMATION.] The commissioner shall monitor urban and rural pesticide use on a biennial basis. Information shall be collected and automated consistent with article 6, section 7.

Subd. 5. [BEST MANAGEMENT PRACTICES.] The commissioner shall promote best management practices that minimize the potential for pesticide movement to water resources throughout the state. Within a pesticide-sensitive groundwater protection area the commissioner shall promote additional appropriate best management practices and may consult with representatives of farmers, local and state agencies, the University of Minnesota, federal agencies, and the pesticide industry. The best management practices for agricultural and urban pesticide use must be practical and appropriate for implementation in the pesticide-sensitive groundwater protection areas. In addition to agronomic and horticultural best management practices, increased and expanded pesticide educational programs for counties with designated pesticide groundwa-

ter protection areas shall be provided in cooperation with the Minnesota extension service.

Subd. 6. [EVALUATION OF DETECTION.] The commissioner shall evaluate the detection of pesticides in groundwaters of the state to determine the probable source and possible courses of action. Evaluation of the detection of the presence of a pesticide may include, but is not limited to, the following items:

(1) the methods of sample collection, handling, and confirmation mechanisms;

(2) the adherence of the reporting laboratory to good laboratory practices;

(3) the adequacy of the quality control and quality assurance programs;

(4) the physiochemical properties of the pesticide and their relationship, if any, to the detection;

(5) the general climatological, geographical, and hydrogeological factors that may impact the detection of the pesticide;

(6) the relationship of the concentration detected to the health based standard;

(7) the information available of the construction of the well from which the sample was obtained;

(8) the information available on pesticide use in the area;

(9) other potential pesticide sources; and

(10) the adherence to label directions, including precautions on the pesticide product label.

If conditions indicate a likelihood that the detection of the pesticide to be a result of normal registered use, the commissioner shall evaluate the need for increased promotion of best management practices and water resources protection measures to mitigate potential nonpoint source impact. Monitoring and subsequent evaluation shall occur on an as needed basis to determine if the pesticide is commonly detected and the potential nonpoint impacts of the pesticide in similar conditions.

Subd. 7. [SPECIFIC PESTICIDE MANAGEMENT PLAN.] The commissioner shall develop a specific pesticide management plan for a pesticide if the pesticide has been determined to be commonly detected in groundwater as a result of normal registered use

following evaluation by the commissioner. Each specific pesticide management plan must be designed to minimize movement to groundwater through a series of efforts such as increased educational activities, increased training and certification, and increased enforcement activities.

The commissioner shall develop and implement a focused groundwater monitoring and hydrogeologic evaluation following common pesticide detection to evaluate contamination frequency and concentration trend. Assessment of the site-specific and pesticide-specific conditions and the likelihood of common detection must include monitoring, pesticide use information, physical and chemical properties of the pesticide hydrogeologic information and review of information, and data from other local, state, or federal monitoring data bases.

The specific pesticide management plan must be developed following evaluation, increased monitoring efforts, and site-specific and pesticide-specific information. The specific management plan must include best management practices and water resources protection measures and pesticide use restrictions commensurate with applicable information obtained by the commissioner, the severity of the groundwater contamination and the trend assessment. The specific pesticide management plan must involve the registrant and be coordinated with the department of natural resources, the pollution control agency, the University of Minnesota agricultural extension service, the Minnesota environmental education board, the environmental quality board, the state planning agency, the department of health, the board of water and soil resources, and may include consultation with appropriate federal agencies, local governmental units, farm organizations, and the pesticide industry. The specific pesticide management plan shall be updated at no more than two-year intervals.

Subd. 8. [ACTIONS TO COMMON DETECTIONS WITH CONCENTRATIONS OR TRENDS GREATER THAN HEALTH LIMITS.] The commissioner shall impose additional use restrictions, or label modifications or cancel a pesticide use when:

(1) common detections of pesticides exceed previous or newly established limits as described in article 1, section 5 or, where applicable, state drinking water standards; or

(2) if trend analysis indicates that common detections will exceed limits as described in article 1, section 5 or, where applicable, state drinking water standards notwithstanding implementation of best management practices and water resources protection measures or previous use restrictions.

Restrictions may include limitations on product purpose, rate, time of application, frequency of application, method of application,

application to soil types or crops, or geographic area of application. Restrictions may be altered based on continued trend analysis of common pesticide detections.

Subd. 9. [RULES.] The commissioner shall adopt permanent rules necessary to implement this section. The rules must contain at a minimum:

(1) an education and information plan to promote pesticide best management practices and water resources protection measures in pesticide-sensitive groundwater protection areas;

(2) investigation and monitoring procedures to assess unusual pesticide detections in groundwater;

(3) procedures to implement best management practices and water resources protection measures, increased monitoring, and trend evaluation following the common detection of pesticides; and

(4) regulatory actions to be taken if trend analysis or common detections indicate exceedance of limits as described in article 1, section 5 or, where appropriate, state drinking water standards.

Sec. 53. [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 and the director of the Minnesota extension service, shall design and implement a pilot collection project, to be completed by June 30, 1991, to:

(1) collect, recycle, and dispose of 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 may limit the type and quantity of pesticide containers acceptable for collection.

Subd. 4. [INFORMATION AND EDUCATION.] The department shall develop informational and educational materials, in consultation and cooperation with the Minnesota extension service, 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 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.

Sec. 54. [REVISOR'S INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the sections in column A shall be renumbered as the sections in column B.

Column A	Column B
18A.49	18B.40
18B.08	18B.285
18B.15	18B.19
18B.18	18B.15
18B.20	18B.21
18B.21	18B.18
18B.22	18B.20

Cross-references to these sections within Minnesota Statutes must also be corrected.

Sec. 55. [REPEALER.]

Minnesota Statutes 1988, sections 18B.16; 18B.19; 18B.20, subdivision 6, are repealed.

ARTICLE 4

WASTE PESTICIDE COLLECTION

Section 1. [115.84] [DEFINITIONS.]

Subdivision 1. [COLLECTION SITE.] "Collection site" means a permanent or temporary designated location with scheduled hours for collection where pesticide end users may bring their waste pesticides.

Subd. 2. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, soil and water conservation district, watershed district, any other special purpose district, and local or regional board.

Subd. 3. [PESTICIDE.] "Pesticide" means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a substance, mixture, or substances intended for use as a plant regulator, defoliant, or desiccant.

Subd. 4. [PESTICIDE END USER.] "Pesticide end user" means a farmer or other person who owns a pesticide. Pesticide end user does not include the manufacturer, formulator, or packager.

Subd. 5. [WASTE PESTICIDE.] "Waste pesticide" means a pesticide that the pesticide end user considers a waste. A waste pesticide can be a canceled pesticide, an unusable pesticide, or a usable pesticide.

Sec. 2. [115.84] [WASTE PESTICIDE COLLECTION PROGRAM.]

Subdivision 1. [COLLECTION AND DISPOSAL.] The agency shall establish and operate a program to collect and dispose of waste pesticides. The program shall be made available to pesticide end users whose waste generating activity occurs in the state of Minnesota.

Subd. 2. [IMPLEMENTATION.] In conducting the program the agency will comply with all applicable federal and state laws. The agency may obtain a United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected. The agency may limit the type and quantity of waste pesticides accepted for collection and may assess pesticide end users for portions of the costs incurred.

Subd. 3. [INFORMATION AND EDUCATION.] The agency shall provide informational and educational materials in consultation

and cooperation with the Minnesota extension service regarding waste pesticides and the proper management of waste pesticides to the public.

Subd. 4. [DEPARTMENT OF AGRICULTURE.] The agency shall develop the program in this section in consultation and cooperation with the commissioner of agriculture.

Subd. 5. [WASTE PESTICIDE COLLECTION ACCOUNT.] A waste pesticide account is established in the state treasury. All assessments received under subdivision 2 shall be deposited in the state treasury and credited to the waste pesticide account and are appropriated to the agency to pay for costs incurred to implement this program.

Subd. 6. [AUTHORITY.] The agency may adopt rules to administer this section.

Subd. 7. [COOPERATIVE AGREEMENTS.] The agency may enter into cooperative agreements with state and local units of government for administration of the collection program.

ARTICLE 5

WATER SUPPLY MONITORING AND PROTECTION

Section 1. [144.389] [SAFE DRINKING WATER FEES.]

Subdivision 1. [FEE SETTING.] Every owner of a residential service connection to a public water supply must pay to the public water supply an annual fee of $3.20. Every owner of a nonresidential service connection to a public water supply must pay an annual fee of $20 to the public water supply. The fee may be adjusted by the commissioner of health according to section 16A.128. However, no public hearing is required for an adjustment.

Subd. 2. [PAYMENT AND COLLECTION OF FEE.] Fees paid by the supply shall be based on the total number of the supply's service connections to be verified every two years. The public water supply shall pay the fees to the department of health for deposit in the state treasury. The supply shall pay one-fourth of the total yearly fee to the state once each calendar quarter. The first quarterly payment is due on or before September 30, 1989. In lieu of quarterly payments, a water supplier with fewer than 50 service connections may make a single annual payment by June 30 of each year, starting in 1990. The public water supply shall pay the fees to the department of health for deposit in the state treasury as nondedicated general fund revenues.

Sec. 2. Minnesota Statutes 1988, section 156A.01, is amended to read:

156A.01 [LEGISLATIVE INTENT.]

~~It is~~ The ~~legislative~~ intent and purpose ~~in~~ of sections 156A.01 to ~~156A.08~~ 156A.09 is to reduce and minimize the waste of ~~ground water~~ groundwater resources within this state by reasonable legislation in licensing of drillers or makers of water wells and the regulation of exploratory borings in Minnesota ~~and to~~. Sections 156A.01 to 156A.09 are also intended to protect the health and general welfare by providing a means for the development and protection of the natural resource of underground water in an orderly, sanitary and reasonable manner. ~~In furtherance of the above intents and purposes,~~ To carry out the intent of sections 156A.01 to 156A.09 and in recognition of the effects ~~of~~ that exploration and mining of metallic minerals have on ~~ground water~~ groundwater resources, the legislature finds that it is necessary to require submission to the state of factual data generated by exploratory borings to ~~the state, for the purpose of controlling:~~ (1) control possible adverse environmental effects of mining~~, to~~; (2) preserve the natural resources~~, and to~~; (3) encourage the planning of future land utilization~~, while at the same time promoting~~; (4) promote the orderly development of mining~~, the encouragement of~~; (5) encourage good mining practices~~,~~; and ~~the recognition~~ (6) recognize and ~~identification of~~ identify the beneficial aspects of mining.

Sec. 3. Minnesota Statutes 1988, section 156A.02, is amended to read:

156A.02 [DEFINITIONS; ~~EXCLUSIONS~~.]

Subdivision 1. For the purposes of sections 156A.01 to ~~156A.08~~ 156A.09, the following terms have the meanings given them in this section.

Subd. 1a. [WATER WELL.] "Water well" means any excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed when the ~~intended use of the same~~ excavation is intended for the location, diversion, artificial recharge, or ~~acquisition~~ extraction of groundwater~~; provided, however, that the term~~. Water well includes monitoring well as defined in subdivision 13. Water well does not include excavation by backhoe, or otherwise for temporary dewatering of groundwater for nonpotable use during construction, where the depth ~~thereof~~ of the excavation is 25 feet or less; nor ~~shall~~ does it include an excavation ~~other than exploratory boring~~ made ~~for the purpose of obtaining~~ to obtain or ~~prospecting~~ prospect for oil, natural gas, minerals, or products of mining or quarrying, or ~~for the inserting~~ excavation to insert media to repressure oil or natural gas bearing formations or ~~for storing~~ to

store petroleum, natural gas, or other products; nor an excavation for nonpotable use for wildfire suppression activities.

Subd. 1b. [DEPARTMENT.] "Department" means the department of health.

Subd. 1c. [DEWATERING WELL.] "Dewatering well" means any water well that is used to lower the groundwater level or piezometric surface and maintain the level or piezometric surface at a predetermined depth.

Subd. 2. [WATER WELL CONTRACTOR OR CONTRACTOR.] ~~For the purposes of sections 156A.01 to 156A.08,~~ "Water well contractor" and "contractor" means any person, firm, ~~copartnership~~ partnership, association or corporation, who ~~shall construct~~ constructs, ~~abandon, or repair~~ repairs, or seals a water well or seals a water well upon land other than its own for compensation.

Subd. 2a. [WATER WELL DRILLING MACHINE.] "Water well drilling machine" means any machine or device such as a cable tool, rotary, hollow rod, or auger, used for construction, ~~abandonment, or~~ repair, or sealing of a water well or a hole excavated for an elevator or a hydraulic cylinder.

~~Subd. 3. Sections 156A.01 to 156A.08 shall not require licensing of (1) an individual who drills a water well on land which is owned or leased by the individual and is used by the individual for farming or agricultural purposes or as the individual's place of abode, or (2) to an individual who performs labor or services for a water well contractor in connection with the drilling, abandonment, or repair of a water well at the direction and at the personal supervision of a licensed water well contractor; provided, however, that the individual shall comply with all other provisions of sections 156A.01 to 156A.08 and with any rule or well code adopted thereunder.~~

Subd. 4. [EXPLORER.] ~~For the purposes of sections 156A.01 to 156A.08~~ "Explorer" means a person who has the right to drill any exploratory boring.

Subd. 5. [EXPLORATORY BORING.] ~~For the purposes of sections 156A.01 to 156A.08~~ "Exploratory boring" means any surface drilling done ~~for the purpose of exploring~~ to explore or ~~prospecting~~ prospect for oil, natural gas, and metallic minerals, including but not limited to the following: iron, copper, zinc, lead, gold, silver, titanium, vanadium, nickel, cadmium, molybdenum, chromium, manganese, cobalt, zirconium, beryllium, thorium, uranium, aluminum, platinum, palladium, radium, tantalum, tin, and niobium. "Exploratory boring" does not include drilling done in the Biwabik iron formation in relation to natural iron ore or activities regulated ~~pursuant~~ according to section 298.48.

Subd. 6. [GROUNDWATER THERMAL EXCHANGE DEVICE.] ~~For the purposes of sections 156A.02 to 156A.10~~ "Groundwater thermal exchange device" means any heating or cooling device, the operation of which is dependent upon extraction and reinjection of groundwaters from an independent aquifer. Thermal exchange devices licensed under this chapter shall be sealed against the introduction of any foreign substance into the system, but shall be ~~so~~ constructed ~~as~~ to permit periodic inspection of water quality and temperature.

Subd. 7. [VERTICAL HEAT EXCHANGER.] ~~For the purposes of sections 156A.02 to 156A.11~~ "Vertical heat exchanger" means any earth-coupled heating or cooling device consisting of a sealed piping system installed vertically in the ground ~~for the purpose of transferring~~ to transfer heat to or from the surrounding earth.

Subd. 8. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 9. [DELEGATED AGENCY.] "Delegated agency" means a board of health as defined in chapter 145A that has an agreement with the commissioner of health to perform all or part of the inspection, reporting, and enforcement duties authorized under provisions of this chapter and the water well construction code as defined in subdivision 15, pertaining to the permitting, construction, repair, and sealing of water wells and holes excavated to install elevator shafts and hydraulic cylinders.

Subd. 10. [ELEVATOR SHAFT.] "Elevator shaft" means any bore hole, jack hole, drilled hole, or excavation constructed to install an elevator shaft or hydraulic cylinder for elevators.

Subd. 11. [ELEVATOR SHAFT CONTRACTOR.] "Elevator shaft contractor" means a person, firm, partnership, or corporation licensed by the commissioner to drill or excavate holes to install elevator shafts and hydraulic cylinders.

Subd. 12. [ENVIRONMENTAL BORE HOLE.] "Environmental bore hole" means a hole drilled, cored, bored, washed, driven, dug, or jetted in the ground used to monitor chemical, radiological or biological contaminants. An environmental bore hole does not include any other well, boring, or other excavation as defined in this chapter.

Subd. 13. [LIMITED WATER WELL CONTRACTOR.] "Limited water well contractor" means a person, firm, partnership, association, or corporation licensed to perform one or more of the following activities:

(1) modify or repair well casings, well screens, or well diameters;

(2) construct unconventional wells such as drive points or dug wells;

(3) seal wells;

(4) install water well pumps or pumping equipment; or

(5) excavate holes for installation of elevator shafts or hydraulic cylinders for elevators.

Subd. 14. [MONITORING WELL.] "Monitoring well" means any excavation that is drilled, cored, bored, washed, driven, dug, jetted, or otherwise constructed for the purpose of extracting groundwater for physical, chemical, or biological testing. Monitoring well includes water wells installed to measure groundwater levels or to test hydrologic properties in an area being investigated for potential or existing groundwater contamination.

Subd. 15. [MONITORING WELL CONTRACTOR.] "Monitoring well contractor" means a person who is registered by the department to construct monitoring wells and who is a professional engineer registered according to sections 326.02 to 326.15 in the branches of civil or geological engineering, or a geologist certified by the American Institute of Professional Geologists.

Subd. 16. [WELLHEAD PROTECTION AREA.] "Wellhead protection area" means the surface and subsurface area surrounding a water well or well field that supplies a public water system, through which contaminants are likely to move toward and reach the water well or well field.

Subd. 17. [WELL CERTIFICATE.] "Well certificate" means the certificate containing information required under section 156A.043, subdivision 4. A well certificate is submitted at the time of property sale or transfer to the county recorder and subsequently to the department of health.

Subd. 18. [DRIVE POINT WELL.] "Drive point well" means a well constructed by forcing a pointed well screen, attached to sections of pipe, into the ground. The screen and casing are forced or driven into the ground with a hammer, maul, or weight. Drive points are typically installed in 1¼ to two inch casings, soft formations, and shallow aquifers.

Sec. 4. Minnesota Statutes 1988, section 156A.03, is amended to read:

156A.03 [REGULATION AND LICENSING.]

Subdivision 1. [COMMISSIONER OF HEALTH REGULATES

WATER WELL ~~WORK~~ AND MONITORING WELL WORK AND EXCAVATION FOR ELEVATOR SHAFTS AND HYDRAULIC CYLINDERS.] The state commissioner of health shall regulate and license ~~the~~: (1) drilling ~~and~~, constructing, and repair of all water wells ~~within this state,~~; (2) sealing of unused wells; (3) installing of water well pumps and pumping equipment; (4) excavating or drilling holes for the installation of elevator shafts and hydraulic cylinders for elevators and sealing of holes excavated for the installation of elevator shafts and hydraulic cylinders for elevators; and (5) installing and sealing environmental bore holes. The commissioner of health shall examine and license water well contractors ~~and~~, limited water well contractors, and elevator shaft contractors and shall examine and register monitoring well contractors. The commissioner of health shall establish standards for installing and sealing environmental bore holes. After consultation with the commissioner of natural resources and the pollution control agency, the commissioner shall establish standards for the design, location, construction, ~~abandonment, and repair~~ and sealing of ~~water~~ wells within this state. As provided in section 156A.071, the commissioner shall license explorers engaged in exploratory boring and shall examine individuals who supervise or oversee exploratory boring.

Subd. 2. [WATER WELL CONTRACTORS MUST BE LICENSED.] No ~~contractor~~ person shall drill, construct, ~~abandon,~~ or repair a water well within this state unless in possession of a valid license to do so issued annually by the state commissioner of health. ~~An applicant who is otherwise qualified but who does not have practical field experience in the operation of conventional drilling machines such as a cable tool, rotary, hollow rod, or auger, but who does install unconventional wells such as drive point, or who is in the well repair service which involves modification to the well casing, screen, depth, or diameter below the upper termination of the well casing, shall have the license limited to such water well contracting work.~~

A person who desires to drill, construct, repair, or seal one or more wells in this state must apply to the commissioner of health for a water well contractor's license. In the application, the person must set out qualifications for the license, the equipment the person will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the commissioner. The commissioner shall charge a fee of $50 according to section 144.122 for the filing of the application by any person. The commissioner shall not act upon any application until the fee has been paid. When the commissioner has approved the application, the applicant shall take an examination given by the commissioner.

Subd. 2a. [LIMITED LICENSES REQUIRED FOR CERTAIN WORK.] (a) A limited water well contractor, as defined in section 156A.02, subdivision 12, may obtain a license limited to the following work:

(1) modifying or repairing well casings, well screens, or well diameters;

(2) constructing unconventional wells such as drive points or dug wells;

(3) sealing wells; or

(4) installing water well pumps or pumping equipment; or

(5) excavating holes to install elevator shafts or hydraulic cylinders for elevators.

(b) After December 31, 1989, no person shall perform the work described in this subdivision, within this state, unless the individual possesses a valid license issued annually by the commissioner of health. A person performing the work under this section must apply to the commissioner for a license. In the application, the person must set out qualifications for the license, the equipment the person will use in the contracting, and other information required by the commissioner. The application must be on forms prescribed by the commissioner. The commissioner shall charge a fee of $50 for the filing of the application. The commissioner shall not act upon an application until the fee has been paid. When the commissioner has approved the application, the applicant shall take an examination given by the commissioner. All of the conditions in paragraph (a) apply to persons excavating holes to install elevator shafts or hydraulic cylinders for elevators except that the license requirement applies after December 1990.

Subd. 3. [~~EXEMPTION FROM LICENSING~~ MONITORING WELL CONTRACTORS MUST BE REGISTERED.] ~~A professional engineer registered pursuant to the provisions of sections 326.02 to 326.15, in the branches of civil or geological engineering, shall not be required to be licensed as a water well contractor under the provisions of this section to drill test borings or to install piezometer wells for engineering purposes, or to construct groundwater quality sampling and monitoring wells as defined in rules promulgated by the commissioner. Test holes, piezometer wells installed for engineering purposes, and other wells described by this subdivision, shall be constructed, maintained and abandoned in accordance with this chapter and the rules promulgated thereunder.~~

~~Any~~ A professional engineer or certified geologist engaged in the practice of constructing ~~groundwater quality sampling~~ and sealing monitoring wells as described in ~~this subdivision~~ section 3, subdivision 14, and environmental bore holes as described in section 3, subdivision 12, shall register with the commissioner on forms provided by the commissioner. A monitoring well contractor shall not be required to be licensed as a water well contractor.

After December 31, 1990, a person seeking initial registration as a monitoring well contractor under this subdivision must meet examination and experience requirements that the commissioner establishes in rule.

Subd. 4. [EXEMPTIONS FROM LICENSING REQUIREMENTS.] (a) Sections 156A.01 to 156A.09 do not require licensing of (1) an individual who drills a water well on land that is owned or leased by the individual and is used by the individual for farming or agricultural purposes or as the individual's place of abode, or (2) an individual who performs labor or services for a water well contractor in connection with the drilling, repair, or sealing of a water well at the direction and at the personal supervision of a licensed water well contractor. An individual exempt under this subdivision must comply with sections 156A.01 to 156A.09 and with any rule adopted under those sections.

(b) Test holes, piezometer wells installed for engineering purposes, and other wells described by this subdivision, shall be constructed, maintained, and sealed according to sections 156A.01 to 156A.09, and the rules adopted under those sections.

Subd. 5. [BONDING REQUIREMENTS.] As a condition of licensing water well contractors, limited water well contractors or registering monitoring well contractors under this section, a person seeking a license or registration shall give a $10,000 bond to the state. The bond shall be conditioned upon the faithful and lawful performance of work contracted for or performed by the person in Minnesota. The bond shall be for the benefit of persons injured or suffering financial loss by reason of failure of the performance. The bond shall be in lieu of all other license bonds to any political subdivision of the state. The bond shall be written by a corporate surety licensed to do business in Minnesota.

Subd. 6. [LICENSE AND REGISTRATION FEE; ISSUANCE OF LICENSE OR REGISTRATION.] On successfully passing the examination for original license or registration required under subdivision 2 or 3, and showing evidence of bonding required in subdivision 5, the applicant shall submit to the commissioner a license fee of $250 or a registration fee of $50. Upon receiving the fee and bond information, the commissioner may issue a license or registration.

Subd. 7. [NONTRANSFERABILITY OF LICENSES AND REGISTRATION; RENEWAL PROCEDURES.] A license or registration issued under this section is not transferable. The person licensed or registered must submit to the commissioner an application to renew the license or registration on a date set by the commissioner. The renewal application must be accompanied by a fee set by the commissioner under section 144.122. The application must also include documentation that the person has met requirements for continuing education that the commissioner establishes by rule. The

person must also pay a penalty fee set by the commissioner under section 144.122 if the person submits the renewal application after the required renewal date. If a person submits a renewal application after the required renewal date, the person shall not perform the work for which the person was licensed or registered from the renewal date until the date the person submits an application, fee, and penalty fee.

Subd. 8. [REGISTRATION OF DRILLING MACHINES REQUIRED.] As part of the application for licensing or registration, or annual renewal of a license or registration, a person licensed or registered under this section must pay an annual fee of $100 for the registration with the commissioner of each drilling machine used to construct water wells and monitoring wells and to excavate holes for elevator shafts or hydraulic cylinders, and $50 for the registration of each machine such as a pump hoist used to repair wells, seal wells, or install pumps.

Subd. 9. [FEES DEPOSITED WITH STATE TREASURER.] Fees collected for licenses or registration under this section shall be submitted to the department for deposit in the general fund.

Subd. 10. [RECIPROCITY.] The commissioner may license or register, without giving an examination, a person who is licensed or registered in any state, territory, or possession of the United States, or any foreign country, if: (1) the requirements for licensing or registration under which the water well contractor was licensed or registered do not conflict with sections 156A.01 to 156A.09; (2) the requirements are of a standard not lower than that specified by the rules adopted under sections 156A.01 to 156A.09; and (3) equal reciprocal privileges are granted to licensees of this state. A person who seeks a license or registration under this subdivision must apply for the license or registration and pay the fees required under this section.

Subd. 11. [POLITICAL SUBDIVISIONS CANNOT REQUIRE ADDITIONAL LICENSES OR REGISTRATION.] No political subdivision shall require a person licensed or registered under this section to pay a license or registration fee. However, a political subdivision shall be provided upon request with a list of licensed water well contractors, limited water well contractors, elevator shaft contractors, and monitoring well contractors.

Sec. 5. [156A.041] [REQUIREMENTS FOR WATER WELL AND MONITORING WELL CONSTRUCTION AND SEALING AND ELEVATOR SHAFT EXCAVATION AND SEALING.]

Subdivision 1. [WRITTEN CONTRACT REQUIRED.] A person licensed or registered under sections 156A.01 to 156A.09 shall not construct or seal a well or excavate or seal a hole for an elevator shaft or hydraulic cylinder until the well owner or owner of the

property on which the water well or hole for the elevator shaft or hydraulic cylinder is located and the person signs a written contract that describes the nature of the work to be performed and the estimated cost of the work. A person may not construct a monitoring well until the owner of the property on which the well is located and the well owner sign a written contract that describes the nature of the work to be performed, the estimated cost of the work, and provisions for sealing the well.

Subd. 2. [PERMIT REQUIRED.] After December 31, 1989, a person shall not construct a water well, dewatering well, or a monitoring well, and after December 31, 1990, excavate a hole to install an elevator shaft or hydraulic cylinder for an elevator, until the commissioner of health or delegated agency issues a permit for construction. If an initial well is unsuccessful, the permit shall be modified to indicate the location of the successful well. No other permit may be required by a county or municipality. The commissioner of health may adopt rules that modify the procedures for applying for a permit for construction when conditions arise that endanger the public health and welfare or cause a need to protect the groundwater and those conditions require the monitoring well contractor, elevator shaft contractor, or well contractor to begin constructing a water well or hole for an elevator shaft or hydraulic cylinder before obtaining a permit. The owner of a well shall obtain an annual maintenance permit for:

(1) a water well that is used less than nine days a year as a primary source of water for domestic, agricultural, commercial, industrial or public use;

(2) a monitoring well that is used for more than 12 months after completion of construction;

(3) a water well used as a secondary or a backup source of water located on a property served by a public water supply; or

(4) a dewatering well that is used for more than 12 months after completion of construction.

Subd. 3. [WATER WELLS MUST BE IDENTIFIED.] When a water well has been constructed, the contractor shall attach to the well a label showing the unique well number, the depth of the well, the contractor's name, and the date the well was constructed.

Subd. 4. [NONCONFORMING MONITORING WELL.] Any monitoring well whose casing is completed less than 12 inches above grade, may only be constructed if there is no alternative location for constructing a well that ends at least 12 inches above grade. All these monitoring wells must be constructed and sealed in accordance with rules to be adopted by the commissioner.

(a) A plan describing the proposed location and construction of the monitoring well shall be submitted for review and approval by the commissioner before construction. A $150 fee shall accompany the plan.

(b) After December 31, 1989, a person shall not construct a nonconforming monitoring well until the commissioner of health or delegated agency issues a permit for construction. The owner of a nonconforming monitoring well shall obtain an annual maintenance permit for a well that is used for more than 12 months after completion of construction.

Subd. 5. [DISTANCE REQUIREMENTS FOR SOURCES OF CONTAMINATION.] No person may place, construct, or install an actual or potential source of contamination any closer to a well than the isolation distances set in the Minnesota water well code adopted under section 156A.05 unless a variance has been issued by the commissioner according to the procedures in the water well construction code.

Subd. 6. [WHEN A WATER WELL MUST BE SEALED.] A water well must be permanently sealed according to the water well construction code if any or all of the following conditions exist:

(1) the water well is contaminated;

(2) the water well has not been sealed according to the rules of the commissioner;

(3) the water well is located, constructed, or maintained in such a manner that its continued use or existence endangers the quality of the groundwater or provides a health or safety hazard;

(4) the water well does not produce water because it is not equipped with an operable pump or the electrical supply has been disconnected from the well, or

(5) the water well has construction failure that may include holes in the casing, collapsed hole, plugged screens, or pumps only sediment or sand.

Subd. 7. [REPORT OF WORK.] Within 30 days after completion or sealing of a well or completion of an excavation for or sealing of an elevator shaft or hydraulic cylinder, a person licensed or registered under this chapter or a person exempt under section 156A.03, subdivision 4, paragraph (a), clause (1), shall submit to the commissioner of health a verified report upon forms provided by the commissioner. The report must contain the following information: (1) the name and address of the owner of the well, elevator shaft or hydraulic cylinder shaft and the actual location of the well or

elevator shaft or hydraulic cylinder shaft; (2) a log of the materials and water encountered in connection with drilling, and related pumping tests; and (3) other information the commissioner may require concerning the drilling or sealing of the well or hole for an elevator shaft or hydraulic cylinder. Within 30 days after receiving the report, the commissioner of health shall send one copy of the report to the commissioner of natural resources, the local soil and water conservation district within which the well or elevator shaft or hydraulic cylinder shaft is located, and one copy to the director of the Minnesota geological survey.

Sec. 6. [156A.042] [ENVIRONMENTAL BORE HOLES.]

Any environmental bore hole shall be constructed, sealed, and reported in accordance with rules to be adopted by the commissioner.

Sec. 7. [156A.043] [RIGHTS AND DUTIES OF OWNER OF PROPERTY ON WHICH A WATER WELL IS LOCATED.]

Subdivision 1. [PERMITS AND FEES FOR WATER WELLS AND HOLES EXCAVATED TO INSTALL ELEVATOR SHAFTS OR HYDRAULIC CYLINDERS FOR ELEVATORS.] The owner of the property on which a well is located must obtain a permit for well construction from the commissioner or delegated agency. The owner must pay a fee of $150 for a new well drilled with pumping capacity of less than 50 gallons a minute; and $300 for wells with pumping capacity of 50 gallons a minute or more. The owner of a well that is unsealed and that meets any of the conditions in section 5, subdivision 2, must pay an annual maintenance permit fee of $50.

The owner of the property on which water wells are constructed for the purpose of dewatering shall pay a permit fee of $50 for each well constructed. A dewatering project comprising more than ten wells shall be issued a single permit for $500. All the wells constructed for a project must be recorded on the permit.

The owner of the property with dewatering wells operating for more than 12 months after completion of construction must pay an annual maintenance permit fee of $25 for each well.

For monitoring wells and nonconforming monitoring wells, the owner of the land on which a monitoring well is located must obtain a permit for each well. The fee for construction of monitoring wells is $50 for each well. The property owner must annually renew the permit and pay a maintenance fee of $25 for each well.

For excavating holes for the purpose of installing elevator shafts or hydraulic cylinders for elevators, the owner of the property must obtain a permit for each hole to be excavated. The fee for excavating

holes for elevator shafts or hydraulic cylinders for elevators is $150 for each hole.

Subd. 2. [DISCLOSURE OF WELLS TO BUYER.] Effective July 1, 1990, before signing an agreement to sell or transfer property, the seller or transferor shall disclose in writing to the buyer or transferee information about the status and the location of all wells on the property, including the town, range, section, and quartile. In the disclosure, the seller or transferor must indicate, for each well, whether it is in use, not in use, or permanently sealed. At the time of sale, the same information must be provided on a well certificate form available from the commissioner signed by the seller or transferor of the property. The county recorder shall not record a deed, instrument, or writing for which a certificate of value is required under section 272.115, unless the well certificate required by this section accompanies the deed, instrument, or writing. The owner shall retain a copy. The county recorder shall transmit the well certificate to the department of health within 30 days after receiving the certificate.

Subd. 3. [FAILURE TO DISCLOSE AT TIME OF SALE.] If a seller or transferor fails to disclose the existence of a well at the time of sale, the buyer or transferee has a civil right of action for damages against the seller for any costs relating to the cleanup of any groundwater contamination related to the fact that the well was not properly sealed at the time of sale. The right of action must be exercised by the buyer or transferee within six years after the date the buyer purchased or transferee received the property on which the well is located.

Subd. 4. [WHO MUST SEAL WELLS.] To seal wells, the owner of property on which a well is located shall employ a licensed water well contractor or a contractor with a license to seal unused wells. The owner of property with monitoring wells, or holes for elevator shafts, or hydraulic cylinders for elevators shall employ a licensed water well contractor, a contractor with a license to seal unused wells, or a monitoring well contractor to seal monitoring wells no longer in use; and an elevator shaft contractor to seal holes no longer used for elevator shafts or shafts for hydraulic cylinders for elevators.

Subd. 5. [OWNER'S CAUSE OF ACTION.] The owner of the property on which a water well or a shaft for an elevator or hydraulic cylinder for an elevator is located has a cause of action for civil damages against a person whose action or inaction caused contamination of the well. The right of an owner to maintain a cause of action extends for a period of six years after the owner knows or becomes aware of the contamination of the well. The court may award damages, reasonable attorneys' fees, and costs and disbursements.

Subd. 6. [FEES DEPOSITED WITH STATE TREASURER.] Fees collected for permits or registration under this section shall be submitted to the department for deposit in the general fund.

Sec. 8. [156A.045] [PERMITS FOR GROUNDWATER THERMAL EXCHANGE DEVICES.]

Subdivision 1. [PERMIT REQUIRED.] Notwithstanding any department or agency rule to the contrary, the commissioner shall issue, upon request by the owner of the property and submission of a $50 fee, permits for the reinjection of water by a properly constructed well into the same aquifer from which the water was drawn for the operation of a groundwater thermal exchange device.

Subd. 2. [PROCEDURES FOR GROUNDWATER EXCHANGE.] Withdrawal and reinjection shall be accomplished by a closed system in which the waters drawn for thermal exchange have no contact or commingling with water from other sources or with any polluting material or substances. The closed system must be constructed to allow opening for inspection by the commissioner. Wells that are part of a groundwater thermal exchange system shall serve no other function. However, water may be supplied to the domestic water system if the supply is taken off the thermal exchange system ahead of the heat exchange unit, and if the water discharges to a break tank through an air gap that is at least twice the effective diameter of the water inlet to the tank. A groundwater thermal exchange system may be used for domestic water heating only if the water heating device is an integral part of the heat exchange unit that is used for space heating and cooling.

Subd. 3. [LIMITATIONS AND REQUIREMENTS FOR PERMITS.] As a condition of the permit issued under subdivision 1, an applicant shall agree to allow inspection by the commissioner of health during regular working hours for department inspectors. A maximum of 200 permits shall be issued for small systems having maximum capacities of 20 gallons per minute or less. The small systems shall be subject to inspection twice a year. A maximum of ten permits shall be issued for larger systems having maximum capacities from 20 to 50 gallons per minute. These larger systems shall be subject to inspection four times a year. The commissioner may adopt rules to administer this section.

Subd. 4. [REQUIREMENTS FOR WATER APPROPRIATION APPLY.] Water appropriation permit requirements and penalties provided in sections 105.41 to 105.416 and related rules adopted and enforced by the department of natural resources apply to groundwater thermal exchange permit recipients. A person issued a permit under subdivision 1 must comply with this section for the permit to be valid. Noncompliance subjects the person to sanctions for the noncomplying activity that are available to the department of health and pollution control agency.

Sec. 9. [156A.047] [VERTICAL HEAT EXCHANGER; LICENSING AND REGULATION.]

Subdivision 1. [LICENSE REQUIREMENTS.] No water well contractor shall drill or construct any excavation used to install a vertical heat exchanger unless the water well contractor has a valid water well contractor's license.

Subd. 2. [REGULATIONS FOR VERTICAL HEAT EXCHANGERS.] Vertical heat exchangers must be constructed, maintained, and sealed according to sections 156A.01 to 156A.09, and rules adopted under those sections.

Subd. 3. [PERMIT REQUIRED.] No water well contractor shall install a vertical heat exchanger without first obtaining a permit from the commissioner of health. The water well contractor must apply for the permit on forms provided by the commissioner and must pay a $50 fee. As a condition of the permit, the owner of the property on which the vertical heat exchanger is to be installed shall agree to allow inspection by the commissioner, or an agent, during regular working hours of department of health inspectors.

Sec. 10. Minnesota Statutes 1988, section 156A.05, is amended to read:

156A.05 [POWERS AND DUTIES OF THE COMMISSIONER OF HEALTH.]

Subdivision 1. [POWERS OF COMMISSIONER.] The ~~state~~ commissioner of health ~~shall possess all~~ possesses the powers reasonable and necessary to exercise effectively the authority granted by sections 156A.01 to ~~156A.08~~ 156A.09.

Subd. 1a. [DUTIES.] The commissioner shall:

(1) regulate the drilling, construction, and sealing of water wells within this state;

(2) examine and license water well contractors, persons modifying or repairing well casings, well screens, or well diameters; constructing unconventional wells such as drive points or dug wells; sealing wells; installing water well pumps or pumping equipment; and excavating or drilling holes for the installation of elevator shafts or hydraulic cylinders for elevators; and sealing holes for elevator shafts and hydraulic cylinders for elevator shafts;

(3) register and examine monitoring well contractors;

(4) license explorers engaged in exploratory boring and examine individuals who supervise or oversee exploratory boring;

(5) after consultation with the commissioner of natural resources and the pollution control agency, establish standards for the design, location, construction, repair, and sealing of water wells and holes for elevator shafts or hydraulic cylinders within the state; and

(6) issue permits for construction and maintenance of wells, groundwater thermal devices, vertical heat exchangers, and excavation for holes to install elevator shafts or hydraulic cylinders.

Subd. 1b. [PROCEDURES FOR PERMITS.] The commissioner of health shall establish procedures for application, approval, and issuance of permits by rule. The commissioner may modify fees by rule.

Subd. 1c. [FEES FOR VARIANCES.] The commissioner of health shall charge a fee of $150 to cover the administrative cost of processing a request for a variance or modification of rules under Minnesota Rules, part 4725.0400. The fee is nonrefundable.

Subd. 2. [COMMISSIONER TO ADOPT RULES.] The commissioner of health shall ~~by December 31, 1971, in the manner prescribed by chapter 15, hold a public hearing and promulgate~~ adopt rules ~~necessary~~ under chapter 14 to carry out ~~the purposes of~~ sections 156A.01 to ~~156A.08~~ 156A.09 including, but not limited to:

(a) Issuance of licenses for qualified water well contractors, persons modifying or repairing well casings, well screens, or well diameters; constructing unconventional wells such as drive points or dug wells; sealing wells; installing water well pumps or pumping equipment and excavating holes for installing elevator shafts or hydraulic cylinders; and issuance of registration for monitoring well contractors.

(b) Establishment of conditions for examination and review of applications for license.

(c) Establishment of conditions for revocation and suspension of license.

(d) Establishment of minimum standards for design, location, construction, ~~abandonment, and~~ repair, and sealing of wells and holes dug to construct elevator shafts or hydraulic cylinders, to ~~effectuate~~ carry out the purpose and intent of sections 156A.01 to ~~156A.08~~ 156A.09. The use of plastic water well casing is expressly permitted and the commissioner shall adopt appropriate construction procedures and material standards in rule.

(e) Establishment of a system for reporting on wells drilled and ~~abandoned by licensed water well contractors~~ sealed.

(f) Modification of fees prescribed in chapter 156A, according to the procedures for setting fees in sections 16A.128 and 144.122.

(g) Establishment of standards for the construction, maintenance, sealing, and water quality monitoring of wells in areas of known or suspected contamination.

(h) Establishment of wellhead protection measures for water wells serving public water supplies.

(i) Establishment of procedures for coordinating collection of well data with other state and local governmental agencies.

(j) Establishment of criteria and procedures for submission of reports, formation samples or cuttings, water samples, or other special information required for geologic and water resource mapping.

Subd. 3. [INSPECTIONS BY COMMISSIONER.] The ~~state~~ commissioner of health may inspect and have access at all reasonable times to any well site, including water wells drilled, ~~abandoned~~ sealed, or repaired ~~or being drilled, abandoned, or repaired, and shall have access to same at all reasonable times~~. The commissioner may also collect water samples from the wells.

Subd. 4. [COMMISSIONER MAY ORDER REPAIRS AND SEALING OF WELLS.] The commissioner may order the owner of a well to take remedial measures, including making repairs, reconstructing or ~~abandoning~~ sealing the well ~~in accordance with~~ according to rules of the commissioner. The order may be issued if the commissioner determines, based upon inspection of the well and site or an analysis of water from the well, that any of the following conditions exist:

(1) the well is contaminated,

(2) the well has not been ~~abandoned in accordance with~~ sealed according to the rules of the commissioner,

(3) the well is ~~in such a state of disrepair that its continued existence endangers the quality of the groundwater~~ located, constructed, or maintained in such a manner that its continued use or existence endangers the quality of the groundwater or provides a health or safety hazard,

(4) the water well does not produce water because it is not equipped with an operable pump or the electrical supply has been disconnected from the well, or

(5) ~~the well is located in such a place or constructed in such a~~

~~manner that its continued use or existence endangers the quality of the groundwater~~ the water well has construction failure that may include holes in the casing, collapsed holes, plugged screens, or pumps only sediment or sand.

The order may be enforced in an action to seek compliance brought by the commissioner in the district court of the county in which the well is located.

~~The owner has a cause of action for civil damages against any person whose action or inaction caused contamination of the well. The right of an owner to maintain a course of action as provided herein extends for a period of six years after the owner knows or becomes aware of the contamination of the well. The court shall award damages, reasonable attorneys' fees, and costs and disbursements.~~

The commissioner may also order the owner of the property on which a monitoring well or dewatering well is located, to seal a well if the owner does not obtain a maintenance permit for a monitoring well, nonconforming monitoring well, or dewatering well within 14 months after construction, or does not renew the maintenance permit annually thereafter.

Subd. 5. [COMMISSIONER MAY RECOVER COSTS.] Failure to comply with a commissioner's order to seal a water well may result in the commissioner entering into a contract to have the well sealed. Any expense incurred by the state in sealing a well pursuant to an order to seal shall constitute and be a lien in favor of the state against the land involved. The state may recover its costs by either of the following means:

(a) The amount of the expense shall be certified to the county auditor, who shall enter the expense upon the tax books, as a special assessment upon the land, to be collected in the same manner as other real estate taxes on the parcel for the next year.

(b) If the amount certified in paragraph (a) exceeds $1,000, the state may allow the assessment to be collected in ten equal annual installments payable to the county treasurer with the taxes on the property next due. When collected by the county treasurer the amount shall be reimbursed to the state treasurer.

(c) The lien attaches to real property on which the well is located. The lien is perfected by filing a copy of the lien with the county recorder or registrar of deed where the well and property are located and serving or mailing by return receipt a copy of the lien to the property owner.

Subd. 6. [ENFORCEMENT OF THE LIEN.] The commissioner

may enforce the lien in the manner provided for a judgment lien under chapter 550 or certify the amount to the county auditor, which must be assessed against the property and collected in the same manner as real estate taxes.

Subd. 7. [ASSESSMENT OF INSTALLMENTS.] (a) In lieu of certifying the entire amount to be collected, the commissioner may have the amount due assessed in seven or less equal installments.

(b) The installment due must be entered on the tax lists for the year and collected in the same manner as real estate taxes for that year by collecting one-half of the total of the installment with and as a part of the real estate taxes.

Subd. 8. [SATISFACTION OF LIEN.] The amount due of a lien under this section may be paid at any time. When the amount of the lien is paid, the commissioner must execute a satisfaction of the lien and record the satisfaction with the county recorder or registrar of deeds where the lien was filed.

Subd. 9. [APPROPRIATION OF RECOVERED COSTS.] Costs of sealing wells recovered from property owners shall be deposited in the state treasury and credited to the account from which the amounts were originally appropriated.

Sec. 11. Minnesota Statutes 1988, section 156A.06, is amended to read:

156A.06 [~~WATER WELL CONTRACTORS AND EXPLORATORY BORERS~~ ADVISORY COUNCIL ON WATER WELLS AND EXPLORATORY BORING; MEMBERS; TERMS; EMPLOYEES.]

Subdivision 1. [ADVISORY COUNCIL ESTABLISHED.] ~~There is hereby created~~ (a) The advisory council on water ~~well contractors and~~ wells, exploratory ~~borers advisory council, herein referred to as the~~ borings, and elevator shaft excavations ("advisory council,") is established as an advisory council to the ~~state~~ commissioner of health. The advisory council shall ~~be composed~~ consist of ~~16~~ 15 voting members. Of the ~~16~~ 15 voting members~~,~~:

(1) one member shall be from the ~~state~~ department of health, appointed by the ~~state~~ commissioner of health;

(2) one member shall be from the department of natural resources, appointed by the commissioner of natural resources;

(3) one member shall be a member of the Minnesota geological survey of the University of Minnesota appointed by the director; ~~two members~~

(4) one member shall be ~~engaged in the business of exploratory boring for minerals~~ a licensed exploratory borer;

(5) one member shall be a licensed elevator shaft contractor;

(6) two members must be members of the public ~~members~~ who are not connected with the business of exploratory boring or the water well drilling industry;

(7) one member shall be from the pollution control agency, appointed by the commissioner of the pollution control agency;

(8) one member shall be a ~~professional engineer~~ monitoring well contractor; ~~one member shall be a certified professional geologist;~~ and

(9) six members ~~shall be contractors~~ must be residents of Minnesota appointed by the commissioner of health, who are actively engaged in the water well drilling industry, with not ~~to exceed~~ more than two from the seven county metropolitan area and at least four from the ~~remainder~~ rest of the state who ~~shall be representative of~~ represent different geographical regions.

(b) ~~They shall be residents of the state of Minnesota and appointed by the commissioner of health.~~ No appointee of the water well drilling industry shall serve more than two consecutive terms. The appointees to the advisory council from the water well drilling industry ~~shall~~ must have been bona fide residents of this state for ~~a period of~~ at least three years ~~prior to~~ before appointment ~~and shall~~. Members must have ~~had~~ at least five years experience in the water well drilling business. Expiration of the council ~~shall expire,~~ and the terms of the appointed members and the compensation and removal of all members ~~shall be as provided in~~ are governed by section 15.059.

Sec. 12. Minnesota Statutes 1988, section 156A.071, is amended to read:

156A.071 [EXPLORATORY BORING; LICENSING AND ~~REGULATION~~ PROCEDURES.]

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

(a) "Data" includes but is not limited to ~~all~~ samples and factual noninterpreted data obtained from exploratory borings and samples including analytical results;

(b) "Parcel" means a government section, fractional section, or government lot; and

(c) "Samples" means at least a one-quarter portion of all samples from exploratory borings that are customarily collected by the explorer.

Subd. 2. [~~LICENSING~~ LICENSE REQUIRED.] An explorer engaging in exploratory boring shall obtain a license to do so ~~in accordance with~~ according to the provisions of this chapter and the rules adopted ~~thereunder~~ under this chapter. The explorer may designate a responsible individual who supervises and oversees the making of exploratory borings. Before an individual supervises or oversees an exploratory boring, the individual shall take and pass an examination ~~on those sections of the Minnesota Water Well Construction Code~~ relating to construction, location, and ~~abandonment~~ sealing of ~~wells, which apply to~~ exploratory borings. A professional engineer registered ~~pursuant~~ according to sections 326.02 to 326.15, or a certified professional geologist ~~shall~~ is not ~~be~~ required to take the examination ~~specified~~ required in this ~~section~~ subdivision but ~~shall be required to~~ must be licensed ~~in accordance with~~ according to this section to engage in exploratory boring.

Subd. 3. [REGISTRATION.] At least 30 days ~~prior to~~ before commencing exploratory borings, an explorer shall register with the commissioner of natural resources and provide a copy of the registration to the commissioner of health. The registration shall include:

(a) The identity of the firm, association, or company engaged in exploratory boring; and

(b) The identification of an agent, including the agent's business address. The commissioner of natural resources may require a bond, security, or other assurance from an explorer if the commissioner of natural resources has reasonable doubts ~~as to~~ about the explorer's financial ability to comply with requirements of law relating to exploratory boring. An explorer shall register annually with the commissioner of natural resources while conducting exploratory boring.

Subd. 4. [INFORMATIONAL REQUIREMENTS.] At least ten days ~~prior to the commencement of~~ before beginning exploratory boring, ~~each~~ an explorer shall submit to the commissioner of natural resources a county road map having a scale of one-half inch equal to one mile, as prepared by the state department of transportation, ~~indicating~~ showing the location of each proposed exploratory boring to the nearest estimated 40 acre parcel. The explorer must submit a copy of this map ~~shall be submitted~~ to the commissioner of health.

Subd. 5. [ACCESS TO DRILL SITES.] The commissioner of health, the commissioner of natural resources, the commissioner of the pollution control agency, the ~~agent of a board of~~ community health board as authorized under section 145A.04, and their officers and employees shall have access to exploratory boring sites ~~for the~~

~~purpose of inspecting~~ to inspect the drill holes, drilling, and ~~abandonment~~ sealing of exploratory borings, and ~~for the purpose of sampling~~ to sample ambient air and drilling waters, and ~~measuring~~ to measure the radioactivity of the waste drill cuttings at the drilling site at the time of on-site observation.

Subd. 6. [EMERGENCY NOTIFICATION.] The explorer shall promptly notify the commissioner of health, the commissioner of natural resources, the pollution control agency, and the ~~authorized agent~~ board of health of any occurrence during exploratory boring that has a potential for significant adverse health or environmental effects ~~and~~. The explorer shall take ~~such~~ reasonable action ~~as may be reasonably possible~~ to minimize ~~such~~ the adverse effects. The commissioner of health may inspect data ~~prior to~~ before its submission as required by subdivision 8, if necessary, to accomplish the purposes of the laws relating to explorers and exploratory borings. The data examined by the commissioner of health ~~shall be considered to be~~ is not public data ~~prior to the time for making any submissions of the data~~ before it is submitted under subdivision 8 or 9.

Subd. 7. [PERMANENT AND TEMPORARY ~~ABANDONMENT~~ SEALING PROCEDURES.] Permanent and temporary ~~abandonment~~ sealing of exploratory borings shall be accomplished ~~pursuant~~ according to rules adopted ~~in accordance with~~ under this chapter.

Subd. 8. [~~ABANDONMENT~~ SEALING REPORT.] Within 30 days of permanent or temporary ~~abandonment~~ sealing of an exploratory boring, the explorer shall submit ~~on forms provided by the commissioner of health~~ a report to the commissioner of health and the commissioner of natural resources ~~a report to~~. The report must be on forms provided by the commissioner of health and must include:

(a) The location of each drill hole at as large a scale as possible, which is normally prepared as part of the explorer's record;

(b) The type and thickness of overburden and rock encountered;

(c) Identification of water bearing formations encountered;

(d) Identification of hydrologic conditions encountered;

(e) Method of ~~abandonment~~ sealing used;

(f) Methods of construction and drilling used;

(g) Average scintillometer reading of waste drill cuttings ~~prior to~~ before backfilling of the recirculation pits.

Subd. 9. [SUBMISSION OF DATA FROM EXPLORATORY BOR-

INGS.] Data obtained from exploratory borings shall be submitted by the explorer to the commissioner of natural resources as follows:

(a) Upon application for a state permit required for activities relating to mineral deposit evaluation, the explorer shall submit to the commissioner of natural resources data relevant to the proposal under consideration. The explorer may identify portions of the data ~~which~~ that, if released, would impair the competitive position of the explorer submitting the data. Data so identified shall be considered to be not public data. If requested to disclose the data, the commissioner shall mail notice of the request to the explorer and determine whether release of the data would impair the competitive position of the explorer submitting the data. If the commissioner determines that release of the data would impair the competitive position of the explorer submitting the data, the commissioner shall not release the data to any person other than parties to the proceedings relating to the permit under consideration. Parties to the proceedings shall maintain the confidentiality of data. Further, data ~~which are~~ classified as not public shall not be released by the commissioner until 30 days after mailed notice to the explorer of the commissioner's intention to do so. ~~Under no circumstances shall~~ The commissioner shall not release data to any person engaged in exploration, mining, milling, or related industry pertaining to any mineral. If the commissioner determines to release data, the explorer may demand a contested case hearing on the commissioner's determination or may withdraw the permit application and the data shall not be released. Any person aggrieved by the decision of the commissioner may appeal the decision ~~in accordance with~~ according to chapter 14;.

(b) Upon application for a state permit required for mine development, the explorer shall submit to the commissioner of natural resources data relevant to the proposal under consideration. This data shall be considered public data and persons submitting the data shall not be subject to civil or criminal liability for its use by others;.

(c) Within six months after termination by the explorer of its lease or any other type of exploration agreement on a property all data shall be submitted. The data shall be considered public data and persons submitting the data shall not be subject to civil or criminal liability for its use by others. Data submitted to the commissioner of natural resources ~~prior to~~ before May 1, 1980 need not be submitted under this section. The commissioner of natural resources shall designate which samples shall be submitted, and shall specify ~~the location to which~~ where the sample shall be delivered. ~~In the event that~~ If the explorer requires certain samples in their entirety, the commissioner of natural resources may waive the requirement for a one-fourth portion of the samples. Samples submitted become property of the state.

(d) As used in this subdivision, "mineral deposit evaluation"

means examining an area to determine the quality and quantity of minerals, excluding exploratory boring but including obtaining a bulk sample, by ~~such means as~~ excavating, trenching, constructing shafts, ramps, tunnels, pits and producing refuse and other associated activities. "Mineral deposit evaluation" ~~shall~~ does not include activities intended, by themselves, for commercial exploitation of the ore body. "Mine development" means those activities undertaken after mineral deposit evaluation for commercial exploitation of the ore body.

Sec. 13. Minnesota Statutes 1988, section 156A.075, is amended to read:

156A.075 [LOCAL CONTROL OF EXPLORERS ALLOWED.]

Nothing ~~contained~~ in ~~Laws 1980, chapter 535 shall be construed as limiting~~ chapter 156A limits the lawful authority of local units of government to prohibit mineral exploration within their boundaries, require permits from explorers, or impose reasonable requirements and fees upon explorers, consistent with ~~the provisions of Laws 1980, chapter 535~~ sections 156A.01 to 156A.09, other state laws, and rules ~~promulgated thereunder~~ adopted under those laws.

Sec. 14. Minnesota Statutes 1988, section 156A.08, is amended to read:

156A.08 [PENALTIES.]

Subdivision 1. [VIOLATIONS ARE GROSS MISDEMEANORS.] ~~Any person who shall~~ A person is guilty of a gross misdemeanor if the person: (1) willfully ~~violate~~ violates any lawful rule or order of the commissioner~~, or who shall engage~~; (2) engages in the business of drilling or making water wells, sealing wells, installing pumps or pumping equipment, or excavating holes for elevator shafts or hydraulic cylinders without ~~first having obtained~~ a license as required in sections 156A.01 to ~~156A.08 required, or who shall engage~~ 156A.09; (3) engages in the business of exploratory boring without ~~either~~ being licensed ~~in accordance with the provisions of~~ under this chapter, ~~or being registered as a professional engineer or certified as a professional geologist,~~; or ~~who shall violate~~ (4) violates any provision of sections 156A.01 to ~~156A.08, shall be guilty of a gross misdemeanor~~ 156A.09. ~~Any~~ A violation of sections 156A.01 to ~~156A.08~~ 156A.09 shall be prosecuted by the county attorney in the county in which the ~~said~~ violation occurred or is occurring~~, and~~. The trial ~~thereof~~ shall be held in that county.

Subd. 2. [DENIAL OF RENEWAL.] The commissioner may deny an application for renewal of a license or registration if the applicant has violated any provision of sections 156A.01 to 156A.09 or rules adopted under those sections. The following are sufficient grounds to refuse renewal:

(1) failure to submit a well report, well sealing report, or report on excavation of holes to install elevator shafts or hydraulic cylinders; or

(2) failure to obtain a well permit or a permit to excavate a hole to install an elevator shaft or a hydraulic cylinder before construction.

Subd. 3. [SUSPENSION, REVOCATION OF LICENSE OR REGISTRATION.] A license or registration issued under sections 156A.01 to 156A.09 may be suspended or revoked upon finding that the licensee or person registered has violated provisions of sections 156A.01 to 156A.09 or the rules and regulations adopted under sections 156A.01 to 156A.09 that apply to the particular license or registration. Proceedings by the commissioner of health under this section and review of the proceedings shall be according to the administrative procedure act.

Subd. 4. [HEARING.] The commissioner may, after providing a person with reasonable notice and a hearing, suspend or revoke the license or registration of the person upon finding that the person has violated requirements of this chapter or rules adopted under this chapter that apply to the person's license or registration. Proceedings by the commissioner of health according to this section and review shall be according to chapter 14.

Subd. 5. [ADMINISTRATIVE PENALTIES.] The commissioner may seek to remedy violations of this chapter or the commissioner's orders by imposing administrative penalties. The penalties may be appealed within ten days of the order in a contested case hearing under chapter 14.

(a) A well contractor or limited well contractor who seals a well, a monitoring well contractor who seals a monitoring well, or an elevator shaft contractor who seals a hole that was used for an elevator shaft in a manner that does not comply with the water well construction code, shall be assessed $500.

(b) A well contractor or monitoring well contractor who fails to comply with the rules in the water well construction code relating to location of wells in relation to potential sources of contamination, grouting, materials, or construction techniques shall be assessed $500.

(c) A well contractor or monitoring well contractor shall be assessed $250 if the contractor: (1) constructs a well without an approved plan review when a plan review is required; (2) constructs a well without a permit; (3) fails to register a drilling rig or pump rig and fails to display the state decal and the registration number on the machine; or (4) fails to comply with the rules in the water well construction code relating to disinfection of water wells and submission of well construction or well sealing logs and water samples.

(d) A person who fails to disclose or who falsifies information about the status and location of wells on property before signing an agreement of sale or transfer of the property, or on a well certificate shall be assessed $250 unless the seller or transferor can show that reasonable steps were taken to determine that no unreported wells exist on the property. Steps include examination of historical and land ownership records.

(e) A person who employs a well contractor on the person's property and fails to obtain a permit for construction of the well, or who fails to have a well sealed in accordance with the rules, shall be assessed $250.

Sec. 15. [156A.09] [DUTIES AND RESPONSIBILITIES OF LOCAL UNITS OF GOVERNMENT.]

Subdivision 1. [DELEGATED AUTHORITY.] In conjunction with section 145A.07, subdivision 1, the commissioner of health may enter into an agreement with any board of health to delegate all or part of the inspection, reporting, and enforcement duties authorized under provisions of chapter 156A and the Minnesota water well code pertaining to the permitting, construction, repair, and sealing of water wells and holes excavated to install elevator shafts and hydraulic cylinders for elevators.

Subd. 2. [UNSEALED WELLS MAY BE DECLARED PUBLIC HEALTH NUISANCES.] A county may abate as a public health nuisance any well described in section 156A.05, subdivision 4, in the manner prescribed in section 145A.04, subdivision 8.

Subd. 3. [IMPOUNDING OF EQUIPMENT.] Upon notice from the commissioner of health, local law enforcement authorities shall impound the equipment of any person who has constructed, repaired, or sealed wells or installed pumps or pumping equipment or excavated holes for installing elevator shafts or hydraulic cylinders without a license or registration as required under this chapter. The equipment shall remain in the custody of the local law enforcement office until a final court order is issued.

Sec. 16. Minnesota Statutes 1988, section 326.37, is amended to read:

326.37 [PLUMBERS; SUPERVISION BY STATE COMMISSIONER OF HEALTH; RULES; VIOLATION; PENALTY.]

Subdivision 1. [MINIMUM STANDARDS.] The state commissioner of health may, by rule, prescribe minimum standards which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage

disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located. Violation of the rules shall be a misdemeanor.

Subd. 2. [STANDARDS FOR CAPACITY.] By January 1, 1991, all new and replacement floor-mounted water closets may not have a flush volume of more than 1.6 gallons. The water closets must meet the standards of the commissioner and the American National Standards Institute.

Subd. 3. [ADMINISTRATION.] The commissioner shall administer the provisions of sections 326.37 to 326.45 and for such purposes may employ plumbing inspectors and other assistants.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, sections 156A.02, subdivision 3; 156A.031; 156A.04; 156A.07; 156A.10; and 156A.11, are repealed.

ARTICLE 6

EDUCATION; RESEARCH; MONITORING; AND INFORMATION MANAGEMENT

Section 1. Minnesota Statutes 1988, section 116E.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP; TERMS.] A state environmental education board, designated as the environmental education board, is hereby created. Regional environmental education councils, subordinate to the environmental education board and designated as regional environmental education councils are hereby created to represent the regions of the state designated by the governor pursuant to Minnesota Statutes 1971, section 462.385. The state board shall consist of three members appointed by the commissioner of natural resources and three members appointed by the commissioner of education, one member appointed by the director of the Minnesota extension service and one member from each of the regional councils. Each regional council shall elect one member to serve on the state board. Regional councils shall consist of 12 members, appointed by the chair of the state board with approval of the state board, with at least one person representing each of the following groups: (a) public school systems having grade levels kindergarten through 12, inclusive; (b) post-secondary educational institutions; (c) regional economic development commissions, where established; (d) voluntary organizations; (e) business, industry and agriculture; (f) labor organizations; and (g) elected local government officers. The term of a member of a regional council shall begin on

July 1 and shall extend for a four-year term and until a successor is duly appointed and qualifies. A vacancy in the office of a member of any regional council shall be filled by the appointing authority, for the unexpired term.

The regional environmental education council corresponding to the metropolitan area regional development commission as designated by the governor pursuant to section 462.385 shall consist of one member from each of the five task forces hereafter created and seven public members. One task force consisting of seven members shall be appointed by the chair of the state board with the approval of the board to represent each of the following five geographic areas: the city of Minneapolis; the remainder of Hennepin county; Carver, Scott and Dakota counties; Ramsey county; and Anoka and Washington counties. Each task force shall select one of its members to serve on the metropolitan regional environmental education council. Members of the task forces shall be compensated and shall have terms similar to those of the regional environmental education councils.

Sec. 2. Minnesota Statutes 1988, section 116E.03, subdivision 9, is amended to read:

Subd. 9. [PRIVATE GRANT AND FEDERAL FUNDS.] The chief administrative officer of the state board is the state agent to apply for, receive, and disburse state, private, ~~grant~~ and federal grant funds made available to the state by private organizations or federal law or rules and regulations promulgated thereunder for any purpose related to the powers and duties of the state board or the regional councils. The chief administrative officer shall comply with any and all requirements of such private organizations or federal law or such rules and regulations promulgated thereunder to enable the funds to be applied for, received, and disbursed. All such moneys received by the chief administrative officer of the state board shall be deposited in the state treasury and are hereby annually appropriated to the chief administrative officer for the purposes for which they are received. None of such moneys in the state treasury shall cancel and they shall be available for expenditure in accordance with the requirements of federal law or the terms of such private grants. No application for federal funds or private grants under this subdivision shall be submitted to federal authorities or private organizations for approval unless the proposed budget for the expenditure of such funds is approved by the governor and reported to the standing committee on finance of the senate and the standing committee on appropriations of the house of representatives.

Sec. 3. [116E.05] [WATER INFORMATION COMMITTEE ESTABLISHED.]

Subdivision 1. [WATER RESOURCES INFORMATION AND EDUCATION COMMITTEE.] The environmental education board

shall establish a water resources information and education committee. Members of the committee shall serve without compensation, but each citizen member of the committee may be reimbursed for actual and necessary expenses incurred in the performance of that member's duties. The committee shall report to the environmental education board.

Subd. 2. [DUTIES.] The committee shall:

(1) identify water resources information and education needs, priorities, and goals and prepare an implementation plan to guide state activities relating to water resources information and education;

(2) coordinate the development and evaluation of water information and education materials and resources;

(3) coordinate the dissemination of water information and education through existing delivery systems;

(4) prepare an interdisciplinary program of instruction on water education for teachers and students in kindergarten through grade 12; and

(5) prepare an annual report on program results.

The committee shall report to the environmental education board on its progress and recommendations under this subdivision. The board shall have final approval over all activities and recommendations of the committee.

Subd. 3. [COMMITTEE MEMBERSHIP.] The water information and education committee shall include state agency personnel and private citizens with education and information expertise, including public representatives from the department of natural resources, pollution control agency, Minnesota extension service, local governments involved in comprehensive local water planning, environmental education board, department of education, department of agriculture, environmental quality board, metropolitan council, department of health, board of water and soil resources, soil conservation service, educational institutions, and other public agencies with responsibility for water or public education.

The environmental education board shall appoint and set the terms for the citizen committee members.

Sec. 4. [116E.06] [CONSISTENCY OF STATE INFORMATION ACTIVITIES.]

State agency information and education activities must be consistent with the implementation plan required under section 3.

Sec. 5. Minnesota Statutes 1988, section 116C.40, is amended by adding a subdivision to read:

Subd. 4. [COMMITTEE.] "Committee" means the water research coordinating committee established in section 3.

Sec. 6. Minnesota Statutes 1988, section 116C.40, is amended by adding a subdivision to read:

Subd. 5. [WATER RESEARCH.] "Water research" means a scientific investigation or inquiry into the occurrence, properties, or conditions of groundwater and surface water resources, the impacts of existing and new practices on the resource, and any other activities that contribute to the understanding of water and the impact of human activities on water resources.

Sec. 7. Minnesota Statutes 1988, section 116C.41, subdivision 1, is amended to read:

Subdivision 1. [WATER PLANNING.] The board shall:

(1) coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area;

(2) initiate, coordinate, and continue to develop comprehensive long-range water resources planning in furtherance of the plan adopted by the water planning board entitled "A Framework for a Water and Related Land Resources Strategy for Minnesota, 1979";

(3) coordinate water planning activities of local, regional, and federal bodies with state water planning and integrate these plans with state strategies; ~~and~~

(4) coordinate development of state water policy recommendations and priorities, and recommend a program for funding identified needs, including priorities for implementing the state water resources monitoring plan under clause (5);

(5) develop a plan for monitoring the state's water resources in cooperation with state agencies and local units of government participating in the monitoring of water resources and in the development of comprehensive local water plans;

(6) administer federal water resources planning with multiagency interests; and

(7) establish minimum data compatibility standards governing the collection and automation of water resource and related data that has common value for natural resource planning.

Sec. 8. [116C.42] [WATER RESEARCH COORDINATING COMMITTEE.]

Subdivision 1. [ESTABLISHMENT OF WATER RESEARCH COORDINATING COMMITTEE.] The environmental quality board shall establish and administer a committee to identify and recommend priorities for water research. The committee shall include representatives from the department of agriculture, board of water and soil resources, local governments involved in comprehensive water planning, department of health, department of natural resources, pollution control agency, United States Department of Agriculture, state planning agency, United States Geological Survey, the state universities, and the University of Minnesota.

Subd. 2. [NEEDS EVALUATION.] The water research coordinating committee shall evaluate and report to the board on water research needs and recommend priorities for addressing these needs. The committee shall also identify the results of existing water research that may affect the administration of state and local programs. The committee shall report its findings to the environmental quality board by May 1 of each even-numbered year. The board shall report to the governor and legislature, including the Minnesota future resources commission, the legislative commission on water, and other appropriate bodies by November 15 of each even-numbered year. The committee shall advise the board on developing the report.

ARTICLE 7

LOCAL WATER RESOURCES PROTECTION AND MANAGEMENT

Section 1. [105.486] [SHORELAND GRANTS.]

The commissioner of natural resources may make grants to local governments:

(1) to administer, monitor and enforce state approved shoreland management ordinances;

(2) to adopt shoreland management ordinances consistent with statewide standards;

(3) to develop comprehensive lake by lake or river shoreland management strategies that provide a unique plan to guide activities on and adjacent to a lake or river; and

(4) to implement elements of a comprehensive lake or river management strategy.

Sec. 2. [105.487] [ACTION ON GRANT APPLICATIONS.]

Upon receipt of a request for a grant the commissioner of natural resources must confer with the local government requesting the grant and may make a grant based on the following considerations:

(1) the number and classification of lakes and rivers in the jurisdiction of the local government;

(2) the extent of current shoreland development;

(3) the development trends for the lakes and rivers;

(4) the miles of lake and river shoreline;

(5) whether the shoreland management ordinance or regulation adopted by the local government meets the minimum standards established by the commissioner;

(6) the degree and effectiveness of administration, enforcement and monitoring of the existing shoreland ordinances;

(7) the degree to which the grant request is consistent with local water plans develop under Minnesota Statutes chapter 110B, 112, and 473.875 and 473.883;

(8) the ability of the local government to finance the program or project; and

(9) the degree to which the program considers a comprehensive approach to lake or river management including land use, recreation, water levels, surface water use, fish, wildlife, and water quality that may be secondary to the other elements.

Sec. 3. [105.488] [LIMITATIONS.]

(a) The maximum annual grant to local government for purposes of section 1, clauses (1) and (2), may not exceed the local contribution to the shoreland management activity.

(b) Any federal program aid for shoreland management shall serve to reduce the state and local contribution to the activity.

Sec. 4. Minnesota Statutes 1988, section 110B.35, subdivision 3, is amended to read:

Subd. 3. [EX OFFICIO NONVOTING MEMBERS.] The following ~~agencies~~ shall each provide one nonvoting member to the board:

(1) department of agriculture;

(2) department of health;

(3) department of natural resources; ~~and~~

(4) pollution control agency; and

(5) the University of Minnesota.

Sec. 5. [110C.01] [SHORT TITLE.]

Sections 5 to 10 may be cited as the "local water resources protection and management program."

Sec. 6. [110C.02] [PURPOSE.]

The purpose of the local water resources protection and management program is to provide state financial and technical assistance to local units of government for local programs to protect and manage water resources within the framework provided by approved comprehensive local water plans.

Sec. 7. [110C.03] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 5 to 10, the terms defined in this section have the meanings given them.

Subd. 2. [BOARD.] "Board" means the board of water and soil resources.

Subd. 3. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, or soil and water conservation district, watershed district, an organization formed for the joint exercise of powers under section 471.59, a local health board, or other special purpose district or authority with local jurisdiction in water and related land resources management.

Subd. 4. [COMPREHENSIVE LOCAL WATER PLAN.] "Comprehensive local water plan" means a county water plan authorized under section 110B.04, a watershed management plan required under section 473.878, an overall plan required under section 112.46, or a county groundwater plan authorized under section 473.8785.

Sec. 8. [110C.04] [COMPREHENSIVE LOCAL WATER PLANS HAVE PRIORITY FOR FINANCIAL ASSISTANCE.]

State agencies must give priority to local requests that are part of, or responsive to, a comprehensive local water plan when administering programs for water-related financial and technical assistance.

Sec. 9. [110C.05] [LOCAL WATER RESOURCES PROTECTION AND MANAGEMENT GRANTS.]

Subdivision 1. [ESTABLISHMENT; FINANCIAL ASSISTANCE TO COUNTIES.] A local water resources protection and management grants program is established. The board shall provide financial assistance to counties for cooperative local government activities that protect and improve water quality or quantity. These activities may include, but are not limited to, planning, official controls, and other activities to implement comprehensive local water plans.

Subd. 2. [COUNTY SPONSORSHIP.] Funding requests must be submitted to the board by a county. A county must coordinate and submit requests on behalf of other units of government within its jurisdiction. A county may contract with other appropriate local units of government to implement programs conducted under this section. An explanation of the program responsibilities proposed to be contracted with other local units of government must accompany grant requests. A county that contracts with other local units of government is responsible for ensuring that state funds are properly expended and for providing an annual report to the board describing expenditures of funds and program accomplishments.

Subd. 3. [FINANCIAL ASSISTANCE.] Grants may be used to employ persons and to obtain and use information necessary to implement the following activities:

(1) develop comprehensive local water plans under sections 110B.04 and 473.8785 which have not received state funding for water resources planning as provided for in Laws 1987, chapter 404, section 30, subdivision 5, clause (a);

(2) implement water resources programs identified as priorities in comprehensive local water plans; or

(3) revise shoreland zoning ordinances prior to July 1, 1991.

Subd. 4. [LIMITATIONS.] Grants provided to carry out mandated or delegated state programs under this section shall be reviewed by the agency having statutory program authority to assure compliance with minimum state standards. At the request of the agency commissioner, the board shall revoke that portion of the grant used to support a noncompliant program.

Grants provided for the purpose of developing comprehensive local water plans shall not be awarded for greater than a two-year time period.

Subd. 5. [RULES.] The board shall adopt rules that:

(a) establish performance criteria for grant administration for local implementation of state delegated or mandated programs that recognize regional variations in program needs and priorities;

(b) recognize the unique nature of state delegated or mandated programs;

(c) specify that program activities contracted by a county to another local unit of government are eligible for funding;

(d) require that grants from the board shall not exceed the amount matched by participating local units of government; and

(e) specify a process for the board to establish a base level grant amount that all participating counties may be eligible to receive.

Subd. 6. [ELIGIBILITY.] A county requesting funds must have adopted a comprehensive local water plan unless the request is made under subdivision 3, clause (1) or (3).

Subd. 7. [PRIORITIES.] The board must consider requests for funding according to the following:

(1) completing comprehensive local water plans under sections 110B.04 and 473.8785;

(2) adoption, administration, and enforcement of official controls;

(3) indicate the participation of several local units of government, including multicounty efforts;

(4) complement goals of federal, state, and local units of government; and

(5) demonstrate long-term commitments to effective water protection and management programs.

Subd. 8. [COORDINATED REVIEW OF COUNTY WATER RESOURCES PROTECTION AND MANAGEMENT PROGRAM.] (a) The board shall consult with appropriate agencies to evaluate grant requests and coordinate project activities with other state, federal, and local resource management projects.

(b) Grants specified for shoreland management shall be allocated according to priorities established by the department of natural resources.

Sec. 10. [110C.06] [WELL SEALING GRANTS.]

Subdivision 1. [POLICY.] The board shall make grants to counties to seal wells. The board may allocate funds to counties to be used to share the cost of sealing priority wells. The county shall use the state funds to pay up to 75 percent, but not to exceed $2,000 per well, of the cost of sealing priority wells.

Subd. 2. [REPORT.] The board in consultation with the commissioner of health shall make annual reports to the legislature on the status of expenditures and well sealings.

Subd. 3. [SUNSET.] The grant program established under this section shall not continue beyond June 30, 1995. Grants provided between July 1, 1989 and June 30, 1995, are contingent upon biennial appropriation of funds.

Subd. 4. [ELIGIBILITY.] All wells proposed for sealing with grants by the board under this section must be wells identified as part of the priority action in an approved comprehensive local water plan and are wells that qualify for sealing under criteria established by the board.

Subd. 5. [APPLICATION.] (a) Counties shall complete and submit applications for well sealing grants on forms prescribed by the board.

(b) In its application, the county shall provide evidence that it has consulted the local community health service boards, soil and water conservation districts, and other appropriate local units of government or organizations in preparing the application.

Subd. 6. [BOARD DUTIES.] (a) The board, in selecting counties for participation, shall consult with the commissioners of natural resources, pollution control, and health, and the director of the Minnesota geological survey, and must consider appropriate criteria including the following:

(1) diversity of well construction;

(2) diversity of geologic conditions;

(3) current use of affected aquifers;

(4) diversity of land use; and

(5) aquifer susceptibility to contamination by unsealed wells.

(b) The board and the commissioner of health shall establish priorities for sealing wells based upon the following criteria:

(1) well construction, depth, and condition;

(2) importance of aquifer as public and private water supply source;

(3) proximity to known or potential point or nonpoint contamination sources;

(4) current contamination of the well or aquifer;

(5) susceptibility of aquifer to contamination by unsealed wells;

(6) limited availability of alternative sources of drinking water;

(7) potential for use of the well for monitoring groundwater;

(8) anticipated changes in land or water use;

(9) unique conditions such as construction, rehabilitation, or demolition areas; and

(10) danger to humans or animals of falling into the well.

Subd. 7. [COUNTY DUTIES AND RESPONSIBILITIES.] (a) A county may contract for the administration of the well sealing program with another local unit of government.

(b) A county, or contracted local unit of government, shall contract with landowners to share in the cost of sealing priority wells in accordance with subdivision 6. The contract shall specify that:

(1) sealing must be done in accordance with chapter 156A and the commissioner of health rules relating to sealing of wells;

(2) that payment shall be made to the landowner, upon completion of sealing of the well by a contractor licensed in accordance with chapter 156A; and

(3) that a record of well sealing shall be filed along with a copy of the water well record with the commissioner of health.

(c) The county shall make an annual report to the board, by or before February 15 of each year, on the status of the well sealing

grant program including the number and location of wells sealed and the amount spent on each.

(d) The county must consult with local health boards, soil and water conservation districts, planning and zoning departments, and other appropriate organizations during program implementation.

(e) To encourage landowner participation in the program, the county shall publicize in newspapers of general circulation, information regarding availability of state funds to share the cost of sealing wells, may conduct appropriate well sealing workshops and demonstrations, and invite the public to report to the county on the existence of wells that need to be sealed.

Subd. 8. [LANDOWNER RIGHTS AND RESPONSIBILITIES.] The owner shall file the record of well sealing with the county recorder or register of deeds where the sealed well is located.

Sec. 11. Minnesota Statutes 1988, section 115.093, subdivision 5, is amended to read:

Subd. 5. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a statutory or home rule charter city, town, county, soil and water conservation district, watershed district, an organization formed for the joint exercise of powers under section 471.59, an Indian tribe or an authorized Indian tribal organization, and any other special purpose district or authority exercising authority in water and related land resources management at the local level.

ARTICLE 8

WATER APPROPRIATION PRIORITIES

Section 1. [105.406] [ONCE-THROUGH SYSTEMS PROHIBITED.]

After January 1, 1992, it is unlawful for any person, firm, or corporation, including the state, or any of its agencies or political subdivisions, or the University of Minnesota, to appropriate or use any groundwater in the state in a once-through comfort cooling or heating system that draws a continuous stream of water to remove heat for cooling, heating, or refrigeration purposes.

Sec. 2. Minnesota Statutes 1988, section 105.41, subdivision 1a, is amended to read:

Subd. 1a. [WATER ALLOCATION RULES, PRIORITIES.] The

commissioner shall ~~submit to the legislature by January 1, 1975, for its approval, proposed~~ adopt rules in the manner provided in chapter 14, governing the allocation of waters among potential water users. For the purposes of this section, "consumption" shall mean water withdrawn from a supply which is lost for immediate further use in the area. These rules must be based on the following priorities for the consumptive appropriation and use of water:

First priority: domestic water supply, excluding industrial and commercial uses of municipal water supply, and use for power production that meets the contingency planning provisions of section 105.417, subdivision 5.

Second priority: any use of water that involves consumption of less than 10,000 gallons of water a day. ~~In this section "consumption" means water withdrawn from a supply that is lost for immediate further use in the area.~~

Third priority: agricultural irrigation, involving consumption in excess of 10,000 gallons a day, and processing of agricultural products.

Fourth priority: power production ~~involving consumption in excess of 10,000 gallons a day~~ in excess of the use provided for in the contingency plan developed pursuant to section 105.417, subdivision 5.

Fifth priority: other uses, involving consumption in excess of 10,000 gallons a day.

Appropriation and use of surface water from streams during periods of flood flows and high water levels must be encouraged subject to consideration of the purposes for use, quantities to be used, and the number of persons appropriating water.

Appropriation and use of surface water from lakes of less than 500 acres in surface area must be discouraged.

The treatment and reuse of water from nonconsumptive uses shall be encouraged.

Diversions of water from the state for use in other states or regions of the United States or Canada must be discouraged.

No permit may be issued under this section unless it is consistent with state, regional, and local water and related land resources management plans, if regional and local plans are consistent with statewide plans. The commissioner must not modify or restrict the amount of appropriation from a groundwater source authorized in a permit issued under section 105.44, subdivision 8, between May 1

and October 1 of any year, unless the commissioner determines the authorized amount of appropriation endangers any domestic water supply.

Sec. 3. Minnesota Statutes 1988, section 105.418, is amended to read:

105.418 [CONSERVATION OF PUBLIC WATER SUPPLIES.]

During periods of critical water deficiency as determined by the governor and declared by order of the governor, public water supply authorities appropriating water shall adopt and enforce restrictions consistent with rules adopted by the commissioner of natural resources within their areas of jurisdiction. The restrictions must limit lawn sprinkling, car washing, golf course and park irrigation, and other nonessential uses and have appropriate penalties for failure to comply with the restrictions. The commissioner may adopt emergency rules according to sections 14.29 to 14.36 relating to matters covered by this section ~~during the year 1977~~. Disregard of critical water deficiency orders, even though total appropriation remains less than that permitted, is grounds for immediate modification of any public water supply authority's appropriator's permit.

ARTICLE 9

LEGISLATIVE COMMISSION ON WATER

Section 1. [3.89] [ESTABLISHMENT OF LEGISLATIVE COMMISSION ON WATER.]

Subdivision 1. [CREATION; MEMBERSHIP; VACANCIES; COMMITTEES.] There is created in the legislative branch a joint legislative commission on water. The commission shall consist of 12 members appointed as follows:

(1) six members of the senate to be appointed by the subcommittee on committees and to serve until their successors are appointed;

(2) six members of the house to be appointed by the speaker of the house and to serve until their successors are appointed; and

(3) vacancies occurring on the commission shall not affect the authority of the remaining members of the commission to carry out the function thereof, and such vacancies shall be filled in the same manner as the original positions.

Subd. 2. [STAFF.] The commission is authorized, without regard to the civil service laws and regulations, 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 regulations 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 Minnesota future resources commission.

Subd. 3. [DATA FROM STATE AGENCIES; AVAILABILITY.] The commission may request information from any state officer or agency in order to assist it in carrying out its duties and such officer or agency is authorized and directed to promptly furnish any data required, subject to applicable requirements or restrictions imposed by chapter 13 and section 15.17.

Subd. 4. [POWERS AND DUTIES.] The commission shall review water policy reports and recommendations of the environmental quality board submitted under section 116C.41 and article 6, section 7, the biennial report of the board of water and soil resources required by section 110B.35, subdivision 7, paragraph (g), and such other water-related reports as may be required by the legislature. The commission may conduct public hearings and otherwise secure data and expressions of opinion. The commission shall make such recommendations as it deems proper to assist the legislature in formulating legislation. Any data or information compiled by the commission or its committees shall be made available to any standing or interim committee of the legislature upon request of the chair of the respective committee.

Subd. 5. [STUDY.] The commission shall study the state's water management needs for the year 2000 and report its findings to the governor and legislature by November 15, 1991.

Subd 6. [EXPIRATION.] The provisions of this section shall expire on June 30, 1995.

ARTICLE 10

APPROPRIATION

Section 1. [APPROPRIATION.]

Subdivision 1. [STATE PLANNING AGENCY.] For the purposes of this act, $ ..... is appropriated from the general fund to the state planning agency and its complement is increased by ..... people.

Subd. 2. [DEPARTMENT OF NATURAL RESOURCES.] For

purposes of this act, $ ..... is appropriated from the general fund to the department of natural resources and its complement is increased by ..... people.

For purposes of article 7, section 1, funding must be allocated as follows:

(a) adoption, administration and enforcement of shoreland ordinances	$ .....
(b) development and implementation of unique comprehensive lake or river management programs:	
(1) General	$ .....
(2) North Shore Management Board	$ .....
(3) Lake Minnetonka Conservation District	$ .....
(4) Mississippi Headwaters Board	$ .....

Subd. 3. [DEPARTMENT OF AGRICULTURE.] For the purposes of this act, $ ..... is appropriated from the general fund to the department of agriculture and its complement is increased by ..... people. Of this appropriation $ ..... must be allocated to the University of Minnesota for a comprehensive evaluation of pesticide applicator health under article 3, section 37, and an education program to improve applicator health and safety practices. This portion of the appropriation is to be distributed by the university to the laboratory of environmental medicine and pathology and the department of family practices for a coordinated applicator study and education program. This appropriation is available for the biennium ending June 30, 1991.

Subd. 4. [MINNESOTA GEOLOGICAL SURVEY.] For the purposes of this act, $ ..... is appropriated from the general fund to the Minnesota geological survey and its complement is increased by ..... people.

Subd. 5. [MINNESOTA EXTENSION SERVICE.] For the purposes of this act, $ ..... is appropriated from the general fund to the University of Minnesota extension service and its complement is increased by ..... people.

Subd. 6. [MINNESOTA AGRICULTURAL EXPERIMENT STATION.] For the purposes of this act, $ ..... is appropriated from the general fund to the Minnesota agricultural experiment station and its complement is increased by ..... people.

Subd. 7. [MINNESOTA ENVIRONMENTAL EDUCATION BOARD.] For the purposes of this act, $ ..... is appropriated from the general fund to the Minnesota environmental education board and its complement is increased by ..... people.

Subd. 8. [POLLUTION CONTROL AGENCY.] For the purposes of this act, $ ..... is appropriated from the general fund to the pollution control agency and its complement is increased by ..... people.

Subd. 9. [BOARD OF WATER AND SOIL RESOURCES.] For the purposes of this act, $ ..... is appropriated from the general fund to the board of water and soil resources and its complement is increased by ..... people.

Subd. 10. [DEPARTMENT OF HEALTH.] For the purposes of this act, $ ..... is appropriated from the general fund to the department of health and its complement is increased by ..... people."

Delete the title and insert:

"A bill for an act relating to groundwater; establishing best management practices and water resources protection requirements; regulating pollution limits; changing various requirements and procedures concerning fertilizer, soil amendments, and plant amendments; requiring a study of sustainable agriculture; changing certain pesticide laws; requiring a pesticide management plan; providing for responses to pesticide and fertilizer incidents; establishing a safe drinking water account; imposing an annual fee; reorganizing and revising laws on water wells, exploratory boring, and elevator shafts; establishing a water information committee; providing for local water resources protection and management; establishing water appropriation priorities; establishing a legislative commission on water; appropriating money; amending Minnesota Statutes 1988, sections 17.713; 17.714, subdivisions 1, 3, 6, and by adding a subdivision; 17.715, subdivisions 1, 2, 4, and by adding subdivisions; 17.7155; 17.716, subdivisions 1, 2, and 4; 17.717; 17.718; 17.719, subdivisions 1, 2, 3, 4, and by adding subdivisions; 17.72; 17.721, by adding a subdivision; 17.722; 17.723; 17.725, subdivision 2, and by adding subdivisions; 17.728, subdivision 1, and by adding subdivisions; 17.7285; 17.73, subdivisions 3 and 5; 18B.01, subdivisions 5, 12, 15, 19, 21, 23, 26, 30, and by adding subdivisions; 18B.03, by adding a subdivision; 18B.04; 18B.07, subdivisions 2, 3, 4, 5, 6, and 7; 18B.08, subdivisions 1, 3, and 4; 18B.15; 18B.17, subdivision 2; 18B.18; 18B.20, by adding a subdivision; 18B.21; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3, and 7; 18B.34, subdivisions 1, 2, and 5; 18B.36; 18B.37, subdivisions 1, 2, 3, and 4; 105.41, subdivision 1a; 105.418; 110B.35, subdivision 3; 115.093, subdivision 5; 116C.40, by adding subdivisions; 116C.41, subdivision 1; 116E.02, subdivision 1; 116E.03, subdivision 9; 156A.01; 156A.02; 156A.03; 156A.05; 156A.06; 156A.071; 156A.075; 156A.08; and 326.37; proposing coding for new law as Minnesota Statutes, chapters 110C and 115D; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 18B; 105; 115; 116C; 116E; 144; and 156A; repealing Minnesota

Statutes 1988, sections 17.714, subdivisions 4, 4a, and 4b; 17.715, subdivision 3; 17.721; 17.726; 17.727; 17.728, subdivisions 4 and 5; 17.729; 17.73, subdivision 5, paragraph (d); 18B.16; 18B.19; 18B.20, subdivision 6; 156A.02, subdivision 3; 156A.031; 156A.04; 156A.07; 156A.10; and 156A.11."

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 548, A bill for an act relating to education; altering the responsibility for textbook and material costs under the post-secondary enrollment options act; amending Minnesota Statutes 1988, section 123.3514, subdivision 6.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

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

H. F. No. 557, A bill for an act relating to retirement; police state aid; allowing counties and municipalities to use excess police state aid amounts for employee and retiree health insurance purposes; amending Minnesota Statutes 1988, section 69.031, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 43A.316, subdivision 9, is amended to read:

Subd. 9. [INSURANCE TRUST FUND.] An insurance trust fund is established in the state treasury. The deposits consist of the premiums received from employers participating in the plan and transfers from the public employees insurance reserve holding account established by section 353.65, subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to

section 11A.24. Investment income and losses attributable to the fund shall be credited to the fund.

Sec. 2. Minnesota Statutes 1988, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall ~~also be contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association~~ deposited in the public employees insurance reserve holding account of the public employees retirement association; or

(c) For a municipality in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b) except that all state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, must be transmitted to the relief association

if the relief association has an unfunded actuarial accrued liability, or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) except that all state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, must be transmitted to the relief association if the relief association has an unfunded actuarial accrued liability on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall ~~also~~ be ~~contributed to the public employees police and fire fund and credited in the manner to be specified by the board of trustees of the public employees retirement association~~ deposited in the public employees insurance reserve holding account of the public employees retirement association.

Sec. 3. Minnesota Statutes 1988, section 353.65, subdivision 1, is amended to read:

Subdivision 1. There is a special fund known as the "public employees police and fire fund." In that fund there shall be deposited employee contributions, employer contributions other than the excess contribution established by section 69.031, subdivision 5, paragrah (2), clauses (b) and (c), and paragraph (3) and other amounts authorized by law including all employee and employer contributions of members transferred. Within the public employees police and fire fund are accounts for each municipality known as the "local relief association consolidation accounts," which are governed by section 353A.09.

Sec. 4. Minnesota Statutes 1988, section 353.65, subdivision 6, is amended to read:

Subd. 6. All contributions other than the excess contribution established by section 69.031, subdivision 5, paragraph (2), clauses (b) and (c), and paragraph (3) shall be credited to the fund and all interest and other income of the fund shall be credited to said fund. The retirement fund shall be disbursed only for the purposes herein provided. The expenses of said fund and the annuities herein provided upon retirement shall be paid from said fund.

Sec. 5. Minnesota Statutes 1988, section 353.65, is amended by adding a subdivision to read:

Subd. 7. The public employees insurance reserve holding account is established in the public employees retirement association. Excess contributions established by section 69.031, subdivision 5, paragraph (2), clauses (b) and (c), and paragraph (3) must be deposited in the account. These contributions and all investment earnings associated with them must be regularly transferred to the insurance trust fund established by section 43A.316, subdivision 9."

Delete the title and insert:

"A bill for an act relating to retirement; providing additional resources for the public employees insurance plan; amending Minnesota Statutes 1988, sections 43A.316, subdivision 9; 69.031, subdivision 5; and 353.65, subdivisions 1 and 6, and by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 564, A bill for an act relating to volunteers; providing benefits to certain volunteers injured or killed while performing public service; amending Minnesota Statutes 1988, sections 176.011, subdivision 9; and 176B.01, subdivision 2.

Reported the same back with the following amendments:

Page 5, delete lines 10 to 14 and insert "services as a first responder or as a member of a law enforcement assistance organization while acting under the supervision and"

Pages 5 and 6, delete section 2

Amend the title as follows:

Page 1, line 4, delete "sections" and insert "section"

Page 1, line 5, delete everything after "9" and insert a period

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 595, A bill for an act relating to housing; exempting relocated residential buildings from certain provisions of the state building code; amending Minnesota Statutes 1988, section 16B.61, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) [CHILD CARE FACILITIES IN CHURCHES.] A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [FAMILY AND GROUP FAMILY DAY CARE.] The commissioner of administration shall establish a task force to determine occupancy standards specific and appropriate to family and group family day care homes and to examine hindrances to establishing day care facilities in rural Minnesota. The task force must include representatives from rural and urban building code inspectors, rural and urban fire code inspectors, rural and urban county day care licensing units, rural and urban family and group family day care

providers and consumers, child care advocacy groups, and the departments of administration, human services, and public safety.

By January 1, 1989, the commissioner of administration shall report the task force findings and recommendations to the appropriate legislative committees together with proposals for legislative action on the recommendations.

Until the legislature enacts legislation specifying appropriate standards, the definition of Group R-3 occupancies in the state building code applies to family and group family day care homes licensed by the department of human services under Minnesota Rules, chapter 9502.

(f) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(g) [ENCLOSED STAIRWAYS.] No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(h) [DOUBLE CYLINDER DEAD BOLT LOCKS.] No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(i) [RELOCATED RESIDENTIAL BUILDINGS.] A residential building relocated within or into a political subdivision of the state need not comply with the state energy code or section 326.371 provided that, where available, an energy audit is conducted on the relocated building.

Sec. 2. Minnesota Statutes 1988, section 462.357, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY FOR ZONING.] For the purpose of promoting the public health, safety, morals and general welfare, a municipality may by ordinance regulate on the earth's surface, in the air space above the surface, and in subsurface areas, the location, height, width, bulk, type of foundation, number of stories, size of buildings and other structures, the percentage of lot which

may be occupied, the size of yards and other open spaces, the density and distribution of population, the uses of buildings and structures for trade, industry, residence, recreation, public activities, or other purposes, and the uses of land for trade, industry, residence, recreation, agriculture, forestry, soil conservation, water supply conservation, conservation of shorelands, as defined in section 105.485, access to direct sunlight for solar energy systems as defined in section 116J.06, flood control or other purposes, and may establish standards and procedures regulating such uses. No regulation may prohibit earth sheltered construction as defined in section 116J.06, subdivision 2, relocated residential buildings, or manufactured homes built in conformance with sections 327.31 to 327.35 that comply with all other zoning ordinances promulgated pursuant to this section. The regulations may divide the surface, above surface, and subsurface areas of the municipality into districts or zones of suitable numbers, shape and area. The regulations shall be uniform for each class or kind of buildings, structures or land and for each class or kind of use throughout such district, but the regulations in one district may differ from those in other districts. The ordinance embodying these regulations shall be known as the zoning ordinance and shall consist of text and maps. A city may by ordinance extend the application of its zoning regulations to unincorporated territory located within two miles of its limits in any direction, but not in a county or town which has adopted zoning regulations; provided that where two or more noncontiguous municipalities have boundaries less than four miles apart, each is authorized to control the zoning of land on its side of a line equidistant between the two noncontiguous municipalities unless a town or county in the affected area has adopted zoning regulations. Any city may thereafter enforce such regulations in the area to the same extent as if such property were situated within its corporate limits, until the county or town board adopts a comprehensive zoning regulation which includes the area.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 5, delete "section" and insert "sections" and before the period insert "; and 462.357, subdivision 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 607, A bill for an act relating to economic development; establishing a referral system for small businesses; coordinating and marketing technical assistance in the state; requiring the department of trade and economic development to be the host agency for the small business development center program; requiring a study of technical assistance provision; establishing the capital access program; appropriating money; amending Minnesota Statutes 1988, sections 116J.58, subdivision 1; and 116J.68, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the recommendation that 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. 631, A bill for an act relating to economic development; requiring a job impact statement of certain government units; providing prefeasibility study grants; requiring the employer who engages in a plant closing or mass layoff to pay community benefits, severance pay, and health benefits; establishing a community response committee; requiring repayment of certain financial assistance to businesses; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Page 6, lines 1 to 3, delete "initiate and coordinate efforts with employers, developers, service providers, and other appropriate parties to attempt to"

Page 6, lines 6 and 7, delete "initiate and coordinate efforts to attempt to provide the" and insert "secure those"

Page 6, line 19, delete "efforts to administer and deliver" and insert "administering and providing" and delete "The"

Page 6, delete lines 20 to 26

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

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 635, A bill for an act relating to credit unions; clarifying requirements for credit unions to maintain reserve funds; allowing private insurance of member share and deposit accounts; amending Minnesota Statutes 1988, sections 52.17, subdivision 1; and 52.24, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1988, section 52.02, subdivision 1, is amended to read:

Subdivision 1. [AMENDMENTS BY MEMBERS.] To amend the certificate of organization or bylaws, proposed amendments shall be set forth as follows:

(1) if balloting by mail has not been authorized by the board of directors, then a statement of intent to amend the certificate of organization or bylaws identifying the proposed amendments shall be set forth in the notice of the meeting; or

(2) if balloting by mail has been authorized by the board of directors as either the exclusive means of voting or in conjunction with voting in person, a statement of intent to amend the certificate of organization or bylaws identifying the proposed amendments shall be set forth in a notice mailed to all members eligible to vote at least ~~ten~~ 30 days prior to the close of balloting by mail. Any amendments to the certificate of organization or bylaws shall be approved by two-thirds vote of the members actually voting, if the members actually voting constitute a quorum.

Sec. 2. Minnesota Statutes 1988, section 52.02, is amended by adding a subdivision to read:

Subd. 4. [NOTICE OF AND REQUEST FOR PROPOSED BYLAW AMENDMENTS.] The notice referred to in subdivision 1, clauses (1) and (2) must inform the member of the member's right to make a request for a written copy of a proposed bylaw amendment. Any member receiving notice under subdivision 1, clause (1) or (2) may request a written copy of the proposed bylaw amendment. This request must be made no later than ten days prior to the close of balloting by mail or the date set for the meeting. The credit union shall provide the member with a written copy of the proposed bylaw amendment upon receipt of a timely request. A copy of the proposed amendment shall be posted in the credit union for member review

30 days prior to the close of balloting by mail or the date of the meeting."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "providing members with written notice regarding proposed bylaw amendments;"

Page 1, line 5, after "sections" insert "52.02, subdivision 1, and by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 648, A bill for an act relating to employment; providing training and employment for low-income seniors; creating a hospitality host older worker tourism promotion program; prescribing duties for the commissioner of the department of jobs and training; proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 678, A bill for an act relating to data privacy; classifying financial information submitted by applicants to licensing agencies as private; amending Minnesota Statutes 1988, section 13.41, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 13.41, is amended by adding a subdivision to read:

Subd. 6. [FINANCIAL DATA ON LIQUOR LICENSE APPLICATIONS.] Financial data on individuals and private entities, including but not limited to tax returns, financial and bank statements,

loan documents, and credit reports, that are contained in applications for liquor licenses submitted to political subdivisions are private data and nonpublic data."

Delete the title and insert:

"A bill for an act relating to data privacy; classifying financial information submitted by applicants for liquor licenses to political subdivisions as private; amending Minnesota Statutes 1988, section 13.41, by adding a subdivision."

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

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 692, A bill for an act relating to state government; state employees; permitting direct deposit of pay in credit unions and financial institutions; amending Minnesota Statutes 1988, section 16A.133, subdivision 1; repealing Minnesota Statutes 1988, section 16A.133, subdivision 3.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 693, A bill for an act relating to animals; requiring landlords to allow elderly tenants to keep certain pets; proposing coding for new law in Minnesota Statutes, chapter 504.

Reported the same back with the following amendments:

Page 1, line 8, delete "up to two" and insert "one" and delete "animals" and insert "animal"

Page 1, line 11, delete "animals" and insert "animal"

Page 1, line 13, delete "animals" and insert "animal"

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. 700, A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's race, color, religion, sex, sexual orientation, disability, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

Reported the same back with the following amendments:

Page 1, line 18, after "victim's" insert "or another's actual or perceived"

Page 1, line 20, after the comma insert "age,"

Page 1, line 23, delete everything after "Whoever"

Page 1, delete lines 24 to 29

Page 2, delete line 1

Page 2, line 2, delete "(2)"

Page 2, line 3, before the period insert "is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than $3,000, or both"

Page 2, line 9, after "another's" insert "actual or perceived"

Page 2, line 10, after the comma insert "age,"

Page 2, line 24, strike "SECOND" and insert "THIRD"

Page 2, line 34, after "another's" insert "actual or perceived"

Page 2, line 35, after the second comma insert "age,"

Page 3, line 22, after "owner's" insert "or another's actual or perceived"

Page 3, line 23, after the comma insert "age,"

Page 3, line 30, after "victim's" insert "or another's actual or perceived"

Page 3, line 31, after the second comma insert "age,"

Page 4, line 3, after "victim's" insert "or another's actual or perceived"

Page 4, line 5, after the comma insert "age,"

Page 4, line 30, after "victim's" insert "or another's actual or perceived"

Page 4, line 32, after the comma insert "age,"

Amend the title as follows:

Page 1, line 3, after "victim's" insert "or another's actual or perceived"

Page 1, line 4, after "disability," insert "age,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 727, A bill for an act relating to housing; reducing property taxes on certain types of residential rental property; authorizing a tax levy for public housing; amending Minnesota Statutes 1988, section 273.13, subdivision 25; proposing coding for new law in Minnesota Statutes, chapter 462C.

Reported the same back with the following amendments:

Page 6, line 32, after the period insert "The tax under this section is only authorized for the development of public housing after the approval in a referendum election of a number of persons voting equal to at least the majority of the number of persons voting in the last general election."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 731, A bill for an act relating to data practices; providing for classification of law enforcement data on child abuse; amending Minnesota Statutes 1988, sections 13.82, by adding a subdivision; and 626.556, subdivisions 11 and 11c.

Reported the same back with the following amendments:

Page 1, line 11, delete everything after "by" and insert "the law enforcement agency or appropriate prosecutorial authority not to pursue a criminal case, any"

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. 761, A bill for an act relating to judgments; providing a reasonable exemption for employee benefits; amending Minnesota Statutes 1988, section 550.37, subdivision 24.

Reported the same back with the following amendments:

Page 1, delete lines 14 and 15, and insert "service:

(a) to the extent such plan or contract is an employee pension benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, as amended, and such plan or contract is qualified under sections 401(a), 403, 408, or 457 of the Internal Revenue Code of 1986, as amended; or

(b) to the extent of the debtor's aggregate interest under all such plans and contracts not to exceed in present value $30,000, plus additional amounts under all such plans and contracts to the extent reasonably necessary for the support of the debtor and any dependent of the debtor.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and is retroactive to April 12, 1988."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 786, A bill for an act relating to employment; requiring prevailing wages to be paid on certain railroad projects assisted with state money; amending Minnesota Statutes 1988, section 222.50, subdivision 5.

Reported the same back with the following amendments:

Page 2, delete lines 15 to 19, and insert:

"(e) To the extent not prohibited by federal law or regulation, require that when the railroad elects to contract for portions of the rehabilitation work or rail service improvement, the railroad must select a contractor who is experienced in rail rehabilitation work, and must require the contractor to:

(1) recruit any new workers from the area where the work is to be done; and

(2) pay workers under the contract wages that are equal to or greater than the wages the railroad pays its own workers for similar work, but not less than twice the state minimum wage that state-covered employers are required to pay under section 177.24, subdivision 1, paragraph (b)."

Amend the title as follows:

Page 1, line 2, delete everything after "requiring" and insert "the hiring of local workers and the payment of wages equal to those of railroad workers"

Page 1, line 3, delete "be paid"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 822, A bill for an act relating to financial institutions; permitting banks to perform clerical services at off-premises data

processing and storage centers; proposing coding for new law in Minnesota Statutes, chapter 48.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1988, section 11A.10, subdivision 2, is amended to read:

Subd. 2. [ESCHEATED PROPERTY.] The commissioner of finance shall report immediately to the state board all personal property other than money received by the state of Minnesota as escheated property. If the state board elects to sell escheated property, all money received from the sale shall be credited to the ~~general fund of the state~~ housing trust fund established under section 462A.201, subdivision 1."

Page 1, line 7, delete "Section 1." and insert "Sec. 2."

Page 1, after line 19, insert:

"Sec. 3. Minnesota Statutes 1988, section 94.16, is amended by adding a subdivision to read:

Subd. 4. [HOUSING TRUST FUND ACCOUNT.] The remainder of the proceeds from the sale of surplus land that has escheated to the state and is not subject to subdivision 3, shall be credited to the housing trust fund account established under section 462A.201, subdivision 1.

Sec. 4. Minnesota Statutes 1988, section 290.067, subdivision 4, is amended to read:

Subd. 4. [RIGHT TO FILE CLAIM.] The right to file a claim under this section shall be personal to the claimant and shall not survive death, but such right may be exercised on behalf of a claimant by the claimant's legal guardian or attorney-in-fact. When a claimant dies after having filed a timely claim the amount thereof shall be disbursed to another member of the household as determined by the commissioner of revenue. If the claimant was the only member of a household, the claim may be paid to the claimant's personal representative, but if neither is appointed and qualified within two years of the filing of the claim, the amount of the claim shall escheat to the state to be credited to the housing trust fund account established under section 462A.201, subdivision 1.

Sec. 5. Minnesota Statutes 1988, section 345.48, subdivision 1, is amended to read:

Subdivision 1. All funds received under sections 345.31 to 345.60, including the proceeds from the sale of abandoned property pursuant to section 345.47, shall forthwith be deposited by the commissioner in the ~~general fund of the state~~ housing trust fund account established under section 462A.201, subdivision 1. Before making the deposit the commissioner shall record the name and last known address of each person appearing from the holders' reports to be entitled to the abandoned property and of the name and last known address of each policyholder, insured person, or annuitant, and with respect to each policy or contract listed in the report of a life insurance corporation, its number, the name of the corporation, and the amount due. The record shall be available for public inspection at all reasonable business hours.

Sec. 6. Minnesota Statutes 1988, section 345.49, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATION.] There is hereby appropriated to the persons entitled to a refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Sec. 7. Minnesota Statutes 1988, section 462A.201, subdivision 1, is amended to read:

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

(b) The housing trust fund account consists of:

(1) money appropriated and transferred from other state funds;

(2) interest accrued from real estate trust accounts as provided under section 82.24, subdivision 8;

(3) gifts, grants, and donations received from the United States, private foundations, and other sources; ~~and~~

(4) money made available from the sale of abandoned and escheated property; and

(5) money made available to the agency for the purpose of the account from other sources.

Sec. 8. Minnesota Statutes 1988, section 525.161, is amended to read:

525.161 [NO SURVIVING SPOUSE OR KINDRED, NOTICES TO ATTORNEY GENERAL.]

When it appears from the petition or application for administration of the estate, or otherwise, in a proceeding in the court that the intestate left surviving no spouse or kindred, the court shall give notice of such fact and notice of all subsequent proceedings in such estate to the attorney general forthwith; and the attorney general shall protect the interests of the state during the course of administration. The residue which escheats to the state shall be transmitted to the attorney general. All moneys, stocks, bonds, notes, mortgages and other securities, and all other personal property so escheated shall then be given into the custody of the state treasurer, who shall notify the commissioner of finance thereof and immediately credit the moneys received to the ~~general fund~~ housing trust fund account established under section 462A.201, subdivision 1. The treasurer shall hold such stocks, bonds, notes, mortgages and other securities, and all other personal property, subject to such investment, sale or other disposition as the state board of investment may direct pursuant to section 11A.04, clause (9). The attorney general shall immediately report to the state executive council all real property received in the individual escheat, and any sale or disposition of such real estate shall be made in accordance with sections 94.09 to 94.16.

Sec. 9. Minnesota Statutes 1988, section 525.841, is amended to read:

525.841 [ESCHEAT RETURNED.]

In all such cases the commissioner of finance shall be furnished with a certified copy of the court's order assigning the escheated property to the persons entitled thereto, and upon notification of payment of the estate tax, the commissioner of finance shall draw a warrant on the state treasurer, or execute a proper conveyance to the persons designated in such order. In the event any escheated property has been sold pursuant to sections 11A.04, clause (9) and 11A.10, subdivision 2 or 94.09 to 94.16, then the warrant shall be for the appraised value as established during the administration of the decedent's estate. There is hereby annually appropriated from ~~any moneys~~ the fund or account in the state treasury to which the proceeds were originally credited, if not otherwise appropriated, an amount sufficient to make payment to all such designated persons. No interest shall be allowed on any amount paid to such persons."

Page 1, line 20, delete "2" and insert "10"

Page 1, line 21, delete "1" and insert "2"

Amend the title as follows:

Page 1, line 4, after the semicolon insert "amending Minnesota Statutes 1988, sections 11A.10, subdivision 2; 94.16, by adding a

subdivision; 290.067, subdivision 4; 345.48, subdivision 1; 345.49, subdivision 2; 462A.201, subdivision 1; 525.161; and 525.841;"

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 837, A bill for an act relating to crimes; prohibiting the concealing of criminal proceeds; prohibiting racketeering; providing civil and criminal penalties for engaging in narcotics and violent offenses as part of an enterprise; authorizing the dissolution of a corporate charter, revocation of a license, and injunctive relief to prevent criminal activity by an enterprise; authorizing fines of three times the profit gained through racketeering; authorizing criminal forfeiture; amending Minnesota Statutes 1988, section 541.07; proposing coding for new law in Minnesota Statutes, chapters 541 and 609.

Reported the same back with the following amendments:

Page 3, after line 15, insert:

"Subd. 3. [PAYMENT OF REASONABLE ATTORNEY FEES.] Subdivision 1 must not be construed to preclude payment of reasonable attorney fees."

Page 4, delete lines 13 to 15, and insert "609.223, 609.2231, 609.228, 609.235, 609.24, 609.245, 609.25, 609.255, 609.27, 609.322, 609.323, 609.342, 609.343, 609.344, 609.345, 609.42, 609.48, 609.485, 609.495, 609.498, the theft statute, punishable under 609.52, subdivision 3, clause (3)(b), (4)(e), or (4)(f), 609.561, 609.562, 609.582, subdivision 1 or 2, 609.595, 609.67, 609.687, 609.71, 609.713, 609.86, 624.713, or 624.74. "Criminal activity" includes conduct which is chargeable under section 609.05."

Page 5, line 12, delete the comma and insert "or"

Page 5, line 13, delete everything after "general" and insert a period

Page 5, delete lines 14 to 17

Page 5, line 35, after "enterprise" insert "or real property"

Page 5, delete line 36

Page 6, delete lines 1 to 8

Page 6, line 9, delete "3" and insert "2"

Page 12, line 14, after "dismissed" insert "after jeopardy attached" and after "person" insert "was"

Page 12, delete lines 15 to 20

Page 12, line 21, delete "3" and insert "2"

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. 848, A bill for an act relating to judicial administration; regulating the administration of the workers' compensation court of appeals; amending Minnesota Statutes 1988, sections 175A.01, subdivision 1; 175A.02; 175A.07, subdivision 4; and 176.421, subdivisions 5, 6, and by adding a subdivision.

Reported the same back with the following amendments:

Page 1, lines 16 and 17, delete "five years' experience in the practice of law" and insert "been licensed to practice law for at least five years"

Page 2, line 34, delete "a rehearing" and insert "reconsideration"

Page 2, line 36, delete "resubmitted to" and insert "reconsidered by" and before the period insert ", on the record previously submitted and the arguments, if any, previously made by counsel"

Page 3, line 19, after the period insert "The rules shall also permit the chief judge to waive the 180-day limitation for good cause shown."

Page 4, line 3, delete "ten working" and insert "23"

Page 4, lines 5 and 6, delete "an additional ten working days"

Page 4, line 6, delete "unusual" and insert "extraordinary"

Page 4, line 36, after the period insert "The chief judge may waive the 180-day limitation for good cause shown."

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.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 853, A bill for an act relating to civil actions; excluding certain structures from the limitation period provided by the uniform commercial code; amending Minnesota Statutes 1988, section 336.2-725.

Reported the same back with the following amendments:

Page 2, line 6, delete ", nor"

Page 2, line 7, delete "does it" and insert ". Nor does this section"

Page 2, line 9, before the period insert ", which actions shall be subject only to the statute of limitations set forth in Minnesota Statutes, section 541.051"

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

The report was adopted.

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

H. F. No. 854, A bill for an act relating to child care; amending certain provisions of the child care fund; amending provisions of the child care resource and referral grant program; amending provisions of the child care services grant program; amending Minnesota Statutes 1988, sections 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03; 256H.05; 256H.07; 256H.08; 256H.09; 256H.10, subdivision 3, and by adding a subdivision; 256H.11; 256H.12; 256H.13; 256H.15; 256H.18; and 256H.20, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256H; repealing Minnesota Statutes 1988, sections 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 256H.04; 256H.05, subdivision 4; 256H.06; and 256H.07, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 256H.01, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of sections 256H.01 to ~~265H.19~~ 256H.19, the following terms have the meanings given.

Sec. 2. Minnesota Statutes 1988, section 256H.01, subdivision 2, is amended to read:

Subd. 2. [CHILD CARE SERVICES.] "Child care services" means child care provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, ~~play groups,~~ head start, ~~and parent cooperatives,~~ and extended day school age child care programs ~~or~~ in or out of the child's home.

Sec. 3. Minnesota Statutes 1988, section 256H.01, subdivision 7, is amended to read:

Subd. 7. [EDUCATION PROGRAM.] "Education program" means remedial or basic education or English as a second language instruction, ~~high school education,~~ a program leading to a general equivalency or high school diploma, and other education and training needs as documented in an employability plan that is developed by an employment and training service provider certified by the commissioner of jobs and training or an individual designated by the county to provide employment and training services. The employability plan must outline education and training needs of a recipient and meet the requirements of other programs that provide federal reimbursement for child care services, and post-secondary education excluding post-baccalaureate programs.

Sec. 4. Minnesota Statutes 1988, section 256H.01, subdivision 8, is amended to read:

Subd. 8. [EMPLOYMENT PROGRAM.] "Employment program" means employment of recipients financially eligible for ~~the~~ child care ~~sliding~~ fee ~~program, vocational assessment, and job readiness and job search activities.~~ assistance, pre-employment activities, or other activities approved in an employability plan that is developed by an employment and training service provider certified by the commissioner of jobs and training or an individual designated by the county to provide employment and training services. The plans must meet the requirements of other programs that provide federal reimbursement for child care services.

Sec. 5. Minnesota Statutes 1988, section 256H.01, subdivision 11, is amended to read:

Subd. 11. [INCOME.] "Income" means earned or unearned income received by all family members 16 years or older, including public

assistance benefits, unless specifically excluded. The following are excluded from income: scholarships, work study income, and grants that cover costs for tuition, fees, books, and educational supplies; student loans for tuition, fees, books, supplies, and living expenses; earned income tax credits; in-kind income such as food stamps, energy assistance, medical assistance, and housing subsidies; income from summer or part-time employment of 16-, 17-, and 18-year-old full-time secondary school students; grant awards under the family subsidy program; and nonrecurring lump sum income only to the extent that it is earmarked and used for the purpose for which it is paid.

Sec. 6. Minnesota Statutes 1988, section 256H.01, subdivision 12, is amended to read:

Subd. 12. [PROVIDER.] "Provider" means ~~the~~ a child care license holder ~~or the legal nonlicensed caregiver~~ who operates a family day care home, a group family day care home, a day care center, a nursery school, ~~or~~ a day nursery, an extended day school age child care program; a person exempt from licensure who meets child care standards established by the state board of education; or ~~who functions in the child's home~~ a legal nonlicensed caregiver who is at least 18 years of age.

Sec. 7. Minnesota Statutes 1988, section 256H.02, is amended to read:

256H.02 [DUTIES OF COMMISSIONER.]

The commissioner shall develop standards for county and human services boards~~, and post-secondary educational systems~~ , to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. The commissioner shall maximize the use of federal money under the AFDC employment special needs program in section 256.736, subdivision 8, and other programs that provide federal reimbursement for child care services for recipients of aid to families with dependent children who are in education, training, job search, or other activities allowed under ~~that program~~ those programs. Money appropriated under this section must be coordinated with the AFDC employment special needs program and other programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under the AFDC employment special needs program or other programs that provide federal reimbursement for child care services. The counties shall

use the federal money to expand services to AFDC recipients ~~under this section~~.

Sec. 8. Minnesota Statutes 1988, section 256H.03, is amended to read:

256H.03 [~~ALLOCATION OF FUNDS~~ BASIC SLIDING FEE PROGRAM.]

Subdivision 1. [COUNTIES; NOTICE OF ALLOCATION; ~~REPORT.~~] ~~By June 1 of each odd-numbered year, the commissioner shall notify all county and human services boards and post-secondary educational systems of their allocation. If the appropriation is insufficient to meet the needs in all counties, the amount must be prorated among the counties.~~ When the commissioner notifies county and human service boards of the forms and instructions they are to follow in the development of their biennial community social services plans required under section 256E.08, the commissioner shall also notify county and human services boards of their estimated child care fund program allocation for the two years covered by the plan. By June 1 of each year, the commissioner shall notify all counties of their final child care fund program allocation.

Subd. 1a. [WAITING LIST.] Each county that receives funds under this section and section 256H.05 must keep a written record and report to the commissioner the number of eligible families who have applied for a child care subsidy or have requested child care assistance. Counties shall perform a cursory determination of eligibility when a family requests information about child care assistance. A family that appears to be eligible must be put on a waiting list if funds are not immediately available. The waiting list must identify students in need of child care. When money is available counties shall expedite the processing of student applications during key enrollment periods.

Subd. 2. [ALLOCATION; LIMITATIONS.] ~~Except for set-aside money allocated under sections 256H.04, 256H.05, 256H.06, and 256H.07, the commissioner shall allocate money appropriated~~ The commissioner shall allocate 66 percent of the money appropriated under the child care fund for the basic sliding fee program and shall allocate those funds between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area ~~so that no more than 55 percent of the total appropriation goes to either area after excluding allocations for statewide administrative costs. The commissioner shall allocate 50 percent of the money among counties on the basis of the number of families below the poverty level, as determined from the most recent special census, and 50 percent on the basis of caseloads of aid to families with dependent children for the preceding fiscal year, as determined by the commissioner of human services.~~ as follows:

(1) 50 percent of the money shall be allocated among the counties on the basis of the number of families below the poverty level, as determined from the most recent census or special census; and

(2) 50 percent of the money shall be allocated among the counties on the basis of the counties' portion of the AFDC caseload for the preceding state fiscal year.

If under the preceding formula, either the seven-county metropolitan area consisting of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties or the area consisting of counties outside the seven-county metropolitan area is allocated more than 55 percent of the basic sliding fee funds, each county's allocation in that area shall be proportionally reduced until the total for the area is no more than 55 percent of the basic sliding fee funds. The amount of the allocations proportionally reduced shall be used to proportionally increase each county's allocation in the other area.

Subd. 2a. [ELIGIBLE RECIPIENTS.] Families that meet the eligibility requirements under sections 256H.10 and 256H.11 are eligible for child care assistance under the basic sliding fee program. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses on a reimbursement basis.

Subd. 2b. [FUNDING PRIORITY.] (a) First priority for child care assistance under the basic sliding fee program must be given to eligible recipients who do not have a high school or general equivalency diploma or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment. Priority for child care assistance under the basic sliding fee program must be given to non-AFDC families for this first priority unless a county can demonstrate that funds available in the AFDC child care program allocation are inadequate to serve all AFDC families eligible under this priority who need child care services. Within this priority, the following subpriorities must be used:

(1) child care needs of minor parents;

(2) child care needs of parents under 21 years of age; and

(3) child care needs of other parents within the priority group described in this paragraph.

(b) Second priority must be given to all other parents who are eligible for the basic sliding fee program.

Subd. 3. [REVIEW OF USE OF FUNDS; REALLOCATION.] ~~Once~~ After each quarter, the commissioner shall review the use of ~~child~~

~~care fund~~ basic sliding fee program allocations by county. The commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full ~~portion~~ allocation. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.

Sec. 9. Minnesota Statutes 1988, section 256H.05, is amended to read:

256H.05 [~~SET-ASIDE MONEY FOR AFDC PRIORITY GROUPS~~ AFDC CHILD CARE PROGRAM.]

Subdivision 1. [~~ALLOCATIONS; USE~~ NOTICE OF ALLOCATION.] ~~Set-aside money for AFDC priority groups must be allocated among the counties based on the average monthly number of caretakers receiving AFDC under the age of 21 and the average monthly number of AFDC cases open 24 or more consecutive months.~~ By June 1 of each year, the commissioner shall notify all county and human services boards of their allocation under the AFDC child care fund program.

Subd. 1a. [COUNTY ALLOCATION; LIMITATIONS.] The commissioner shall allocate 34 percent of the money appropriated under the child care fund for the AFDC child care program and shall allocate those funds among the counties as follows:

(1) 50 percent of the funds shall be allocated to the counties based on the average number of AFDC caretakers less than 21 years of age and the average number of AFDC cases which had been open 24 or more consecutive months during the preceding fiscal year; and

(2) 50 percent of the funds shall be allocated to the counties based on the average number of AFDC recipients for the preceding state fiscal year. For each fiscal year the ~~average monthly caseload~~ AFDC caseloads shall be based on counts taken at three-month intervals during the 12-month period ending ~~March 31~~ December 31 of the previous state fiscal year. ~~The commissioner may reallocate quarterly unexpended or unencumbered set-aside money to counties that expend their full allocation. The county shall use the set-aside money for AFDC priority groups and for former AFDC recipients who (1) have had their child care subsidized under the set-aside for AFDC priority groups; (2) continue to require a child care subsidy in order to remain employed; and (3) are on a waiting list for the basic sliding fee program.~~

Subd. 1b. [ELIGIBLE RECIPIENTS.] Families eligible for child care assistance under the AFDC child care program are families receiving AFDC and former AFDC recipients who, during their first year of employment, continue to require a child care subsidy in order to retain employment.

The commissioner shall designate between 20 to 60 percent of the AFDC child care program as the minimum to be reserved for AFDC recipients in an educational program. The amount reserved shall not be less than the amount allocated for AFDC post-secondary in the 1988-89 biennium.

If a family meets the eligibility requirements of the AFDC child care program and the caregiver has an approved employability plan that meets the requirements of appropriate federal reimbursement programs, that family is eligible for child care assistance.

Subd. 1c. [FUNDING PRIORITY.] Priority for child care assistance under the AFDC child care program shall be given to AFDC priority groups who are engaged in an employment or education program consistent with their employability plan.

If the AFDC recipient is employed, the AFDC child care disregard shall be applied before the remaining child care costs are subsidized by the AFDC child care program. AFDC recipients leaving AFDC due to their earned income, who have been on AFDC three out of the last six months and who apply for child care assistance under subdivision 1b within three months of leaving AFDC, shall be entitled to one year of child care subsidies during the first year of employment. AFDC recipients must be put on a waiting list for the basic sliding fee program when they leave AFDC due to their earned income.

Subd. 2. [COOPERATION WITH OTHER PROGRAMS.] The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for ~~aid to families with dependent children priority groups~~ all AFDC recipients. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall, as resources permit, be guaranteed ~~set-aside money for~~ child care assistance from the county of their residence.

Subd. 3. [CONTRACTS; OTHER USES ALLOWED.] Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

Subd. 3a. [AFDC CHILD CARE PROGRAM REALLOCATION.] The commissioner shall review the use of child care funds allocated under this section after every quarter. Priority for use of this money shall continue to be given to the AFDC priority groups.

The commissioner may reallocate to other counties AFDC child

care program funds which a county has failed to encumber or expend according to the following procedure:

(a) Unexpended or unencumbered funds reserved for recipients in educational programs may be reallocated to counties that have expended their funds for recipients in educational programs.

(b) If any funds reserved for recipients in educational programs remain after this reallocation, or any funds remain unencumbered or unexpended from the entire AFDC child care program, the funds may be reallocated to counties that have expended their full allocation for the AFDC child care program.

(c) If any AFDC child care program funds remain after this reallocation, they may be reallocated to counties who have expended their full allocation for the basic sliding fee program.

~~Subd. 4. [USE OF FUNDS FOR OTHER APPLICANTS.] If the commissioner finds, on or after January 1 of a fiscal year, that set-aside money for AFDC priority groups is not being fully utilized, the commissioner may permit counties to use set-aside money for other eligible applicants, as long as priority for use of the money will continue to be given to the AFDC priority groups.~~

Subd. 5. [FEDERAL REIMBURSEMENT.] ~~A county may claim~~ Counties shall maximize their federal reimbursement under the AFDC special needs program or other federal reimbursement programs for money spent for persons listed in this section ~~256H.04, subdivision 1, clause (1)~~ and section 256H.03. The commissioner shall allocate any federal earnings to the county. ~~The county shall use the money~~ to be used to expand child care ~~sliding fee~~ services under ~~this subdivision~~ these sections.

Sec. 10. Minnesota Statutes 1988, section 256H.07, subdivision 1, is amended to read:

256H.07 [~~SET-ASIDE MONEY FOR~~ NON-AFDC PUBLIC AND NONPROFIT POST-SECONDARY ~~STUDENTS~~ CHILD CARE PROGRAM.]

Subdivision 1. [ALLOCATION; USE.] On July 1 of 1989 and 1990, under an agreement with the higher education coordinating board, the commissioner shall permanently transfer from the basic sliding fee program to the higher education coordinating board the amount of funds equal to the amount allocated during the last year of the 1988-1989 biennium for the non-AFDC public and nonprofit post-secondary student program. The higher education coordinating board will administer the non-AFDC post-secondary child care program utilizing the sliding fee scale developed by the department of human services. The board will determine eligibility for the child

care subsidy based on family income and family size. For purposes of this determination, "income" means the income amount used to calculate eligibility for state scholarships and grants under section 136A.121. "Family size" means the family size used to calculate eligibility for state scholarships and grants under section 136A.121.

Students receiving subsidies shall:

(1) Choose providers using a licensed or legal unlicensed provider that meets the needs of their family.

(2) Continue to receive a subsidy as long as they are eligible, to the limit of the allocation.

(3) Receive a subsidy to cover all eligible hours of education and employment.

The higher education coordinating board will consult with the department to ensure a program comparable to the child care subsidy program administered by the department of human services. ~~Each post-secondary educational system shall be allocated a portion of the set-aside money for persons listed in section 256H.04, subdivision 1, clause (3), based on the number of students with dependent children enrolled in each system in the preceding fiscal year. The post-secondary educational systems shall allocate their money among institutions under their authority based on the number of students with dependent children enrolled in each institution in the last fiscal year. For the purposes of this subdivision, "students with dependent children" means the sum of all Minnesota residents enrolled in public post-secondary institutions who report dependents on their applications to the state scholarship and grant program. The commissioner shall transfer the allocation for each post-secondary institution to the county board of the county in which the institution is located, to be held in an account for students found eligible for child care sliding fee assistance and attending the institution.~~

Sec. 11. Minnesota Statutes 1988, section 256H.08, is amended to read:

256H.08 [USE OF MONEY.]

Money for persons listed in ~~section 256H.04, subdivision 1, clauses (2) and (3)~~ sections 256H.03, subdivision 2a, 256H.05, subdivision 1b, and 256H.07, subdivision 1, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. ~~The county may plan for and provide child care assistance to persons listed in section 256H.04, subdivision 1,~~

~~clauses (2) and (3), from the regular sliding fee fund to supplement the set-aside funds.~~ Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employability plan in the case of an AFDC recipient, and county policies included in the child care allocation plan. Financially eligible students who have received child care assistance for one academic year shall be provided child care assistance in the following academic year if funds allocated under ~~section 256H.06 or~~ sections 256H.03, 256H.05, and 256H.07 are available.

Sec. 12. Minnesota Statutes 1988, section 256H.09, is amended to read:

256H.09 [REPORTING AND PAYMENTS.]

Subdivision 1. [QUARTERLY REPORTS.] Counties ~~and post-secondary educational systems~~ shall submit on forms prescribed by the commissioner a quarterly financial and program activity report which is due 20 calendar days after the end of each quarter. The failure to submit a complete report by the end of the quarter in which the report is due may result in a reduction of child care fund allocations equal to the next quarter's allocation. The financial and program activity report must include:

(1) a detailed accounting of the expenditures and revenues for the program during the preceding quarter by funding source and by eligibility group;

(2) a description of activities and concomitant expenditures that are federally reimbursable under the AFDC employment special needs program and other federal reimbursement programs;

(3) a description of activities and concomitant expenditures of ~~set-aside~~ child care money;

(4) information on money encumbered at the quarter's end but not yet reimbursable, for use in adjusting allocations as provided in ~~section~~ sections 256H.03, subdivision 3, and 256H.05, subdivision 4 1a; ~~256H.06, subdivision 3; and 256H.07, subdivision 3;~~ and

(5) other data the commissioner considers necessary to account for the program or to evaluate its effectiveness in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children.

Subd. 2. [QUARTERLY PAYMENTS.] ~~The commissioner shall make payments to each county in quarterly installments. The~~

~~commissioner may certify an advance for the first quarter of the fiscal year. Later payments must be based on actual expenditures as reported in the quarterly financial and program activity report.~~ The commissioner may make payments to each county in quarterly installments. The commissioner may certify an advance up to 25 percent of the allocation. Subsequent payments shall be made on a reimbursement basis for reported expenditures, and may be adjusted for anticipated spending patterns. Payments may be withheld if quarterly reports are incomplete or untimely.

Subd. 3. [CHILD CARE FUND PLAN.] Effective January 1, 1992, the county will include the plan required under this subdivision in its biennial community social services plan required in this section, for the group described in section 256E.03, subdivision 2, paragraph (h). For the period July 1, 1989, to December 31, 1991, the county shall submit separate child care fund plans required under this subdivision for the periods July 1, 1989, to June 30, 1990; and July 1, 1990, to December 31, 1991. The commissioner shall establish the dates by which the county must submit these plans. The county and designated administering agency shall submit to the commissioner an annual child care fund allocation plan. The plan shall include:

(1) a narrative of the total program for child care services, including all policies and procedures that affect eligible families and are used to administer the child care funds;

(2) the number of families that requested a child care subsidy in the previous year, the number of families receiving child care assistance, the number of families on a waiting list, and the number of families projected to be served during the fiscal year;

(3) the methods used by the county to inform eligible groups of the availability of child care assistance and related services;

(4) the provider rates paid for all children by provider type;

(5) the county prioritization policy for all eligible groups under the basic sliding fee program and AFDC child care program;

(6) a report of all funds available to be used for child care assistance, including demonstration of compliance with the maintenance of funding effort required under section 256H.12; and

(7) other information as requested by the department to insure compliance with the child care fund statutes and rules promulgated by the commissioner.

The commissioner shall notify counties within 60 days after the date the plan was due whether the plan is approved or whether corrections or information are needed to approve the plan.

The commissioner shall withhold a county's allocation until it has an approved plan. Plans not approved by the end of the second quarter after the plan is due may result in a 25 percent reduction in allocation. Plans not approved by the end of the third quarter after the plan is due may result in a 100 percent reduction in the allocation to the county. Counties are to maintain services despite any reduction in their allocation due to plans not being approved.

Subd. 4. [TERMINATION OF ALLOCATION.] The commissioner may withhold, reduce, or terminate the allocation of any county ~~or post-secondary educational system~~ that does not meet the reporting or other requirements of this program. The commissioner shall reallocate to other counties ~~or post-secondary educational systems~~ money so reduced or terminated.

Sec. 13. Minnesota Statutes 1988, section 256H.10, subdivision 2, is amended to read:

Subd. 2. [SLIDING FEE.] Child care services to families with incomes in the commissioner's established range must be made available on a sliding fee basis. The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size. Beginning July 1, 1991, the upper limit shall be no less than 80 percent. The upper limit shall increase to 85 percent on July 1, 1993, and to 90 percent on July 1, 1995.

Sec. 14. Minnesota Statutes 1988, section 256H.10, subdivision 3, is amended to read:

Subd. 3. [PRIORITIES; ALLOCATIONS.] If ~~a disproportionate amount~~ more than 75 percent of the available money is provided to any one of the groups described in ~~subdivision 1~~ section 256H.03 or 256H.05, the county board shall document to the commissioner the reason the group received a disproportionate share unless approved in the plan. If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize among the groups that remain to be served after compliance with the priority requirements of sections 256H.03 and 256H.05. ~~Counties shall assure that a person receiving child care assistance from the sliding fee program prior to July 1, 1987, continues to receive assistance, providing the person meets all other eligibility criteria. Set-aside money must be prioritized by the state, and counties do not have discretion over the use of this money.~~ Counties that have established a priority must submit the policy in the annual allocation plan.

Sec. 15. Minnesota Statutes 1988, section 256H.10, is amended by adding a subdivision to read:

Subd. 5. [PROVIDER CHOICE.] Parents may choose child care providers as defined under section 256H.01, subdivision 12, that best meet the needs of their family. Counties shall make resources available to parents in choosing quality child care services. Counties may require a parent to sign a release stating the parent's knowledge and responsibilities in choosing a legal provider described under section 256H.01, subdivision 12. When a county has knowledge that the particular provider or care arrangement chosen by the parent is unsafe, the county may deny a child care subsidy. Counties may not restrict access to a general category of provider allowed under section 256H.01, subdivision 12.

Sec. 16. Minnesota Statutes 1988, section 256H.11, is amended to read:

256H.11 [EMPLOYMENT OR TRAINING ELIGIBILITY.]

Subdivision 1. [ASSISTANCE FOR PERSONS SEEKING AND RETAINING EMPLOYMENT.] Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive the equivalent of one month of child care. Employed persons who work at least ten hours a week and receive at least a minimum wage for all hours worked are eligible for continued child care assistance.

Subd. 2. [FINANCIAL ELIGIBILITY REQUIRED.] Persons participating in employment programs, training programs, or education programs are eligible for continued assistance from the child care ~~sliding fee program~~ fund, if they are financially eligible under the sliding fee scale set by the commissioner in section 256H.14. ~~Counties shall assure that a person receiving child care assistance from the sliding fee program while attending a post-secondary institution prior to July 1, 1987, continues to receive assistance from the regular sliding fee program, or the set-asides in section 256H.06 or 256H.07, providing the person meets all other eligibility criteria.~~

Sec. 17. Minnesota Statutes 1988, section 256H.12, is amended to read:

256H.12 [COUNTY CONTRIBUTION.]

Subdivision 1. [COUNTY CONTRIBUTIONS REQUIRED.] In addition to payments from parents, ~~the program must be funded by county contributions. Except for set-aside money,~~ counties shall contribute from county tax or other sources a minimum of 15 percent of the cost of the basic sliding fee program. The commissioner shall recover funds from the county as necessary to bring county expenditures into compliance with this subdivision.

Subd. 2. [FEDERAL MONEY; STATE RECOVERY.] The commis-

sioner shall recover from counties any state or federal ~~money~~ funds that were spent for persons found to be ineligible. If a federal audit exception is taken based on a percentage of federal earnings, all counties shall pay a share proportional to their respective federal earnings during the period in question.

Subd. 3. [~~OTHER SOURCES MUST BE MAINTAINED~~ MAINTENANCE OF FUNDING EFFORT.] To receive money through this program, each county shall certify, in its annual plan to the commissioner, that the county has not reduced allocations from other federal, state, and county sources, which, in the absence of the child care ~~sliding fee or wage subsidy money~~ fund, would have been available for child care ~~services~~ assistance.

Sec. 18. Minnesota Statutes 1988, section 256H.15, is amended to read:

256H.15 [CHILD CARE RATES.]

Subdivision 1. [SUBSIDY RESTRICTIONS.] The county board may limit the subsidy allowed by setting a maximum on the provider child care rate that the county shall subsidize. The maximum rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate for like care arrangements for all types of care including special needs and handicapped care in that county as determined by the commissioner. If the county sets a maximum rate, it must pay the provider's rate for each child receiving a subsidy, up to the maximum rate set by the county. In order to be reimbursed for more than 110 percent of the median rate, a provider with employees must pay wages for teachers, assistants, and aides that are more than 110 percent of the county average rate for child care workers. If a county does not set a maximum provider rate, it shall pay the provider's rate for every child in care. The maximum state payment is 125 percent of the median provider rate. If the county has not set a maximum provider rate and the provider rate is greater than 125 percent of the median provider rate in the county, the county shall pay the amount in excess of 125 percent of the median provider rate from county funding sources. When the provider charge is greater than the maximum provider rate set by the county, the parent is responsible for payment of the difference in the rates in addition to any family copayment fee.

Subd. 2. [PROVIDER RATE BONUS FOR ACCREDITATION.] Currently accredited child care centers shall be paid a five percent bonus above the maximum rate established by the county in subdivision 1, if the center can demonstrate that its staff wages are greater than 110 percent of the average wages in the county for similar care, up to the actual provider rate. A family day care provider shall be paid a five percent bonus above the maximum rate established by the county in subdivision 1, if the provider holds a current child development associate certificate, up to the actual

provider rate. A county is not required to review wages under this subdivision unless the county has set a maximum above 110 percent for all providers with employees in their county.

Subd. 3. [PROVIDER RATE FOR CARE OF CHILDREN WITH HANDICAPS OR SPECIAL NEEDS.]

Counties shall reimburse providers for the care of children with handicaps or special needs, at a special rate to be set by the county for care of these children, subject to the approval of the commissioner.

Sec. 19. Minnesota Statutes 1988, section 256H.18, is amended to read:

256H.18 [ADMINISTRATIVE EXPENSES.]

A county ~~must~~ may not use more than seven percent of its allocation for ~~its~~ administrative expenses under ~~this section, except a county may not use any of its allocation of the set-aside funds under subdivisions 3b and 3c for administrative expenses~~ the basic sliding fee program. ~~A county may use up to four percent of the funds transferred to it under subdivision 3d for administrative expenses.~~ The higher education coordinating board may not use more than seven percent of the allocation for public and nonprofit post-secondary student child care for administrative expenses.

Sec. 20. Minnesota Statutes 1988, section 256H.20, subdivision 3, is amended to read:

Subd. 3. [PROGRAM SERVICES.] The commissioner may make grants to public or private nonprofit entities to fund child care resource and referral programs. Child care resource and referral programs must serve a defined geographic area.

Subd. 3a. [GRANT REQUIREMENTS AND PRIORITY.] Priority for awarding resource and referral grants shall be given in the following order:

(1) start up resource and referral programs in areas of the state where they do not exist; and

(2) improve resource and referral programs.

Resource and referral programs shall meet the following requirements:

(a) Each program shall identify all existing child care services through information provided by all relevant public and private agencies in the areas of service, and shall develop a resource file of

the services which shall be maintained and updated at least quarterly. These services must include family day care homes; public and private day care programs; full-time and part-time programs; infant, preschool, and extended care programs; and programs for school age children.

The resource file must include: the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, special needs services, and transportation available to the program. The file may also include program information and special ~~needs services~~ program features.

(b) Each program shall establish a referral process which responds to parental need for information and which fully recognizes confidentiality rights of parents. The referral process must afford parents maximum access to all referral information. This access must include telephone referral available for no less than 20 hours per week.

Each child care resource and referral agency shall publicize its services through popular media sources, agencies, employers, and other appropriate methods.

(c) Each program shall maintain ongoing documentation of requests for service. All child care resource and referral agencies must maintain documentation of the number of calls and contacts to the child care information and referral agency or component. A program ~~may~~ shall collect and maintain the following information:

(1) ages of children served;

(2) time category of child care request for each child;

(3) special time category, such as nights, weekends, and swing shift; and

(4) reason that the child care is needed.

(d) Each program shall ~~have~~ make available the following information as an educational aid to parents:

(1) information on aspects of evaluating the quality and suitability of child care services, including licensing regulation, financial assistance available, child abuse reporting procedures, appropriate child development information;

(2) information on available parent, early childhood, and family education programs in the community.

(e) On or after one year of operation a program ~~may~~ shall provide technical assistance to employers and existing and potential providers of all types of child care services ~~and employers~~. This assistance shall include:

(1) information on all aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other sources;

(2) information and resources which help existing child care providers to maximize their ability to serve the children and parents of their community;

(3) dissemination of information on current public issues affecting the local and state delivery of child care services;

(4) facilitation of communication between existing child care providers and child-related services in the community served;

(5) recruitment of licensed providers; and

(6) options, and the benefits available to employers utilizing the various options, to expand child care services to employees.

Services prescribed by this section must be designed to maximize parental choice in the selection of child care and to facilitate the maintenance and development of child care services and resources.

(f) Child care resource and referral information must be provided to all persons requesting services and to all types of child care providers and employers.

(g) Public or private entities may apply to the commissioner for funding. The maximum amount of money which may be awarded to any entity for the provision of service under this subdivision is $60,000 per year. A local match of up to 25 percent is required.

Sec. 21. [256H.21] [CHILD CARE SERVICES GRANT DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] As used in sections 256H.20 to 256H.23, the words defined in this section shall have the meanings given them.

Subd. 2. [CHILD.] "Child" means a person 12 years old or younger, or a person age 13 or 14 who is handicapped, as defined in section 120.03.

Subd. 3. [CHILD CARE.] "Child care" means the care of a child by someone other than a parent or legal guardian outside the child's

own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Subd. 4. [CHILD CARE SERVICES.] "Child care services" means child care provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, head start, and extended day school age child care programs.

Subd. 5. [CHILD CARE WORKER.] "Child care worker" means a person who cares for children for compensation, including a licensed provider of child care services, an employee of a provider, and a person who has applied for a license as a provider or a person meeting the state board of education standards.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 7. [FACILITY IMPROVEMENT EXPENSES.] "Facility improvement expenses" means funds for building improvements, equipment, toys, and supplies needed to establish, expand, or improve a licensed child care facility or a child care program under the jurisdiction of the state board of education.

Subd. 8. [INTERIM FINANCING.] "Interim financing" means funds to carry out such activities as are necessary for family day care homes, group family day care homes, and child care centers to receive and maintain state licensing, to expand an existing program or to improve program quality, and to provide operating funds for a period of six consecutive months after receipt of state licensure or meeting the state board of education standards by a family day care home, group family day care home, or child care center. Interim financing may not exceed a period of 18 months.

Subd. 9. [MINI-GRANTS.] "Mini-grants" means child care grants for facility improvements that are less than $1,000. Mini-grants include, but are not limited to, improvements to meet licensing requirements, improvements to expand a child care facility or program, toys and equipment, start-up costs, staff training, and development costs.

Subd. 10. [RESOURCE AND REFERRAL PROGRAM.] "Resource and referral program" means a program that provides information to parents, including referrals and coordination of community child care resources for parents and public or private providers of care. Services may include parent education, technical assistance for providers, staff development programs, and referrals to social services.

Subd. 11. [STAFF TRAINING OR DEVELOPMENT EXPENSES.] "Staff training or development expenses" include the cost

to a child care worker of tuition, transportation, required materials and supplies, and wages for a substitute while the child care worker is engaged in a training program.

Subd. 12. [TRAINING PROGRAM.] "Training program" means child development courses offered by an accredited post-secondary institution or similar training approved by a county board or the department of human services. To qualify as a training program under this section, a course of study must teach specific skills that meet licensing requirements or those required by the state board of education.

Sec. 22. [256H.22] [CHILD CARE SERVICES GRANTS.]

Subdivision 1. [GRANTS ESTABLISHED.] The commissioner shall award grants to develop child care services, including facility improvement expenses, interim financing, resource and referral programs, and staff training expenses. Child care services grants may include mini-grants up to $1,000. The commissioner shall develop a grant application form, inform county social service agencies about the availability of child care services grants, and set a date by which applications must be received by the commissioner.

The commissioner may renew grants to existing resource and referral agencies that have met state standards and have been designated as the child care resource and referral service for a particular geographical area. The recipients of renewal grants are exempt from the proposal review process.

Subd. 2. [DISTRIBUTION OF FUNDS.] (a) The commissioner shall allocate grant money appropriated for child care service (development and resource and referral services) among the development regions designated by the governor under section 462.385, as follows:

(1) 50 percent of the child care service development grant appropriation shall be allocated to the metropolitan area; and

(2) 50 percent of the child care service development grant appropriation shall be allocated to greater Minnesota counties.

(b) The following formulas shall be used to allocate grant appropriations among the counties:

(1) 50 percent of the funds shall be allocated in proportion to the ratio of children under 12 years of age in each county to the total number of children under 12 years of age in all counties; and

(2) 50 percent of the funds shall be allocated in proportion to the

ratio of children under 12 years of age in each county to the number of licensed child care spaces currently available in each county.

(c) Out of the amount allocated for each development region and county, the commissioner shall award grants based on the recommendation of the grant review advisory task force. In addition, the commissioner shall award no more than 75 percent of the money either to child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses. The commissioner shall award no more than 50 percent of the money for resource and referral services to maintain or improve an existing resource and referral until all regions are served by resource and referral programs.

(d) Any funds unobligated may be used by the commissioner to award grants to proposals that received funding recommendations by the advisory task force but were not awarded due to insufficient funds.

Subd. 3. [CHILD CARE REGIONAL ADVISORY COMMITTEES.] Child care regional advisory committees shall review and make recommendations to the commissioner on applications for service development grants under this section. The commissioner shall appoint the child care regional advisory committees in each governor's economic development regions. People appointed under this subdivision must represent the following constituent groups: family child care providers, group center providers, parent users, health services, social services, public schools, and other citizens with demonstrated interest in child care issues. Members of the advisory task force with a direct financial interest in a pending grant proposal may not provide a recommendation or participate in the ranking of that grant proposal. Committee members may be reimbursed for their actual travel expenses for up to six committee meetings per year. The child care regional advisory committees shall complete their reviews and forward their recommendations to the commissioner by the date set under subdivision 1.

Subd. 4. [PURPOSES FOR WHICH A CHILD CARE SERVICES GRANT MAY BE AWARDED.] The commissioner may award grants for any of the following purposes:

(1) for creating new licensed day care facilities and expanding existing facilities, including, but not limited to, supplies, equipment, facility renovation, and remodeling;

(2) for improving licensed day care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and remodeling. In awarding grants for training, priority must be given to child care workers caring for infants, toddlers, sick children, children in low-income families, and children with special needs;

(3) for supportive child development services including, but not limited to, in-service training, curriculum development, consulting specialist, resource centers, and program and resource materials;

(4) for carrying out programs including, but not limited to, staff, supplies, equipment, facility renovation, and training;

(5) for interim financing; and

(6) for carrying out the resource and referral program services identified in section 256H.20, subdivision 3.

Subd. 5. [FUNDING PRIORITIES; FACILITY IMPROVEMENT AND INTERIM FINANCING.] In evaluating applications for funding and making recommendations to the commissioner, the grant review advisory task force shall rank and give priority to:

(1) new programs or projects, or the expansion or improvement of existing programs or projects in areas where a demonstrated need for child care facilities has been shown, with special emphasis on programs or projects in areas where there is a shortage of licensed child care;

(2) new programs and projects, or the expansions or enrichment of existing programs or projects that serve sick children, infants or toddlers, children with special needs, and children from low-income families;

(3) unlicensed providers who wish to become licensed; and

(4) improvement of existing programs.

Subd. 6. [FUNDING PRIORITIES; TRAINING GRANTS.] In evaluating applications for training grants and making recommendations to the commissioner, the grant review advisory task force shall give priority to:

(1) applicants who will work in facilities caring for sick children, infants, toddlers, children with special needs, and children from low-income families;

(2) applicants who will work in geographic areas where there is a shortage of child care;

(3) unlicensed providers who wish to become licensed;

(4) child care programs seeking accreditation and child care providers seeking certification; and

(5) entities that will use grant money for scholarships for child care workers attending educational or training programs sponsored by the entity.

Subd. 7. [ELIGIBLE GRANT RECIPIENTS.] Eligible recipients of child care grants are licensed providers of child care, or those in the process of being licensed, resource and referral programs, or corporations or public agencies, or any combination thereof. With the exception of mini-grants, priority for child care grants shall be given to grant applicants as follows:

(1) public and private nonprofit agencies;

(2) employer-based child care centers;

(3) for-profit child care centers; and

(4) family day care providers.

Subd. 8. [GRANT MATCH REQUIREMENTS.] Child care grants for facility improvements, interim financing, resource and referral, and staff training and development require a 25 percent local match by the grant applicant. A local match is not required for a mini-grant.

Subd. 9. [CHILD CARE MINI-GRANTS.] Mini-grants for child care service development must be used by the grantee for facility improvements, including, but not limited to, improvements to meet licensing requirements, improvements to expand the facility, toys and equipment, start-up costs, interim financing, or staff training and development. Priority for child care mini-grants shall be given to grant applicants as follows:

(1) family day care providers;

(2) public and private nonprofit agencies;

(3) employer-based child care centers; and

(4) for-profit child care centers.

Subd. 10. [ADVISORY TASK FORCE.] The commissioner shall convene a statewide advisory task force which shall advise the commissioner on grants and other child care issues. The statewide advisory task force shall review and make recommendations to the commissioner on child care resource and referral grants and on statewide child care training grants. Members of the advisory task force with a direct financial interest in a resource and referral or a statewide training proposal may not provide a recommendation or participate in the ranking of that grant proposal. Each regional

grant review committee formed under subdivision 3, shall appoint a representative to the advisory task force. The commissioner may convene meetings of the task force as needed. Terms of office and removal from office are governed by the appointing body. The commissioner may compensate members for their expenses of travel to meetings of the task force. The members of the child care advisory task force shall also meet once with the interagency advisory committee on child care under section 25.

Sec. 23. [256H.23] [OTHER AUTHORIZATION TO MAKE GRANTS.]

Subdivision 1. [AUTHORITY.] In addition to the commissioner's authority to make child care services grants, the county board is authorized to provide child care services, or to make grants from the community social service fund, special tax revenue, or its general fund, or other sources to any municipality, corporation, or combination thereof, for the cost of providing technical assistance and child care services. The county board is also authorized to contract for services with any licensed day care facility, as the board deems necessary or proper to carry out the purposes of this section.

The county board may also make grants to or contract with any municipality, licensed child care facility, or resource and referral program, or corporation or combination thereof, for any of the following purposes:

(1) creating new licensed day care facilities and expanding existing facilities including, but not limited to, supplies, equipment, and facility renovation and remodeling;

(2) improving licensed day care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and remodeling. In awarding grants for training, counties must give priority to child care workers caring for infants, toddlers, sick children, children in low-income families, and children with special needs;

(3) supportive child development services, including, but not limited to, in-service training, curriculum development, consulting specialists, resource centers, and program and resource materials;

(4) carrying out programs, including, but not limited to, staff, supplies, equipment, facility renovation, and training;

(5) interim financing; and

(6) carrying out the resource and referral program services identified in section 256H.20, subdivision 3.

Subd. 2. [DONATED MATERIALS AND SERVICES; MATCHING SHARE OF COST.] For the purposes of this section, donated professional and volunteer services, program materials, equipment, supplies, and facilities may be approved as part of a matching share of the cost, provided that total costs shall be reduced by the costs charged to parents if a sliding fee scale has been used.

Subd. 3. [BIENNIAL PLAN.] The county board shall biennially develop a plan for the distribution of money for child care services as part of the community social services plan described in section 256E.09. All licensed child care programs shall be given written notice concerning the availability of money and the application process.

Sec. 24. [256H.24] [DUTIES OF COMMISSIONER.]

In addition to the powers and duties already conferred by law, the commissioner of human services shall:

(1) by September 1, 1990, and by September 1 of each subsequent even-numbered year, survey and report on all components of the child care system, including, but not limited to, availability of licensed child care slots, the number of children in various kinds of child care settings, staff wages, rate of staff turnover, qualifications of child care workers, cost of child care by type of service and ages of children, and child care availability through school systems;

(2) by September 1, 1990, and September 1 of each subsequent even-numbered year, survey and report on the extent to which existing child care services fulfill the need for child care, giving particular attention to the need for part-time care and for care of infants, sick children, children with special needs, low-income children, toddlers, and school-age children;

(3) administer the child care fund, including the sliding fee program authorized under sections 256H.01 to 256H.19;

(4) monitor the child care resource and referral programs established under section 256H.20; and

(5) encourage child care providers to participate in a nationally recognized accreditation system for early childhood programs. The commissioner shall reimburse licensed child care providers for one-half of the direct cost of accreditation fees, upon successful completion of accreditation.

Sec. 25. [256H.25] [INTERAGENCY ADVISORY COMMITTEE ON CHILD CARE.]

Subdivision 1. [MEMBERSHIP.] By January 1, 1990, the commis-

sioner of the state planning agency shall convene and chair an interagency advisory committee on child care. In addition to the commissioner, members of the committee are the commissioners of each of the following agencies and departments: health, human services, jobs and training, public safety, education, and the higher education coordinating board. The purpose of the committee is to improve the quality and quantity of child care and the coordination of child care related activities among state agencies.

Subd. 2. [DUTIES.] The committee shall advise its member agencies on matters related to child care policy and planning. Specifically, the committee shall:

(1) develop a consistent policy on issues related to child care;

(2) advise the member agencies on implementing policies and developing rules that are consistent with the committee's policy on child care;

(3) advise the member agencies on state efforts to increase the supply and improve the quality of child care facilities and options; and

(4) perform other advisory tasks related to improving child care options throughout the state.

Subd. 3. [MEETINGS.] The committee shall meet as often as necessary to perform its duties. The committee shall meet at least once per year with the members of the child care advisory task force.

Sec. 26. [256H.26] [CHILD CARE INFORMATION SERVICE.]

The commissioner shall establish, on a pilot project basis, a toll-free information service for child care providers, potential providers, and parents to assist callers to find existing child care services at the state or local level and to facilitate expansion and marketing of child care services. The telephone must be staffed during regular business hours to respond promptly to questions and during regular business hours to respond promptly to questions and concerns. The information and assistance must be made available free to all callers. The commissioner shall report to the legislature by January 1, 1991 on the effectiveness of this service and shall recommend how and by whom the operation should be administered. The commissioner shall consult with local resource and referral agencies, both public and private, in making its recommendations.

Sec. 27. [REPEALER.]

Minnesota Statutes 1988, sections 245.83; 245.84; 245.85;

245.871; 245.872; 245.873; 256H.04; 256H.05, subdivision 4; 256H.06; 256H.07, subdivision 4; and 256H.13, are repealed."

Delete the title and insert:

"A bill for an act relating to child care; amending certain provisions of the child care fund; amending provisions of the child care resource and referral grant program; amending provisions of the child care services grant program; amending Minnesota Statutes 1988, sections 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03; 256H.05; 256H.07, subdivision 1; 256H.08; 256H.09; 256H.10, subdivisions 2, 3, and by adding a subdivision; 256H.11; 256H.12; 256H.15; 256H.18; and 256H.20, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256H; repealing Minnesota Statutes 1988, sections 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 256H.04; 256H.05, subdivision 4; 256H.06; and 256H.07, subdivision 4; and 256H.13."

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 882, A bill for an act relating to employment; providing for severance pay and insurance coverage to certain terminated employees; requiring employers to provide advance notice of certain actions related to plant closings and mass layoffs; appropriating money; amending Minnesota Statutes 1988, section 268.07, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 268A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

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

H. F. No. 893, A bill for an act relating to human services; disregarding the first $50 of child support received when determining eligibility for food stamps; expanding the local income assistance grant program; appropriating money; amending Minnesota Statutes 1988, section 393.07, subdivision 10; and Laws 1988, chapter 689, article 2, sections 248, and 269, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 11, delete "6" and insert "5"

Pages 1 to 3, delete section 2

Page 4, line 24, delete "$600,000" and insert "$350,000"

Page 4, line 25, delete "$600,000" and insert "$850,000" and delete "This"

Page 4, delete lines 26 to 36

Page 5, delete lines 1 and 2 and insert "The primary purpose of this appropriation is to expand the home-delivered meals program beyond the funding level for the calendar year ending December 31, 1988."

Page 5, line 3, delete "$300,000" and insert "$50,000"

Page 5, line 7, delete "$2,100,000" and insert "$1,400,000"

Page 5, line 10, delete "$1,050,000" and insert "$700,000"

Page 5, line 11, delete "$1,050,000" and insert "$700,000"

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

"A bill for an act relating to human services; expanding the local income assistance grant program; appropriating money; amending Laws 1988, chapter 689, article 2, sections 248 and 269, 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.

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

H. F. No. 916, A bill for an act relating to metropolitan government; providing a salary range and specifying responsibilities for the chair of the waste control commission; amending Minnesota

Statutes 1988, sections 15A.081, subdivisions 1 and 7; and 473.141, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 927, A bill for an act relating to traffic regulations; defining terms; subjecting driver of commercial motor vehicle to stricter federal standard on alcohol-related driving; providing for and regulating category of commercial driver's license and commercial motor vehicle drivers; authorizing Minnesota to join driver license compact; allowing exchange of driver license information with other states; promoting consolidated, complete driver record; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 168.011, subdivision 9; 169.01, subdivision 50, and by adding a subdivision; 169.123, subdivisions 1, 2, 4, 5, 5a, 5b, 5c, and 6; 171.01, subdivision 19, and by adding subdivisions; 171.02, subdivision 2; 171.03; 171.04; 171.06, subdivisions 2 and 3; 171.07, by adding a subdivision; 171.10, subdivision 2; 171.12, subdivision 2; 171.13, subdivision 5; 171.14; 171.16, subdivision 1; 171.18; 171.19; 171.20; 171.22, subdivision 1; 171.24; and 171.30, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 169 and 171.

Reported the same back with the following amendments:

Page 22, delete lines 21 and 22, and insert:

"(4) violating a moving traffic statute or ordinance of any state, that is in conformity with a Minnesota statute, arising in connection with a fatal accident."

Page 22, line 24, delete "implement" and insert "administer"

Page 22, after line 24, insert:

"Subd. 6. [SCOPE.] This section applies only to offenses committed or revocations imposed for incidents occurring on or after January 1, 1990."

Page 34, after line 10, insert:

"Sec. 42. [TRANSITION; TEMPORARY LICENSES.]

Temporary driver's licenses shall be issued to an individual driver who possesses a good driving record as determined by the commissioner of public safety, but fails to pass the written examination before the expiration date of that driver's license, until the driver passes the written examination or March 31, 1992, whichever is earlier."

Page 34, line 14, delete "41" and insert "42"

Page 34, line 17, delete "42" and insert "43"

Renumber the sections in sequence

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. 930, A bill for an act relating to wild animals; removing authority to offer a bounty on rattlesnakes; amending Minnesota Statutes 1988, sections 348.12 and 348.13.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 946, A bill for an act relating to motor vehicles; providing for special license plates for disabled persons; setting fee for duplicate personalized license plates; amending Minnesota Statutes 1988, sections 168.011, subdivision 4; 168.012, subdivisions 1 and 3a; 168.021; 168.12, subdivision 2a; 168.125, subdivision 2; 168.27, subdivision 2; 168.29; 169.01, subdivision 24a; 169.215; 169.345; and 169.346; repealing Minnesota Statutes 1988, section 168.12, subdivisions 3 and 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 168.011, subdivision 4, is amended to read:

Subd. 4. [MOTOR VEHICLE.] (a) "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 includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles and manufactured homes.

(b) "Motor vehicle" also includes an all-terrain vehicle, as defined in section 84.92, subdivision 8, which (1) has at least four wheels, (2) is owned and operated by a physically ~~handicapped~~ disabled person, and (3) displays both ~~physically handicapped~~ the special license plates for the physically disabled person and a ~~physically handicapped~~ parking disabled certificate for a physically disabled person issued under section 169.345, subdivision 3.

(c) Motor vehicle does not include an all-terrain vehicle as defined in section 84.92, subdivision 8; except (1) an all-terrain vehicle described in paragraph (b), or (2) an all-terrain vehicle licensed as a motor vehicle before August 1, 1985, in which case the owner may continue to license it as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.

Sec. 2. 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~~ disabled 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) 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. 3. Minnesota Statutes 1988, section 168.012, subdivision 3a, is amended to read:

Subd. 3a. [SPECIAL ~~HANDICAPPED~~ PERMITS.] Motorized golf carts and four-wheel all-terrain vehicles operated under permit and on roadways designated pursuant to section 169.045 are exempt from the provisions of this chapter.

Sec. 4. Minnesota Statutes 1988, section 168.021, is amended to read:

168.021 [LICENSE PLATES FOR PHYSICALLY ~~HANDICAPPED~~ DISABLED PERSONS.]

Subdivision 1. [SPECIAL PLATES; APPLICATION FOR ISSUANCE.] When a motor vehicle registered under section 168.017, or a self-propelled recreational vehicle, van, or pickup truck, is owned or primarily operated by a permanently physically ~~handicapped~~ disabled person, the owner may apply for and secure from the

registrar of motor vehicles two license plates with attached emblems, one plate to be attached to the front, and one to the rear of the vehicle. A physically disabled person who is furnished a motor vehicle by an employer for use as part of the persons's employment may apply for and secure a second set of such plates for that motor vehicle. Application for the plates must be made at the time of renewal or first application for registration and must be accompanied by verification of employment and employer's consent. When the owner first applies for the plates, the owner must submit a physician's statement on a form developed by the commissioner under section 169.345, or proof of physical disability provided for in that section.

Subd. 1a. [SCOPE OF PRIVILEGE.] If a physically ~~handicapped~~ disabled person parks a vehicle displaying license plates described in this section or any person parks the vehicle for a physically ~~handicapped~~ disabled person, that person shall be entitled to park the vehicle as provided in section 169.345.

Subd. 2. [DESIGN OF PLATES; FURNISHING BY REGISTRAR.] The registrar of motor vehicles shall design and furnish two license number plates with attached emblems to each eligible owner. The emblem must bear the internationally accepted wheelchair symbol, as designated in section 16B.61, subdivision 5, approximately three inches square. The emblem must be large enough to be visible plainly from a distance of 50 feet. An applicant eligible for the special plates shall pay the motor vehicle registration fee authorized by law less a credit of $1 for each month registered.

Subd. 2a. [PLATE RETURNS, TRANSFERS.] (a) When vehicle ownership is transferred, the owner of the vehicle shall remove the special plates from the vehicle and return them to the registrar. The buyer of the vehicle shall repay the $1 credit for each month remaining in the registration period for which the special plates were issued. When the plates have been returned by the owner and the buyer has repaid the remaining credit, the buyer is entitled to receive regular plates for the vehicle without further cost for the rest of the registration period.

(b) Notwithstanding section 168.12, subdivision 1, or 168.021, subdivision 20, the special plates may be transferred to a replacement motor vehicle on notification to the registrar. However, the special plates may not be transferred unless the replacement motor vehicle (1) is registered under section 168.017 or is a self-propelled recreational vehicle, van, or pickup truck, and (2) is owned or primarily operated by the permanently physically disabled person.

(c) The transferor shall not receive the $1 credit for each month the replacement vehicle is registered until the time of renewal or first application for registration on the replacement vehicle.

Subd. 2b. [WHEN NOT ELIGIBLE.] On becoming ineligible for the special plates, the owner of the vehicle shall remove the special plates and return them to the registrar. The owner shall repay the $1 credit for each month remaining in the registration period for which the special plates were issued. On returning the plates and repaying the remaining credit, the owner may receive regular plates for the vehicle without further cost for the rest of the registration period.

Subd. 3. [PENALTIES FOR UNAUTHORIZED USE OF PLATES.] A person who uses the plates provided under this section on a motor vehicle in violation of this section is guilty of a misdemeanor, and is subject to a fine of $500. This subdivision does not preclude a person who is not physically ~~handicapped~~ disabled from operating a vehicle bearing the plates if the person is the owner of the vehicle and permits its operation by a physically ~~handicapped~~ disabled person, or if the person operates the vehicle with the consent of the owner who is physically ~~handicapped~~ disabled. A driver who is not ~~handicapped~~ disabled is not entitled to the parking privileges provided in this section and in section 169.346 unless parking the vehicle for a physically ~~handicapped~~ disabled person.

Subd. 4. [FEES; DISPOSITION.] All fees collected from the sale of plates under this section shall be deposited in the state treasury to the credit of the highway user tax distribution fund.

Subd. 5. [DEFINITIONS.] For the purposes of this section, the term "physically ~~handicapped~~ disabled person" has the meaning given it in section 169.345.

Subd. 6. [DRIVER'S LICENSE LAW NOT AFFECTED.] Nothing in this section shall be construed to revoke, limit, or amend chapter 171.

Sec. 5. Minnesota Statutes 1988, section 168.12, subdivision 2a, is amended to read:

Subd. 2a. [PERSONALIZED LICENSE PLATES.] Personalized license plates must be issued to an applicant for registration of a passenger automobile, van, ~~or~~ pickup truck, motorcycle, or self-propelled recreational vehicle, upon compliance with the laws of this state relating to registration of the vehicle and upon payment of a one-time fee of $100 in addition to the registration tax required by law for the vehicle. The ~~commissioner~~ registrar shall designate a replacement fee for personalized license plates that is calculated to cover the cost of replacement. This fee must be paid by the applicant whenever the ~~law requires the~~ personalized license plates are required to be replaced by law. In lieu of the numbers assigned as provided in subdivision 1, personalized license plates must have imprinted on them a series of not more than ~~six~~ seven numbers and letters in any combination in the case of a passenger automobile,

van, pickup truck, or self-propelled recreational vehicle, or six numbers and letters in any combination in the case of a motorcycle. When an applicant has once obtained personalized plates, the applicant shall have a prior claim for similar personalized plates in the next succeeding year that plates are issued if application is made for them at least 30 days before the first date that registration can be renewed. The commissioner of public safety shall adopt rules in the manner provided by chapter 14, regulating the issuance and transfer of personalized license plates. No words or combination of letters placed on personalized license plates may be used for commercial advertising, be of an obscene, indecent, or immoral nature, or be of a nature that would offend public morals or decency. The call signals or letters of a radio or television station are not commercial advertising for the purposes of this subdivision.

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

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

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

Sec. 6. Minnesota Statutes 1988, section 168.123, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS; FEES.] The registrar shall issue special license plates to an applicant who served in the active military service in a branch of the armed forces of the United States, was discharged under honorable conditions, and is an owner or joint owner of a motor vehicle included within the definition of a passenger automobile or which is self-propelled recreational equipment, on payment of a fee of $10 for each set of two plates, payment of the registration tax required by law, and compliance with other laws relating to registration and licensing of motor vehicles and drivers. The additional fee of $10 is payable for each set of plates, is payable only when the plates are issued, and is not payable in a year in which tabs or stickers are issued instead of number plates. An applicant must not be issued more than two sets of plates for vehicles owned or jointly owned by the applicant.

The veteran shall have a certified copy of the veteran's discharge papers, indicating character of discharge, at the time of application.

Sec. 7. Minnesota Statutes 1988, section 168.125, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE AND DESIGN.] The registrar shall issue special license plates bearing the inscription "EX-POW" to any applicant who is both a former prisoner of war and an owner or joint owner of a motor vehicle upon the applicant's compliance with all the laws of this state relating to the registration and licensing of motor vehicles and drivers. The special license plates shall be of a design and size to be determined by the commissioner. Plates bearing the "EX-POW" inscription may be issued for only one motor vehicle per applicant.

Application for issuance of these plates shall be made at the time of renewal or first application for registration. The application shall include a certification by the commissioner of veterans affairs that the applicant was a member of the military forces of the United States who was captured, separated, and incarcerated by an enemy of the United States during a period of armed conflict.

The applicant shall pay, in addition to the registration tax required by law, a fee for the special license plates issued under this section, in an amount calculated by the commissioner to cover the cost of the license plates. The additional fee is payable only when the plates are issued and no additional fee is payable in any year in which tabs or stickers are issued in lieu of number plates. All fees from the sale of the special license plates shall be paid into the state treasury and credited to the highway user tax distribution fund.

Notwithstanding the provisions of section 168.12, subdivision 1, the special license plates issued under this section may be transferred to another motor vehicle owned or jointly owned by the former prisoner of war upon the payment of a fee of $5. This fee shall be paid into the state treasury and credited to the highway user tax distribution fund.

Upon the death of a former prisoner of war, the registrar shall continue to issue, upon renewal, the special license plates to a vehicle owned by the surviving spouse of the former prisoner of war. Special license plates issued to a surviving spouse may be transferred to another vehicle owned by the surviving spouse as provided in this subdivision. If the surviving spouse remarries, the "EX-POW" plates must be removed from the vehicle within 30 days but the surviving spouse is not required to surrender the plates to the registrar.

For purposes of this section, "motor vehicle" means a passenger

automobile, station wagon, pickup truck, motorcycle, or recreational vehicle.

Sec. 8. Minnesota Statutes 1988, section 168.125, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PLATES; EX-POW AND ~~HANDICAPPED~~ DISABILITY INSIGNIA.] The registrar shall issue special license plates bearing both the "EX-POW" and ~~handicapped~~ disability insignia to any applicant who is entitled to the special license plates provided under this section and who is also entitled to special license plates for the physically ~~handicapped~~ disabled under section 168.021 upon compliance with the provisions of both sections. The special license plates shall be of a design and size to be determined by the commissioner.

Sec. 9. Minnesota Statutes 1988, section 168.27, subdivision 2, is amended to read:

Subd. 2. [NEW MOTOR VEHICLE DEALER.] (a) No person shall engage in the business of selling new motor vehicles or shall offer to sell, solicit, or advertise the sale of new motor vehicles without first acquiring a new motor vehicle dealer license. A new motor vehicle dealer licensee shall be entitled thereunder to sell, broker, wholesale, or auction and to solicit and advertise the sale, broker, wholesale, or auction of new motor vehicles covered by the franchise and any used motor vehicles or to lease and to solicit and advertise the lease of new motor vehicles and any used motor vehicles and such sales or leases may be either for consumer use at retail or for resale to a dealer. A new motor vehicle dealer may engage in the business of buying or otherwise acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap materials under chapter 168A, except that a new motor vehicle dealer may not purchase a junked vehicle from a salvage pool, insurance company, or its agent unless the dealer is also licensed as a used vehicle parts dealer. Nothing herein shall be construed to require an applicant for a dealer license who proposes to deal in: (1) new and unused motor vehicle bodies; or (2) type A, B, or C motor homes as defined in section 168.011, subdivision 25, to have a bona fide contract or franchise in effect with either the first-stage manufacturer of the motor home or the manufacturer or distributor of any motor vehicle chassis upon which the new and unused motor vehicle body is mounted. The modification or conversion of a new van-type vehicle into a multipurpose passenger vehicle which is not a motor home does not constitute dealing in new or unused motor vehicle bodies, and a person engaged in the business of selling these van-type vehicles must have a bona fide contract or franchise with the appropriate manufacturer under subdivision 10. A van converter or modifier who owns these modified or converted van-type vehicles may sell them at wholesale to new motor vehicle dealers having a

bona fide contract or franchise with the first-stage manufacturer of the vehicles.

(b) The requirements pertaining to franchises do not apply to persons who remodel or convert motor vehicles for medical purposes. For purposes of this subdivision, "medical purpose" means certification by a licensed physician that remodeling or conversion of a motor vehicle is necessary to enable a ~~handicapped~~ disabled person to use the vehicle.

Sec. 10. Minnesota Statutes 1988, section 169.01, subdivision 24a, is amended to read:

Subd. 24a. [WHEELCHAIR.] For the purposes of this chapter "wheelchair" is defined to include any manual or motorized wheelchair, scooter, tricycle, or similar device used by a ~~handicapped~~ disabled person as a substitute for walking.

Sec. 11. Minnesota Statutes 1988, section 169.215, is amended to read:

Subdivision 1. [DESIGNATION OF CROSSINGS.] Local authorities may designate a ~~senior citizen or handicapped~~ crossing for senior citizens or disabled persons on any street or highway in the vicinity of a senior citizen housing project, senior citizen nursing home, or residential care facility for ~~handicapped~~ disabled persons on the basis of an engineering and traffic investigation prescribed by the commissioner and subject to the uniform specifications adopted pursuant to subdivision 2. Designation of a ~~senior citizen or handicapped~~ crossing for senior citizens or disabled persons on a trunk highway is subject to the written consent of the commissioner.

Subd. 2. [UNIFORM SPECIFICATIONS.] The commissioner shall adopt uniform specifications for ~~senior citizen or handicapped~~ crossings for senior citizens or disabled persons. The specifications shall include criteria for determining the need for a crossing and the type and design of traffic control devices or signals that may be used at the crossing. The specifications shall be incorporated as a part of the manual of uniform traffic control devices required pursuant to section 169.06.

Sec. 12. Minnesota Statutes 1988, section 169.345, is amended to read:

169.345 [PARKING PRIVILEGES FOR PHYSICALLY ~~HANDICAPPED~~ DISABLED.]

Subdivision 1. [SCOPE OF PRIVILEGE.] A vehicle that prominently displays the certificate authorized by this section, or bears

license plates issued under section 168.021, may be parked by or for a physically ~~handicapped~~ disabled person:

(1) in a designated ~~handicapped~~ parking space for disabled persons, as provided in section 169.346; and

(2) in a metered parking space without obligation to pay the meter fee.

For purposes of this subdivision, a certificate is prominently displayed if it is displayed on the dashboard in the left-hand corner of the front windshield of the vehicle with no part of the certificate obscured.

Notwithstanding clauses (1) and (2), this section does not permit parking in areas prohibited by sections 169.32 and 169.34, in designated no parking spaces, or in parking spaces reserved for specified purposes or vehicles. A local governmental unit may, by ordinance, prohibit parking on any street or highway to create a fire lane, or to accommodate heavy traffic during morning and afternoon rush hours and these ordinances also apply to physically ~~handicapped~~ disabled persons.

Subd. 2. [DEFINITIONS.] For the purpose of this section, "physically ~~handicapped~~ disabled person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one meter;

(5) has an arterial oxygen tension (PAO2) of less than 60 mm/hg on room air at rest;

(6) uses portable oxygen; ~~or~~

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association~~.~~; or

(8) has a condition that would be aggravated to such an extent that walking 200 feet would be life threatening.

Subd. 2a. [PHYSICIAN'S OR CHIROPRACTOR'S STATEMENT.] The commissioner shall develop a form for the physician's or chiropractor's statement. The statement must be signed by a licensed physician or chiropractor who certifies that the applicant is a physically ~~handicapped~~ disabled person as defined in subdivision 2. The commissioner may request additional information from the physician or chiropractor if needed to verify the applicant's eligibility. The statement that the applicant is a physically ~~handicapped~~ disabled person must specify whether the disability is permanent or temporary, and if temporary, the opinion of the physician or chiropractor as to the duration of the disability. A physician or chiropractor who fraudulently certifies to the commissioner that a person is a physically ~~handicapped~~ disabled person as defined in subdivision 2, and that the person is entitled to the license plates authorized by section 168.021 or to the certificate authorized by this section, is guilty of a misdemeanor and is subject to a fine of $500. The commissioner may accept, from an applicant who obtained the original certificate by submitting a physician's or chiropractor's statement and whose physical disability can be clearly shown by a photograph, a current photograph of the applicant instead of a new physician's or chiropractor's statement.

Subd. 3. [IDENTIFYING CERTIFICATE.] (a) The division of driver and vehicle services in the department of public safety shall issue a special identifying certificate for a motor vehicle when a physically ~~handicapped~~ disabled applicant submits ~~a statement of a physician or chiropractor~~ proof of physical disability under subdivision 2a. The commissioner shall design separate certificates for persons with permanent and temporary disabilities that can be readily distinguished from each other from outside a vehicle at a distance of 25 feet. The certificate is valid for the duration of the person's disability, as specified in the physician's or chiropractor's statement, up to a maximum of six years. A person with a disability of longer duration will be required to renew the certificate for additional periods of time, up to six years each, as specified in the physician's or chiropractor's statement.

(b) When the commissioner is satisfied that a motor vehicle is used primarily for the purpose of transporting physically ~~handicapped~~ disabled persons, the division may issue without charge a special identifying certificate for the vehicle. The operator of a vehicle displaying the certificate has the parking privileges provided in subdivision 1 while the vehicle is in use for transporting physically ~~handicapped~~ disabled persons. The certificate issued to a person transporting physically ~~handicapped~~ disabled persons must be renewed every third year. On application and renewal, the person must present evidence that the vehicle continues to be used for transporting physically ~~handicapped~~ disabled persons.

(c) A certificate must be made of plastic or similar durable material, must be distinct from certificates issued before January 1, 1988, and must bear its expiration date prominently on its face. A certificate issued to a temporarily disabled person must display the date of expiration of the duration of the disability, as determined under paragraph (a). Each certificate must have printed on the back a summary of the parking privileges and restrictions that apply to each vehicle in which it is used. The commissioner may charge a fee of $5 for issuance or renewal of a certificate, and a fee of $5 for a duplicate to replace a lost, stolen, or damaged certificate.

Subd. 4. [UNAUTHORIZED USE; REVOCATION; PENALTY.] If a peace officer finds that the certificate is being improperly used, the officer shall report the violation to the division of driver and vehicle services in the department of public safety and the commissioner of public safety may revoke the certificate. A person who uses the certificate in violation of this section is guilty of a misdemeanor and is subject to a fine of $500.

Sec. 13. Minnesota Statutes 1988, section 169.346, is amended to read:

169.346 [PARKING FOR PHYSICALLY ~~HANDICAPPED~~ DISABLED; PROHIBITIONS; PENALTIES.]

Subdivision 1. [PARKING CRITERIA.] A person shall not:

(1) park a motor vehicle in or obstruct access to a parking space designated and reserved for the physically ~~handicapped~~ disabled, on either private or public property;

(2) park a motor vehicle in or obstruct access to an area designated by a local governmental unit as a ~~handicapped~~ transfer zone for disabled persons; or

(3) exercise the parking privilege provided in section 169.345, unless:

(i) that person is a physically ~~handicapped~~ disabled person as defined in section 169.345, subdivision 2, or the person is transporting or parking a vehicle for a physically ~~handicapped~~ disabled person; and

(ii) the vehicle visibly displays one of the following: a license plate issued under section 168.021, a certificate issued under section 169.345, or an equivalent certificate, insignia, or license plate issued by another state or one of its political subdivisions.

Subd. 2. [SIGNS; PARKING SPACES TO BE FREE OF OBSTRUCTIONS.] (a) ~~Handicapped~~ Parking spaces for physically

disabled persons must be designated and identified by the posting of signs incorporating the international symbol of access in white on blue and indicating that the parking space is reserved for ~~handicapped~~ disabled persons with vehicles displaying the required certificate, license plates, or insignia. A sign posted for the purpose of this section must be visible from inside a vehicle parked in the space, be kept clear of snow or other obstructions which block its visibility, and be nonmovable or only movable by authorized persons.

(b) The owner or manager of the property on which the designated parking space is located shall ensure that the space is kept free of obstruction. If the owner or manager allows the space to be blocked by snow, merchandise, or similar obstructions for 24 hours after receiving a warning from a peace officer, the owner or manager is guilty of a misdemeanor and subject to a fine of up to $500.

Subd. 3. [PENALTY.] A person who violates subdivision 1 is guilty of a misdemeanor and shall be fined not less than $100 or more than $200. This subdivision shall be enforced in the same manner as parking ordinances or regulations in the governmental subdivision in which the violation occurs. Law enforcement officers have the authority to tag vehicles parked on either private or public property in violation of subdivision 1. A physically ~~handicapped~~ disabled person, or a person parking a vehicle for a ~~handicapped~~ disabled person, who is charged with violating subdivision 1 because the person parked in a ~~handicapped~~ parking space for physically disabled persons without the required certificate or license plates shall not be convicted if the person produces in court or before the court appearance the required certificate or evidence that the person has been issued license plates under section 168.021, and demonstrates entitlement to the certificate or plates at the time of arrest or tagging.

Sec. 14. [REPEALER.]

Minnesota Statutes 1988, section 168.12, subdivisions 3 and 4; and Laws 1988, chapter 636, section 3, are repealed.

Sec. 15. [EFFECTIVE DATE.]

Section 7 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to motor vehicles; providing for special license plates for disabled persons, veterans, and surviving spouses of former POWs; amending Minnesota Statutes 1988, sections 168.011, subdivision 4; 168.012, subdivisions 1 and 3a; 168.021; 168.12, subdivision 2a; 168.123, subdivision 1; 168.125, subdivisions 1 and 2; 168.27, subdivision 2; 169.01, subdivision 24a; 169.215;

169.345; and 169.346; repealing Minnesota Statutes 1988, section 168.12, subdivisions 3 and 4; Laws 1988, chapter 636, section 3."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 949, A bill for an act relating to traffic safety; increasing penalties for persons convicted of DWI after a previous conviction for criminal vehicular operation; amending Minnesota Statutes 1988, section 169.121, subdivision 3.

Reported the same back with the following amendments:

Page 2, line 3, after the second semicolon insert "361.12, subdivision 1, paragraph (a);"

Page 2, line 5, after the second semicolon insert "609.21, subdivision 4, clause (2) or (3);"

Amend the title as follows:

Page 1, line 4, before the semicolon insert "or for another impaired driving crime"

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. 981, A bill for an act relating to juvenile justice; requiring reasonable efforts to prevent placement of children in need of protection or services proceedings; amending duty of juvenile court to ensure placement prevention and family reunification; defining reasonable efforts; clarifying definitions, jurisdiction, and services for Indian children; requiring preference for racial or ethnic heritage for appointment of guardian ad litem; requiring consideration of reasonable efforts in factors determining neglect; requiring that a child be in imminent danger for detention; permitting social services to release for detention; requiring finding of reasonable efforts at detention; and imposing requirements for disposition case plans; amending Minnesota Statutes 1988, sections 260.012; 260.015, subdivisions 11, 13, 14, and by adding subdivisions; 260.111, by adding a subdivision; 260.135, subdivision 2; 260.141;

260.155, subdivisions 4 and 7; 260.165, subdivision 1; 260.171, subdivision 1; 260.172, subdivisions 1 and 4; 260.173, subdivision 2; 260.181, subdivision 2; and 260.191, subdivisions 1a and 1e.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 260.012, is amended to read:

260.012 [DUTY ~~OF JUVENILE COURT~~ TO ENSURE PLACEMENT PREVENTION AND FAMILY REUNIFICATION; REASONABLE EFFORTS.]

If a child in need of protection or services is under the court's ~~dependency or neglect~~ jurisdiction, the court shall ensure that reasonable efforts including culturally appropriate services by the social service agency are made to prevent placement or to eliminate the need for removal and to reunite the child with the child's family at the earliest possible time, consistent with the best interests, safety, and protection of the child. In the case of an Indian child, in proceedings under sections 260.172, 260.191, and 260.221, the juvenile court must make findings and conclusions consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901 et seq., as to the provision of active efforts. If a child is under the court's delinquency jurisdiction, it shall be the duty of the court to ensure that reasonable efforts are made to reunite the child with the child's family at the earliest possible time, consistent with the best interests of the child and the safety of the public.

"Reasonable efforts" means the exercise of due diligence by the responsible social service agency to use appropriate and available services to meet the needs of the child and the child's family in order to prevent removal of the child from the child's family; or upon removal, services to eliminate the need for removal and reunite the family. Services may include those listed under section 256F.07, subdivision 3, and other appropriate services available in the community. The social service agency has the burden of demonstrating that it has made reasonable efforts.

The juvenile court, in proceedings under sections 260.172, 260.191, and 260.221 shall make findings and conclusions as to the provision of reasonable efforts. When determining whether reasonable efforts have been made, the court shall consider whether services to the child and family were:

(1) relevant to the safety and protection of the child;

(2) adequate to meet the needs of the child and family;

(3) culturally appropriate;

(4) available and accessible;

(5) consistent and timely; and

(6) realistic under the circumstances.

Sec. 2. Minnesota Statutes 1988, section 260.015, is amended by adding a subdivision to read:

Subd. 1a. "Agency" means the local social service agency or a licensed child placing agency.

Sec. 3. Minnesota Statutes 1988, section 260.015, subdivision 11, is amended to read:

Subd. 11. "Parent" means the natural or adoptive parent of a minor. For an Indian child, parent includes any Indian person who has adopted a child by tribal law or custom, as provided in section 257.351, subdivision 11.

Sec. 4. Minnesota Statutes 1988, section 260.015, subdivision 13, is amended to read:

Subd. 13. "Relative" means a parent, stepparent, grandparent, brother, sister, uncle, or aunt of the minor. This relationship may be by blood or marriage. For an Indian child, relative includes members of the extended family as defined by the law or custom of the Indian child's tribe or, in the absence of laws or custom, nieces, nephews, or first or second cousins as provided in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1903. For purposes of dispositions, relative has the meaning given it in section 260.181, subdivision 3.

Sec. 5. Minnesota Statutes 1988, section 260.015, subdivision 14, is amended to read:

Subd. 14. "Custodian" means any person who is under a legal obligation to provide care and support for a minor or who is in fact providing care and support for a minor. For an Indian child, custodian means any Indian person who has legal custody of an Indian child under tribal law or custom or under state law or to whom temporary physical care, custody, and control has been transferred by the parent of the child, as provided in section 257.351, subdivision 8.

Sec. 6. Minnesota Statutes 1988, section 260.015, is amended by adding a subdivision to read:

Subd. 26. [INDIAN.] "Indian," consistent with section 257.351, subdivision 5, means a person who is a member of an Indian tribe or who is an Alaskan native and a member of a regional corporation as defined in section 7 of the Alaska Native Claims Settlement Act, United States Code, title 43, section 1606.

Sec. 7. Minnesota Statutes 1988, section 260.015, is amended by adding a subdivision to read:

Subd. 27. [INDIAN CHILD.] "Indian child," consistent with section 257.351, subdivision 6, means an unmarried person who is under age 18 and is:

(1) a member of an Indian tribe; or

(2) eligible for membership in an Indian tribe.

Sec. 8. Minnesota Statutes 1988, section 260.111, is amended by adding a subdivision to read:

Subd. 5. [JURISDICTION OVER INDIAN CHILDREN.] In a child in need of protection or services proceeding, when an Indian child is a ward of a tribal court with federally recognized child welfare jurisdiction, the Indian tribe retains exclusive jurisdiction notwithstanding the residence or domicile of an Indian child, as provided in the Indian Child Welfare Act of 1978, United States Code, title 25, section 1911.

Sec. 9. Minnesota Statutes 1988, section 260.135, subdivision 2, is amended to read:

Subd. 2. The court shall have notice of the pendency of the case and of the time and place of the hearing served upon a parent, guardian, or spouse of the child, who has not been summoned as provided in subdivision 1. For an Indian child, notice of all proceedings must comply with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et seq., and section 257.353.

Sec. 10. Minnesota Statutes 1988, section 260.141, is amended by adding a subdivision to read:

Subd. 2a. In any proceeding regarding a child in need of protection or services in a state court where the court knows or has reason to know that an Indian child is involved, the prosecuting authority seeking the foster care placement of, or termination of parental rights to an Indian child, shall notify the parent or Indian custodian and the Indian child's tribe of the pending proceedings and of their right of intervention. Unless personal service is accomplished, the notices required under this subdivision shall be made by registered mail with return receipt requested. If the identity or location of the

parent or Indian custodian and the tribe cannot be determined, the notices shall be given to the Secretary of the Interior of the United States in like manner, according to the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912. No foster care placement proceeding or termination of parental rights proceeding shall be held until at least ten days after receipt of notice by the parent or Indian custodian and the tribe or the Secretary. However, the parent or Indian custodian or the tribe shall, upon request, be granted up to 20 additional days to prepare for the proceeding.

Sec. 11. Minnesota Statutes 1988, section 260.155, subdivision 1a, is amended to read:

Subd. 1a. [RIGHT TO PARTICIPATE IN PROCEEDINGS.] A child who is the subject of a petition, and the parents, guardian, or lawful custodian of the child have the right to participate in all proceedings on a petition. Any grandparent of the child ~~has a right to participate in the proceedings to the same extent as a parent~~, if the child has lived with the grandparent within the two years preceding the filing of the petition, may ask the court for the right to participate in the proceedings. In determining whether and to what extent the grandparent should participate, the court shall consider the best interests of the child. A grandparent who is entitled to notice but who is not given the right to participate shall still have the right to be present at the hearing, subject to subdivision 5. At the first hearing following the filing of a petition, the court shall ask whether the child has lived with a grandparent within the last two years, except that the court need not make this inquiry if the petition states that the child did not live with a grandparent during this time period. Failure to notify a grandparent of the proceedings is not a jurisdictional defect.

Sec. 12. Minnesota Statutes 1988, section 260.155, subdivision 4, is amended to read:

Subd. 4. [GUARDIAN AD LITEM.] (a) The court shall appoint a guardian ad litem to protect the interests of the minor when it appears, at any stage of the proceedings, that the minor is without a parent or guardian, or that the minor's parent is a minor or incompetent, or that the parent or guardian is indifferent or hostile to the minor's interests, and in every proceeding alleging a child's need for protection or services under section 260.015, subdivision 2a, clauses (1) to (10). In any other case the court may appoint a guardian ad litem to protect the interests of the minor when the court feels that such an appointment is desirable. The court shall appoint the guardian ad litem on its own motion or in the manner provided for the appointment of a guardian ad litem in the district court.

(b) The court may waive the appointment of a guardian ad litem pursuant to clause (a), whenever counsel has been appointed pursu-

ant to subdivision 2 or is retained otherwise, and the court is satisfied that the interests of the minor are protected.

(c) In appointing a guardian ad litem pursuant to clause (a), the court shall not appoint the party, or any agent or employee thereof, filing a petition pursuant to section 260.131.

(d) The following factors shall be considered if a guardian ad litem is appointed in a case involving an Indian or minority child:

(1) whether a person is available who is the same racial or ethnic heritage as the child or, if that is not possible,

(2) whether a person is available who knows and appreciates the child's racial or ethnic heritage.

Sec. 13. Minnesota Statutes 1988, section 260.155, subdivision 7, is amended to read:

Subd. 7. [FACTORS IN DETERMINING NEGLECT.] In determining whether a child is neglected and in foster care, the court shall consider, among other factors, the following:

(1) the length of time the child has been in foster care;

(2) the effort the parent has made to adjust circumstances, conduct, or condition that necessitates the removal of the child to make it in the child's best interest to be returned to the parent's home in the foreseeable future, including the use of rehabilitative services offered to the parent;

(3) whether the parent has visited the child within the three months preceding the filing of the petition, unless extreme financial or physical hardship or treatment for mental disability or chemical dependency or other good cause prevented the parent from visiting the child or it was not in the best interests of the child to be visited by the parent;

(4) the maintenance of regular contact or communication with the agency or person temporarily responsible for the child;

(5) the appropriateness and adequacy of services provided or offered to the parent to facilitate a reunion;

(6) whether additional services would be likely to bring about lasting parental adjustment enabling a return of the child to the parent within an ascertainable period of time, whether the services have been offered to the parent or, if services were not offered, the reasons they were not offered; and

(7) the nature of the ~~effort~~ efforts made by the responsible social service agency to rehabilitate and reunite the family, and whether the efforts were reasonable.

Sec. 14. Minnesota Statutes 1988, section 260.165, subdivision 1, is amended to read:

Subdivision 1. No child may be taken into immediate custody except:

(a) With an order issued by the court in accordance with the provisions of section 260.135, subdivision 5, or by a warrant issued in accordance with the provisions of section 260.145; or

(b) In accordance with the laws relating to arrests; or

(c) By a peace officer

(1) when a child has run away from a parent, guardian, or custodian, or when the peace officer reasonably believes such child has run away from a parent, guardian, or custodian; or

(2) when a child is found in surroundings or conditions which endanger the child's health or welfare or which such peace officer reasonably believes will endanger ~~such~~ the child's health or welfare. If an Indian child is a resident of a reservation or is domiciled on a reservation but temporarily located off the reservation, the taking of the child into custody under this clause shall be consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1922; or

(d) By a peace officer or probation or parole officer when it is reasonably believed that the child has violated the terms of probation, parole, or other field supervision.

Sec. 15. Minnesota Statutes 1988, section 260.171, subdivision 1, is amended to read:

Subdivision 1. If a child is taken into custody as provided in section 260.165, the parent, guardian, or custodian of the child shall be notified as soon as possible. Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person. When a child is taken into custody by a peace officer under section 260.165, subdivision 1, clause (c)(2), release from detention may be authorized by the detaining officer, the detaining

officer's supervisor, or the county attorney. If the social service agency has determined that the child's health or welfare will not be endangered and the provision of appropriate and available services will eliminate the need for placement, the agency shall request authorization for the child's release from detention. ~~That~~ The person to whom the child is released shall promise to bring the child to the court, if necessary, at the time the court may direct. If the person taking the child into custody believes it desirable, that person may request the parent, guardian, custodian, or other person designated by the court to sign a written promise to bring the child to court as provided above. The intentional violation of such a promise, whether given orally or in writing, shall be punishable as contempt of court.

The court may require the parent, guardian, custodian, or other person to whom the child is released, to post any reasonable bail or bond required by the court which shall be forfeited to the court if the child does not appear as directed. The court may also release the child on the child's own promise to appear in juvenile court.

Sec. 16. Minnesota Statutes 1988, section 260.172, subdivision 1, is amended to read:

Subdivision 1. Except a child taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), a hearing shall be held within 36 hours of a child's being taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue in detention. Within 72 hours of a child being taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), excluding Saturdays, Sundays, and holidays, a hearing shall be held to determine whether the child should continue in custody. Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person. In a proceeding regarding a child in need of protection or services, the court, before determining whether a child should continue in custody, shall also make a determination, consistent with section 260.012, as to whether reasonable efforts, or in the case of an Indian child, active efforts, according to the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement or to reunite the child with the child's family, or that reasonable efforts were not possible. The court shall also determine whether there are available services that would prevent the need for further detention.

If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely

remain at home, the court may nevertheless authorize or continue the removal of the child.

Sec. 17. Minnesota Statutes 1988, section 260.172, subdivision 4, is amended to read:

Subd. 4. If a child held in detention under a court order issued under subdivision 2 has not been released prior to expiration of the order, the court or referee shall informally review the child's case file to determine, under the standards provided by subdivision 1, whether detention should be continued. If detention is continued thereafter, informal reviews such as these shall be held within every eight days, excluding Saturdays, Sundays and holidays, of the child's detention.

A hearing, rather than an informal review of the child's case file, shall be held at the request of any one of the parties notified pursuant to subdivision 3, if that party notifies the court of a wish to present to the court new evidence concerning whether the child should be continued in detention or notifies the court of a wish to present an alternate placement arrangement to provide for the safety and protection of the child.

In addition, if a child was taken into detention under section 260.135, subdivision 5, or 260.165, subdivision 1, clause (c)(2), and is held in detention under a court order issued under subdivision 2, the court shall schedule and hold an adjudicatory hearing on the petition within 60 days of the detention hearing upon the request of any party to the proceeding ~~unless~~. However, if good cause is shown by a party to the proceeding why the hearing should not be held within that time period, the hearing shall be held within 90 days, unless the parties agree otherwise and the court so orders.

Sec. 18. Minnesota Statutes 1988, section 260.173, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, if the child had been taken into custody pursuant to section 260.165, subdivision 1, clause (a), or had been found in surroundings or conditions reasonably believed to endanger the child's health or welfare, and is not alleged to be delinquent, the child ~~may~~ shall be detained ~~only~~ in the least restrictive setting consistent with the child's health and welfare and in closest proximity to the child's family as possible. Placement may be with a child's relative, or in a shelter care facility.

Sec. 19. Minnesota Statutes 1988, section 260.181, subdivision 2, is amended to read:

Subd. 2. [CONSIDERATION OF REPORTS.] Before making a

disposition in a case, or terminating parental rights, or appointing a guardian for a child the court may consider any report or recommendation made by the county welfare board, probation officer, ~~or~~ licensed child placing agency, foster parent, guardian ad litem, tribal representative, or other authorized advocate for the child or child's family, or any other information deemed material by the court.

Sec. 20. Minnesota Statutes 1988, section 260.191, subdivision 1a, is amended to read:

Subd. 1a. [WRITTEN FINDINGS.] 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;

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case; ~~and~~

(c) In the case of a child of minority racial or minority ethnic heritage, how the court's disposition complies with the requirements of section 260.181, subdivision 3~~.~~; and

(d) Whether reasonable efforts consistent with section 260.012 were made to prevent or eliminate the necessity of the child's removal and to reunify the family after removal. The court's findings must include a brief description of what preventive and reunification efforts were made and why further efforts could not have prevented or eliminated the necessity of removal.

If the court finds that the social services agency's preventive or reunification efforts have not been reasonable but that further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

Sec. 21. Minnesota Statutes 1988, section 260.191, subdivision 1e, is amended to read:

Subd. 1e. [CASE PLAN.] For each disposition ordered, the court shall order the appropriate agency to prepare a written case plan developed after consultation with and participation by the child and the child's parent, guardian, ~~or~~ foster parent, custodian, or guardian ad litem and tribal representative if the tribe has intervened. The case plan shall comply with the requirements of section 257.071, where applicable. The case plan shall, among other matters, specify the actions to be taken by the child and the child's parent, guardian,

foster parent, or custodian to comply with the court's disposition order, and the services to be offered and provided by the agency to the child and the child's parent, guardian, or custodian. For each disposition ordered, the written case plan shall specify what reasonable efforts shall be provided to the family. The case plan must include a discussion of:

(1) the availability of appropriate prevention and reunification services for the family to prevent the removal of the child from the home or to reunify the child with the family after removal;

(2) any services or resources that were requested by the child or the child's parent, guardian, or custodian since the date of initial adjudication, and whether those services or resources were provided or the basis for denial of the services or resources;

(3) the need of the child and family for care, treatment, or rehabilitation;

(4) the need for participation by the parent, guardian, or custodian in the plan of care for the child; and

(5) a description of any services that could prevent placement or reunify the family if such services were available.

The court shall review the case plan and, upon approving it, incorporate the plan into its disposition order. The court may review and modify the terms of the case plan in the manner provided in subdivision 2. A party has a right to request a court review of the reasonableness of the case plan upon a showing of a substantial change of circumstances.

Sec. 22. Minnesota Statutes 1988, section 260.231, subdivision 3, is amended to read:

Subd. 3. The court shall have notice of the time, place, and purpose of the hearing served on the parents, as defined in sections 257.51 to 257.74 or 259.26, subdivision 1, clause (2), and upon the child's grandparent if the child has lived with the grandparent within the two years immediately preceding the filing of the petition. Notice shall be served in the manner provided in sections 260.135 and 260.141, except that personal service shall be made at least ten days before the day of the hearing. Published notice shall be made for three weeks, the last publication to be at least ten days before the day of the hearing; and notice sent by certified mail shall be mailed at least 20 days before the day of the hearing. A parent who consents to the termination of parental rights under the provisions of section 260.221, clause (a), may waive in writing the notice required by this subdivision; however, if the parent is a minor or incompetent the

waiver shall be effective only if the parent's guardian ad litem concurs in writing."

Delete the title and insert:

"A bill for an act relating to juvenile justice; requiring reasonable efforts to prevent placement of children in need of protection or services proceedings; amending duty of juvenile court to ensure placement prevention and family reunification; defining reasonable efforts; clarifying definitions, jurisdiction, and services for Indian children; requiring preference for racial or ethnic heritage for appointment of guardian ad litem; requiring consideration of reasonable efforts in factors determining neglect; requiring finding of reasonable efforts at detention; imposing requirements for disposition case plans; providing for notice to and participation by certain grandparents in juvenile court; amending Minnesota Statutes 1988, sections 260.012; 260.015, subdivisions 11, 13, 14, and by adding subdivisions; 260.111, by adding a subdivision; 260.135, subdivision 2; 260.141, by adding a subdivision; 260.155, subdivisions 1a, 4, and 7; 260.165, subdivision 1; 260.171, subdivision 1; 260.172, subdivisions 1 and 4; 260.173, subdivision 2; 260.181, subdivision 2; 260.191, subdivisions 1a and 1e; and 260.231, subdivision 3."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1016, A bill for an act relating to juvenile justice; eliminating juvenile court jurisdiction over children alleged to be aggravated DWI offenders; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; amending Minnesota Statutes 1988, sections 171.04; 260.111, by adding a subdivision; 260.115, subdivision 1; 260.121, subdivision 3; 260.193, subdivision 1, and by adding a subdivision; and 260.195, subdivision 3, and by adding subdivisions.

Reported the same back with the following amendments:

Delete page 3, line 20 to page 5, line 30

Page 6, line 26, strike "(e)" and insert "(f)"

Page 7, line 1, after "may" insert "suspend the driver's license or

permit for a period up to 90 days and, if appropriate, allow driving privileges to and from work or"

Page 7, line 6, after "adjudicated" insert "habitual"

Page 7, after line 14, insert:

"Sec. 5. Minnesota Statutes 1988, section 332.51, subdivision 3, is amended to read:

Subd. 3. [LIABILITY OF PARENT OR GUARDIAN.] ~~The provisions of~~ Section 540.18 ~~apply~~ applies to this section, except that recovery is not limited to special damages.

Sec. 6. [REPEALER.]

Laws 1985, chapter 278, section 2, is repealed."

Page 7, line 16, delete "9" and insert "5"

Page 7, line 17, after the period insert "Section 6 is effective the day following final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete everything before "authorizing"

Page 1, line 10, after the semicolon insert "removing certain limitations on parental liability for thefts by minors; removing a repealer;"

Page 1, delete lines 12 and 13

Page 1, line 14, delete everything before "260.195,"

Page 1, line 15, before the period insert "; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1048, A bill for an act relating to vocational rehabilitation; requiring that 51 percent of the members of the board of directors of centers for independent living are persons with disabilities; changing the membership of the Minnesota council for the blind; amending Minnesota Statutes 1988, sections 129A.01, subdivision 9; and 248.10, subdivision 1.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 1069, A bill for an act relating to real property; providing that purchaser's right to cancel applies to condominiums created before August 1, 1980; providing that lien on real estate added in expansion of flexible condominiums does not affect existing condominiums; empowering homeowner associations to foreclose assessment liens; amending Minnesota Statutes 1988, sections 515A.1-102; and 515A.2-111; proposing coding for new law as Minnesota Statutes, chapter 515B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 515A.1-102, is amended to read:

515A.1-102 [APPLICABILITY.]

(a) Sections 515A.1-105 (Property Taxation), 515A.1-106 (Applicability of Local Ordinances, Regulations, and Building Codes), 515A.1-107 (Eminent Domain), 515A.2-103 (Construction and Validity of Declaration and Bylaws), 515A.2-104 (Description of Units), 515A.3-102 (a) (1) to (5) and (9) to (12) (Powers of Unit Owners Association), 515A.3-111 (Tort and Contract Liability), 515A.3-112 (Insurance), 515A.3-115 (Lien for Assessments), 515A.3-116 (Association Records), 515A.4-107 (Resales of Units), 515A.4-1075 (Purchaser's Right to Cancel), and 515A.1-103 (Definitions) to the extent necessary in construing any of those sections, apply to all condominiums created in this state prior to August 1, 1980; provided, however, that these sections apply only with respect to events and circumstances occurring after July 31, 1980, and do not invalidate existing

provisions of the declaration, bylaws, or floor plans of those condominiums.

(b) Sections 515A.1-101 to 515A.4-117 apply to all condominiums created within this state after August 1, 1980. The provisions of sections 515.01 to 515.29 do not apply to condominiums created after August 1, 1980 and do not invalidate any amendment to the declaration, bylaws, or floor plans of any condominium created before August 1, 1980, or to a condominium plat of any condominium created before August 1, 1986, if the amendment would be permitted by sections 515A.1-101 to 515A.4-117. The amendment must be adopted in conformity with the procedures and requirements specified by those instruments and by sections 515.01 to 515.29. If the amendment grants to any person any rights, powers or privileges permitted by sections 515A.1-101 to 515A.4-117, all correlative obligations, liabilities, and restrictions in sections 515A.1-101 to 515A.4-117 also apply to that person.

Sec. 2. Minnesota Statutes 1988, section 515A.2-111, is amended to read:

515A.2-111 [EXPANSION OF FLEXIBLE CONDOMINIUMS.]

(a) To add additional real estate pursuant to an option reserved under section 515A.2-106(1), all persons having an interest in the additional real estate, excepting any holder of an easement or any holder of an interest to secure an obligation which interest was recorded or created subsequent to the recording of the declaration, shall prepare and execute and, after notice as provided in subsection (b), record an amendment to the declaration. The amendment to the declaration shall assign an identifying number to each unit formed in the additional real estate, and reallocate common element interests, votes in the association, and common expense liabilities according to section 515A.2-108. The amendment shall describe or delineate any limited common elements formed out of the additional real estate, showing or designating the unit to which each is allocated to the extent required by section 515A.2-109 (Limited Common Elements).

(b) The declarant shall serve notice of an intention to add additional real estate as follows:

(1) To the association in the same manner as service of summons in a civil action in district court at least 30 days prior to recording the amendment. The amendment shall be attached to the notice and shall not thereafter be changed so as to materially affect the rights of unit owners.

(2) To the occupants of each unit by notice given in the manner provided in section 515A.1-115 not less than 20 days prior to recording the amendment addressed to "Occupant Entitled to Legal

Notice" at each unit. Attached to the notice shall be a statement that the amendment has been served on the association.

(3) Proof of service upon the association and the occupants shall be attached to the recorded amendment.

(c) A lien upon the additional real estate that is not also upon the existing condominium is a lien only upon the units and their percentage of the common elements that are created from the additional real estate. Units within the condominium as it existed prior to expansion are transferred free of liens that are liens only upon the additional real estate, notwithstanding the fact that the percentage of common elements for the units is a percentage of the entire condominium, including the additional real estate."

Amend the title as follows:

Page 1, delete lines 2 to 10 and insert:

"relating to real property; providing that purchaser's right to cancel applies to condominiums created before August 1, 1980; providing that lien on real estate added in expansion of flexible condominiums does not affect existing condominiums; amending Minnesota Statutes 1988, sections 515A.1-102; and 515A.2-111."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1118, A bill for an act relating to consumer protection; requiring new motor vehicle damage disclosures; amending Minnesota Statutes 1988, sections 168A.04, subdivisions 1 and 4; and 168A.05, subdivisions 3 and 5; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 168A.04, subdivision 1, is amended to read:

Subdivision 1. The application for the first certificate of title of a vehicle in this state shall be made by the owner to the department on the form prescribed by the department and shall contain:

(1) The first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;

(2) A description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, and whether new or used;

(3) The date of purchase by applicant, the name and address of the person from whom the vehicle was acquired, the names and addresses of any secured parties in the order of their priority, and the dates of their respective security agreements;

(4) With respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage; ~~and~~

(5) With respect to vehicles subject to section 6, whether the vehicle was submerged or flooded above the floor level; and

(6) Any further information the department reasonably requires to identify the vehicle and to enable it to determine whether the owner is entitled to a certificate of title, and the existence or nonexistence and priority of any security interest in the vehicle.

Sec. 2. Minnesota Statutes 1988, section 168A.04, subdivision 4, is amended to read:

Subd. 4. If the application refers to a vehicle last previously registered in another state or country, the application shall contain or be accompanied by:

(1) Any certificate of title issued by the other state or country;

(2) Any other information and documents the department reasonably requires to establish the ownership of the vehicle and the existence or nonexistence and priority of any security interest in it;

(3) The certificate of a person authorized by the department that the identifying number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the department reasonably requires.; and

(4) With respect to vehicles subject to section 6, whether the vehicle was submerged or flooded above the floor level.

Sec. 3. Minnesota Statutes 1988, section 168A.05, subdivision 3, is amended to read:

Subd. 3. [CONTENT OF CERTIFICATE.] Each certificate of title issued by the department shall contain:

(1) The date issued;

(2) The first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;

(3) The names and addresses of any secured parties in the order of priority as shown on the application, or if the application is based on a certificate of title, as shown on the certificate, or as otherwise determined by the department;

(4) The title number assigned to the vehicle;

(5) A description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;

(6) With respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage; ~~and~~

(7) With respect to vehicles subject to section 6, the appropriate term "flood damaged," "rebuilt," or "reconstructed"; and

(8) Any other data the department prescribes.

Sec. 4. Minnesota Statutes 1988, section 168A.05, subdivision 5, is amended to read:

Subd. 5. [ASSIGNMENT AND WARRANTY OF TITLE FORMS.] The certificate of title shall contain forms for assignment and warranty of title by the owner, and for assignment and warranty of title by a dealer, and may contain forms for applications for a certificate of title by a transferee, the naming of a secured party, and the assignment or release of security interests, and shall include language necessary to implement section 6.

Sec. 5. [325F.664] [NEW MOTOR VEHICLE DAMAGE DISCLOSURES.]

Subdivision 1. [DEFINITION.] For the purposes of this section, the term "new motor vehicle" means a motor vehicle as defined in section 80E.03, subdivision 7, including vehicles driven for demonstration purposes.

Subd. 2. [DISCLOSURE OF DAMAGE EXCEEDING FOUR PERCENT OF RETAIL PRICE.] (a) Before the sale of a new motor vehicle, a dealer must disclose and describe to the buyer, in a clear and conspicuous written statement, any damage to the vehicle of which the dealer had actual knowledge, if the dealer's cost of repairs exceeded four percent of the manufacturer's suggested retail price, or $500, whichever is greater.

(b) A manufacturer, distributor, or importer must disclose and describe to its franchised dealers, in a clear and conspicuous written statement, any repaired damage exceeding four percent of the manufacturer's suggested retail price, or $500, whichever is greater.

(c) Damaged or stolen glass, tires, wheels, bumpers, radios, and in-dash audio components are excluded from the disclosure requirements of this subdivision if the damaged or stolen parts are replaced with identical manufacturer's original equipment.

Sec. 6. [325F.6641] [DISCLOSURE OF MOTOR VEHICLE FLOOD DAMAGE; TITLE BRANDING.]

Subdivision 1. [FLOOD DAMAGE.] If a motor vehicle has been submerged or flooded above floor level while parked on a licensed motor vehicle dealer's lot or if the vehicle has sustained damage by collision or other occurrence which exceeds 70 percent of its actual cash value so that the vehicle becomes a class C total loss vehicle, the seller must disclose that fact to the buyer, if the seller has actual knowledge of the flood damage.

The disclosure required under this subdivision must be made in writing on the application for title and registration or other transfer document, in a manner prescribed by the registrar of motor vehicles. The registrar shall revise the certificate of title form, including the assignment by seller (transferor) and reassignment by licensed dealer sections of the form, the separate application for title forms, and other transfer documents to accommodate this disclosure. If the seller is a motor vehicle dealer licensed pursuant to section 168.27, the disclosure required by this section must be made orally by the dealer to the prospective buyer in the course of the sales presentation.

Subd. 2. [FORM OF DISCLOSURE.] The disclosure required in this section must be made in substantially the following form: "To the best of my knowledge, this vehicle has ..... has not ..... been submerged or flooded above floor level, has ..... has not ..... sustained damage in excess of 70 percent actual cash value."

Subd. 3. [REGISTRAR TO MARK TITLES.] If the application for title and registration indicates that the vehicle has been classified as a class B or C total loss vehicle because of water or flood damage or has been submerged or flooded above floor level while parked on a licensed motor vehicle dealer's lot, the registrar of motor vehicles shall record the term "flood damaged" on the certificate of title and all subsequent certificates of title issued for that vehicle.

Upon transfer and application for title of all class C total loss vehicles and all repaired vehicles with out-of-state titles that bear the term "damaged," "salvage," "rebuilt," "reconditioned," or any similar term, the registrar of motor vehicles shall record the word "rebuilt" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle. The registrar shall mark "rebuilt" on the first Minnesota certificate of title and all subsequent certificates of title issued for any vehicle which came into the state unrepaired and for which a salvage certificate of title was issued unless the person applying for the Minnesota title offers proof satisfactory to the registrar that the vehicle did not sustain damage equivalent to the 70 percent standard set forth in this section. For vehicles with out-of-state titles which bear the term "flood damaged," the registrar of motor vehicles shall record the term "flood damaged" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title issued for that vehicle. For vehicles that are reconstructed within the meaning of section 168A.15, the registrar shall record the word "reconstructed" on the certificate of title and all subsequent certificates of title.

The designation of "flood damaged," "rebuilt," or "reconstructed" on a certificate of title shall be made by the registrar of motor vehicles in a clear and conspicuous manner, in a color different from all other writing on the certificate of title.

For the purposes of this section, a class C total loss vehicle means a vehicle for which a salvage certificate of title has been issued and vehicles with damage of at least 70 percent of the vehicle's actual cash value as determined by an insurer or dealer pursuant to section 168A.151 or by comparing an insurer's written estimate of damage or actual loss payout to the average trade-in value of the vehicle according to the National Automobile Dealers Association's Official Used Car Guide or other similar publication approved by the registrar.

Subd. 4. [DEALER DISCLOSURE.] If a licensed motor vehicle dealer offers for sale a vehicle with a branded title, the dealer shall orally disclose the existence of the brand in the course of the sales presentation.

Sec. 7. [325F.6642] [REMEDIES; PENALTIES.]

A person who violates sections 5 and 6 is subject to the remedies and penalties, including a private right of action, provided in section 8.31.

A person injured by a violation of sections 5 and 6 shall recover the actual damages sustained, together with costs and disbursements, including reasonable attorney's fees. In its discretion, the court may increase the award of damages to an amount not to exceed three times the actual damages sustained, or $2,500, whichever is greater.

The relief provided in this section is in addition to any remedies otherwise available under the common law or other statutes of this state.

Sec. 8. [325F.6643] [APPLICATION.]

Section 6 does not apply to vehicles that are ten years old or older as calculated from the first day of January of the designated model year or to commercial motor vehicles with a gross vehicle rating of 26,000 pounds or more.

Sec. 9. [EFFECTIVE DATE AND TRANSITION.]

Sections 1 to 8 are effective on July 1, 1990. All certificates of title issued after that date must include the disclosure language in the assignment by seller (transferor), reassignment by licensed dealer sections, and other transfer documents, and the appropriate designation "flood damaged," "rebuilt," or "reconstructed" as required by section 6, subdivision 3. No title application or title transfer shall be rejected by the registrar for failure to include the disclosures required by sections 1 to 7 if the application for title, the assignment by seller (transferor), reassignment by licensed dealer, or other transfer documents have not been revised to include the appropriate form for disclosure pursuant to section 6, subdivision 2."

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. 1151, A bill for an act relating to probate; changing procedure for notice to certain creditors; changing certain time limits; amending Minnesota Statutes 1988, sections 524.3-801; 524.3-802; 524.3-803; and 524.3-807.

Reported the same back with the following amendments:

Delete page 1, line 23 to page 3, line 3

Page 3, line 4, delete "(3)"

Page 3, delete lines 15 to 24 and insert:

"(b)(1) Within three months after: (i) the date of the first publication of the notice, or (ii) the effective date of this section, whichever is later, the personal representative may determine, in the personal representative's discretion, that it is or is not advisable to conduct a reasonably diligent search for creditors of the decedent who are either not known or not identified. If the personal representative determines that a reasonably diligent search is advisable, the personal representative shall conduct the search.

(2) If the notice is first published after the effective date of this section, the personal representative shall, within three months after the date of the first publication of the notice, serve a copy of the notice upon each then known and identified creditor in the manner provided in paragraph (c). If notice was first published under the applicable provisions of law under the direction of the court administrator before the effective date of this section, and if a personal representative is empowered to act at any time after the effective date of this section, the personal representative shall, within three months after the effective date of this section, serve upon the then known and identified creditors in the manner provided in paragraph (c) a copy of the notice as published, together with a supplementary notice requiring each of the creditors to present any claim within one month after the date of the service of the notice or be forever barred.

(c) The personal representative shall serve a copy of any notice and any supplementary notice required by paragraph (b), clause (1) or (2), upon each creditor of the decedent who is then known to the personal representative and identified, except a creditor whose claim has either been presented to the personal representative or paid, either by delivery of a copy of the required notice to the creditor, or by mailing a copy of the notice to the creditor by certified, registered, or ordinary first class mail addressed to the creditor at the creditor's office or place of residence."

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. 1163, A bill for an act relating to resource development;

requiring a research study on the effect of aspen thinning; appropriating money.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

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

H. F. No. 1187, A bill for an act relating to human services; providing for eligibility changes in the medical assistance, general assistance medical care, and children's health plan programs; clarifying existing eligibility requirements; providing for coordination of benefits with the children's health plan; providing for certain changes in the administration of the medical assistance demonstration project; amending Minnesota Statutes 1988, sections 62A.045; 62A.046; 145.61, subdivision 5; 145.63; 214.06, subdivision 1; 256.936, subdivisions 1, 2, and 4; 256.969; 256B.031, subdivision 5; 256B.04, subdivision 14; 256B.055, subdivisions 7 and 8; 256B.056, subdivisions 3 and 5; 256B.062; 256B.0625, subdivision 13, and by adding a subdivision; 256B.14; 256B.69, subdivisions 4, 5, 11, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 7; and 297.13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 256 and 256B; repealing Minnesota Statutes 1988, sections 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.17; and 256B.69, subdivisions 12, 13, 14, and 15.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 62A.045, is amended to read:

62A.045 [PAYMENTS ~~TO~~ ON BEHALF OF WELFARE RECIPIENTS.]

No policy ~~of~~ or plan of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter; vendor of risk management services regulated under section 60A.23; nonprofit health service plan corporation regulated under chapter 62C; health maintenance organization regulated under chapter 62D; or self-insured plan regulated under chapter 62E shall contain any provision denying or reducing benefits because services are rendered to ~~an insured or dependent~~ a person who is eligible for or receiving medical ~~assistance~~ benefits pursuant to chapter 256B or 256D or services pursuant to section 252.27; 256.936; 260.251, subdivision 1a; 261.27; or 393.07, subdivision 1 or 2.

If a person covered under a policy or plan of health, medical, hospitalization, or accident and sickness insurance is receiving medical benefits according to any statute listed in this section, payment for covered services or notice of denial for services billed by the provider must be issued directly to the provider. Claims submitted by the provider to the insurer must contain a statement that the person was receiving medical benefits through the department of human services at the time the service was provided. When the commissioner of human services notifies the insurer that the commissioner has made payment to the provider, benefits or notices of denial must be issued directly to the commissioner. Submission of the claim on the department of human services claim form is proper notice and proof of payment of the claim to the provider and supersedes contract requirements relating to the form of submission. Liability to the insured for coverage is satisfied to the extent that payments for those benefits are made to the provider or the commissioner.

Sec. 2. Minnesota Statutes 1988, section 62A.046, is amended to read:

62A.046 [COORDINATION OF BENEFITS.]

(1) No group contract providing coverage for hospital and medical treatment or expenses issued or renewed after August 1, 1984, which is responsible for secondary coverage for services provided, may deny coverage or payment of the amount it owes as a secondary payor solely on the basis of the failure of another group contract, which is responsible for primary coverage, to pay for those services.

(2) A group contract which provides coverage of a claimant as a dependent of a parent who has legal responsibility for the dependent's medical care pursuant to a court order under section 518.171 must make payments directly to the provider of care. In such cases, liability to the insured is satisfied to the extent of benefit payments made to the provider.

(3) This section applies to an insurer, a vendor of risk management services regulated under section 60A.23, a nonprofit health service plan corporation regulated under chapter 62C and a health maintenance organization regulated under chapter 62D. Nothing in this section shall require a secondary payor to pay the obligations of the primary payor nor shall it prevent the secondary payor from recovering from the primary payor the amount of any obligation of the primary payor that the secondary payor elects to pay.

(4) Payments made on behalf of an enrollee in the children's health plan under section 256.936, or a person receiving benefits under chapter 256B or 256D, for services that are covered by the policy or plan of health insurance, must apply to any deductible the

enrollee is obligated to pay under a group or individual policy or plan of health insurance, if the enrollee is insured.

(5) The commissioner of human services shall recover payments made by the children's health plan from the responsible insurer, for services provided by the children's health plan and covered by the policy or plan of health insurance.

Sec. 3. Minnesota Statutes 1988, section 145.61, subdivision 5, is amended to read:

Subd. 5. "Review organization" means a nonprofit organization acting according to clause (k) or a committee whose membership is limited to professionals and administrative staff, except where otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in chapter 62D, by a nonprofit health service plan corporation as defined in chapter 62C ~~or~~, by a professional standards review organization established pursuant to United States Code, title 42, section 1320c-1 et seq., or by a medical review agent established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), or by the department of human services, to gather and review information relating to the care and treatment of patients for the purposes of:

(a) evaluating and improving the quality of health care rendered in the area or medical institution;

(b) reducing morbidity or mortality;

(c) obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) developing and publishing guidelines showing the norms of health care in the area or medical institution;

(e) developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations;

(g) acting as a professional standards review organization pursuant to United States Code, title 42, section 1320c-1 et seq.;

(h) determining whether a professional shall be granted staff privileges in a medical institution or whether a professional's staff privileges should be limited, suspended or revoked; ~~or~~

(i) reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers or health maintenance organizations and their insureds or enrollees;

(2) professional licensing boards acting under their powers including disciplinary, license revocation or suspension procedures and health providers licensed by them when the matter is referred to a review committee by the professional licensing board;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers or health maintenance organizations concerning a charge or fee for health care services provided to an insured or enrollee;

(5) professionals or their patients and the federal, state, or local government, or agencies thereof; ~~or~~

(j) providing underwriting assistance in connection with professional liability insurance coverage applied for or obtained by dentists, or providing assistance to underwriters in evaluating claims against dentists.~~;~~

(k) acting as a medical review agent under section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b); or

(l) providing recommendations on the medical necessity of a health service, or the relevant prevailing community standard for a health service.

Sec. 4. Minnesota Statutes 1988, section 145.63, is amended to read:

145.63 [LIMITATION ON LIABILITY FOR SPONSORING ORGANIZATIONS, REVIEW ORGANIZATIONS, AND MEMBERS OF REVIEW ORGANIZATIONS.]

Subdivision 1. [MEMBERS.] No review organization and no person who is a member or employee of, who acts in an advisory capacity to or who furnishes counsel or services to, a review organization shall be liable for damages or other relief in any action brought by a person or persons whose activities have been or are being scrutinized or reviewed by a review organization, by reason of the performance by the person of any duty, function, or activity of such review organization, unless the performance of such duty, function or activity was motivated by malice toward the person affected thereby. No review organization and no person shall be

liable for damages or other relief in any action by reason of the performance of the review organization or person of any duty, function, or activity as a review organization or a member of a review committee or by reason of any recommendation or action of the review committee when the person acts in the reasonable belief that the action or recommendation is warranted by facts known to the person or the review organization after reasonable efforts to ascertain the facts upon which the review organization's action or recommendation is made, except that any corporation designated as a review organization under the Code of Federal Regulations, title 42, section 466 (1983) shall be subject to actions for damages or other relief by reason of any failure of a person, whose care or treatment is required to be scrutinized or reviewed by the review organization, to receive medical care or treatment as a result of a determination by the review organization that medical care was unnecessary or inappropriate.

Subd. 2. [ORGANIZATIONS.] No state or local association of professionals or organization of professionals from a particular area shall be liable for damages or other relief in any action brought by a person whose activities have been or are being scrutinized or reviewed by a review organization established by the association or organization, unless the association or organization was motivated by malice towards the person affected by the review or scrutiny.

Sec. 5. Minnesota Statutes 1988, section 148B.32, subdivision 2, is amended to read:

Subd. 2. [APPEARANCE AS LICENSEE PROHIBITED.] After adoption of rules by the board implementing sections 148B.29 to 148B.39, no individual shall be held out to be a marriage and family therapist unless that individual holds a valid license issued under sections 148B.29 to 148B.39 or is a psychologist licensed by the board of psychology with a competency in marriage and family therapy.

Sec. 6. Minnesota Statutes 1988, section 214.06, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health-related licensing boards and all non-health-related licensing boards shall by rule, with the approval of the commissioner of finance, adjust any fee which the commissioner of health or the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128. For members of an occupation registered after July 1, 1984 by the commissioner of health under the provisions of section 214.13, the fee established must include an amount necessary to recover, over a five-year period, the commissioner's direct expendi-

tures for adoption of the rules providing for registration of members of the occupation. All fees received shall be deposited in the state treasury. Fees received by health-related licensing boards must be credited to the special revenue fund. ~~Any balance remaining in the special revenue fund at the end of each fiscal year, after payment of health-related licensing board expenses including salaries, attorney general fees, and indirect costs, must be credited to the public health fund.~~

Sec. 7. Minnesota Statutes 1988, section 246.50, subdivision 3, is amended to read:

Subd. 3. [~~REGIONAL TREATMENT CENTER~~ STATE FACILITY.] "~~Regional treatment center~~ State facility" means ~~a~~ any state facility ~~for treating persons with mental illness, mental retardation, or chemical dependency now existing or hereafter established.~~ owned or operated by the state of Minnesota and under the programmatic direction or fiscal control of the commissioner. State facility includes regional treatment centers; the state nursing homes; state-operated, community-based programs; and other facilities owned or operated by the state and under the commissioner's control.

Sec. 8. Minnesota Statutes 1988, section 246.50, subdivision 4, is amended to read:

Subd. 4. [CLIENT.] "~~Patient~~ Client" means any person ~~with mental illness or chemical dependency.~~ receiving services at a state facility, whether or not those services require occupancy of a bed overnight.

Sec. 9. Minnesota Statutes 1988, section 246.50, subdivision 5, is amended to read:

Subd. 5. [COST OF CARE.] "Cost of care" means the commissioner's ~~determination of the anticipated average per capita cost of all maintenance, treatment and expense, including depreciation of buildings and equipment, interest paid on bonds issued for capital improvements to state facilities, and indirect costs related to the operation other than that paid from the Minnesota state building fund, at all of the state facilities during the current year for which billing is being made. The commissioner shall determine the anticipated average per capita cost. The commissioner may establish one all inclusive rate or separate rates for each patient or resident disability group, and may establish separate charges for each facility. "Cost of care" for outpatient or day care patients or residents shall be on a cost for service basis under a schedule the commissioner shall establish.~~

~~For purposes of this subdivision "resident patient" means a person~~

~~who occupies a bed while housed in a state facility for observation, care, diagnosis, or treatment.~~

~~For purposes of this subdivision "outpatient" or "day care" patient or resident means a person who makes use of diagnostic, therapeutic, counseling, or other service in a state facility or through state personnel but does not occupy a bed overnight.~~

~~For the purposes of collecting from the federal government for the care of those patients eligible for medical care under the Social Security Act "cost of care" shall be determined as set forth in the rules and regulations of the Department of Health and Human Services or its successor agency.~~ charge for services provided to any person admitted to a state facility.

For purposes of this subdivision, "charge for services" means the cost of services, depreciation of buildings and equipment, treatment, maintenance, bonds issued for capital improvements, and indirect costs related to the operation of state facilities. The commissioner may determine the charge for services on an anticipated average per diem basis as an all inclusive charge per facility, per disability group, or per treatment program. The commissioner may determine a charge per service, using a method that includes direct and indirect costs.

Sec. 10. [246.501] [COST OF CARE FOR STATE-OPERATED, COMMUNITY-BASED PROGRAMS.]

For purposes of establishing reimbursement rates, state-operated, community-based programs that meet the definition of a facility in Minnesota Rules, part 9553.0020, subpart 19, are subject to Minnesota Rules, parts 9553.0010 to 9553.0080. For purposes of establishing reimbursement rates, state-operated, community-based programs that meet the definition of vendor in section 252.41, subdivision 9, are subject to the rate setting procedures in sections 252.41 to 252.47 and the provisions of Minnesota Rules, parts 9525.1200 to 9525.1330.

Sec. 11. Minnesota Statutes 1988, section 246.54, is amended to read:

246.54 [LIABILITY OF COUNTY; REIMBURSEMENT.]

Except for chemical dependency services provided under sections 254B.01 to 254B.09, the patient's or resident's county shall pay to the state of Minnesota a portion of the cost of care provided in a regional treatment center to a patient or resident legally settled in that county. A county's payment shall be made from the county's own sources of revenue and payments shall be paid as follows: payments to the state from the county shall equal ten percent of the

~~per capita rate~~ cost of care, as determined by the commissioner, for each day, or the portion thereof, that the patient or resident spends at a regional treatment center. If payments received by the state under sections 246.50 to 246.53 exceed 90 percent of the ~~per capita rate~~ cost of care, the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the patient or resident, the patient's or resident's estate, or from the patient's or resident's relatives, except as provided in section 246.53. No such payments shall be made for any patient or resident who was last committed prior to July 1, 1947.

Sec. 12. [CLARIFICATION OF LEGISLATIVE INTENT.]

The amendments to section 246.50, subdivisions 3, 4, and 5, are both substantive and clarifying in nature. Substantively, the amendments broaden the scope of the definitions amended.

The amendments in section 246.50, subdivisions 3, 4, and 5, also clarify the legislative intent of Laws 1982, chapter 641, article 1, section 4; Laws 1985, chapter 21, section 14; and Laws 1987, chapter 403, article 2, section 49. Those laws replaced archaic language with current terms relating to chemical dependency. In changing the terms by the acts cited, the legislature did not intend to create or change the state's ability to charge and collect for the cost of chemical dependency treatment that a person received in a regional treatment center before the effective dates of Laws 1982, chapter 641, article 1, section 4; Laws 1985, chapter 21, section 14; and Laws 1987, chapter 403, article 2, section 49. The state had the ability to charge and collect for the cost of chemical dependency treatment in regional treatment centers before the changes in terms that occurred in these laws. The changes simply changed archaic language to acceptable language. Failure to cite a specific section in this act as nonsubstantive or as a clarification shall not be construed to mean that the section is a substantive change in the law.

Sec. 13. Minnesota Statutes 1988, section 252.291, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] (a) The commissioner of human services in coordination with the commissioner of health may approve a newly constructed or newly established publicly or privately operated community intermediate care facility for six or fewer persons with mental retardation or related conditions only when the following circumstances exist:

~~(a)~~ (1) when the facility is developed in accordance with a request for proposal approved by the commissioner of human services;

~~(b)~~ (2) when the facility is necessary to serve the needs of identified persons with mental retardation or related conditions who are seriously behaviorally disordered or who are seriously physically

or sensorily impaired. ~~At least 50 percent of the capacity of the facility must be used for persons coming from regional treatment centers~~; and

~~(c)~~ (3) when the commissioner determines that the need for increased service capacity cannot be met by the use of alternative resources or the modification of existing facilities.

(b) When new beds are authorized, at least 50 percent of the total new beds authorized during a biennium must be used for persons coming from regional treatment centers.

Sec. 14. Minnesota Statutes 1988, section 252.46, subdivision 1, is amended to read:

Subdivision 1. [RATES FOR CALENDAR YEARS ~~1988 AND~~ 1989 AND 1990.] Payment rates to vendors, except regional centers, for county-funded day training and habilitation services and transportation provided to persons receiving day training and habilitation services established by a county board for calendar years ~~1988 and~~ 1989 and 1990 are governed by subdivisions 2 to 10.

"Payment rate" as used in subdivisions 2 to 10 refers to three kinds of payment rates: a full-day service rate for persons who receive at least six service hours a day, including the time it takes to transport the person to and from the service site; a partial-day service rate that must not exceed 75 percent of the full-day service rate for persons who receive less than a full day of service; and a transportation rate for providing, or arranging and paying for, transportation of a person to and from the person's residence to the service site.

Sec. 15. Minnesota Statutes 1988, section 252.46, subdivision 2, is amended to read:

Subd. 2. [~~1988 AND~~ 1989 AND 1990 MINIMUM.] Unless a variance is granted under subdivision 6, the minimum payment rates set by a county board for each vendor for calendar years ~~1988 and~~ 1989 and 1990 must be equal to the payment rates approved by the commissioner for that vendor in effect January 1, ~~1987~~ 1988, and January 1, ~~1988~~ 1989, respectively.

Sec. 16. Minnesota Statutes 1988, section 252.46, subdivision 3, is amended to read:

Subd. 3. [~~1988 AND~~ 1989 AND 1990 MAXIMUM.] Unless a variance is granted under subdivision 6, the maximum payment rates for each vendor for calendar years ~~1988 and~~ 1989 and 1990 must be equal to the payment rates approved by the commissioner for that vendor in effect December 1, ~~1987~~ 1988, and December 1,

~~1988~~ 1989, respectively, increased by no more than the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year.

Sec. 17. Minnesota Statutes 1988, section 252.46, subdivision 4, is amended to read:

Subd. 4. [NEW VENDORS.] Payment rates established by a county for calendar years ~~1988 and~~ 1989 and 1990, for a new vendor for which there were no previous rates must not exceed 125 percent of the average payment rates in the regional development commission district under sections 462.381 to 462.396 in which the new vendor is located.

Sec. 18. Minnesota Statutes 1988, section 252.46, subdivision 6, is amended to read:

Subd. 6. [VARIANCES.] A variance from the minimum or maximum payment rates in subdivisions 2 and 3 may be granted by the commissioner when the vendor requests and the county board submits to the commissioner a written variance request with the recommended payment rates. The commissioner shall develop by October 1, 1989, a uniform format for submission of documentation for the variance requests. This format shall be used by each vendor requesting a variance. The form shall be developed by the commissioner and shall be reviewed by representatives of advocacy and provider groups and counties. A variance may be utilized for costs associated with compliance with state administrative rules, compliance with court orders, capital costs required for continued licensure, increased insurance costs, start-up and conversion costs for supported employment, direct service staff salaries and benefits, and transportation. The county board shall review all vendors' payment rates that are ten or more than ten percent lower than the statewide median payment rates. If the county determines that the payment rates do not provide sufficient revenue to the vendor for authorized service delivery the county must recommend a variance under this section. When the county board contracts for increased services from any vendor for some or all individuals receiving services from the vendor, the county board shall review the vendor's payment rates to determine whether the increase requires that a variance to the minimum rates be recommended under this section to reflect the vendor's lower per unit fixed costs. The written variance request must include documentation that all the following criteria have been met:

(1) The commissioner and the county board have both conducted a review and have identified a need for a change in the payment rates and recommended an effective date for the change in the rate.

(2) The proposed changes are required for the vendor to deliver authorized individual services in an effective and efficient manner.

(3) The proposed changes are necessary to demonstrate compliance with minimum licensing standards~~.~~, or to provide community-integrated and supported employment services after a change in the vendor's existing services has been approved as provided in section 252.28.

(4) The vendor documents that the changes cannot be achieved by reallocating current staff or by reallocating financial resources.

(5) The county board submits evidence that the need for additional staff cannot be met by using temporary special needs rate exceptions under Minnesota Rules, parts 9510.1020 to 9510.1140.

(6) The county board submits a description of the nature and cost of the proposed changes, and how the county will monitor the use of money by the vendor to make necessary changes in services.

(7) The county board's recommended payment rates do not exceed 125 percent of the current calendar year's statewide median payment rates.

The commissioner shall have 60 calendar days from the date of the receipt of the complete request to accept or reject it, or the request shall be deemed to have been granted. If the commissioner rejects the request the commissioner shall state in writing the specific objections to the request and the reasons for its rejection.

Sec. 19. Minnesota Statutes 1988, section 252.46, subdivision 12, is amended to read:

Subd. 12. [RATES ESTABLISHED AFTER ~~1989~~ 1990.] Payment rates established by a county board to be paid to a vendor on or after January 1, ~~1990~~ 1991, must be determined under permanent rules adopted by the commissioner. No county shall pay a rate that is less than the minimum rate determined by the commissioner.

In developing procedures for setting minimum payment rates and procedures for establishing payment rates, the commissioner shall consider the following factors:

(1) a vendor's payment rate and historical cost in the previous year;

(2) current economic trends and conditions;

(3) costs that a vendor must incur to operate efficiently, effectively and economically and still provide training and habilitation services

that comply with quality standards required by state and federal regulations;

(4) increased liability insurance costs;

(5) costs incurred for the development and continuation of supported employment services;

(6) cost variations in providing services to people with different needs;

(7) the adequacy of reimbursement rates that are more than 15 percent below the statewide average; and

(8) other appropriate factors.

The commissioner may develop procedures to establish differing hourly rates that take into account variations in the number of clients per staff hour, to assess the need for day training and habilitation services, and to control the utilization of services.

In developing procedures for setting transportation rates, the commissioner may consider allowing the county board to set those rates or may consider developing a uniform standard.

Medical assistance rates for home and community-based services provided under section 256B.501 by licensed vendors of day training and habilitation services must not be greater than the rates for the same services established by counties under sections 252.40 to 252.47.

Sec. 20. Minnesota Statutes 1988, section 252.47, is amended to read:

252.47 [RULES.]

To implement sections 252.40 to 252.47, the commissioner shall adopt permanent rules under sections 14.01 to 14.38. The rules may include a plan for phasing in implementation of the procedures and rates established by the rules. The phase-in may occur prior to calendar year ~~1990~~ 1991. The commissioner shall establish an advisory task force to advise and make recommendations to the commissioner during the rulemaking process. The advisory task force must include legislators, vendors, residential service providers, counties, consumers, department personnel, and others as determined by the commissioner.

Sec. 21. Minnesota Statutes 1988, section 256.045, subdivision 1, is amended to read:

Subdivision 1. [POWERS OF THE STATE AGENCY.] The commissioner of human services may appoint one or more state human services referees to conduct hearings and recommend orders in accordance with subdivisions 3, 3a, 4a, and 5. Human services referees designated pursuant to this section may administer oaths and shall be under the control and supervision of the commissioner of human services and shall not be a part of the office of administrative hearings established pursuant to sections 14.48 to 14.56.

Sec. 22. Minnesota Statutes 1988, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] ~~(a)~~ Any person applying for, receiving or having received public assistance or a program of social services granted by the state agency or a local agency under sections 252.32, 256.72 to 256.879, chapters 256B, 256D, 256E, 261, or the federal Food Stamp Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, or any patient or relative aggrieved by an order of the commissioner under section 252.27, or a party aggrieved by a ruling of a prepaid health plan, may contest that action or decision before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or decision, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause why the request was not submitted within the 30-day time limit. Except for a prepaid health plan, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a local agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing under this section.

~~(b) All prepaid health plans under contract to the commissioner pursuant to chapter 256B or 256D must provide for a complaint system according to section 62D.11. The prepaid health plan must notify the ombudsman within three working days of any formal complaint made under section 62D.11 by persons enrolled in a prepaid health plan under chapter 256B or 256D. At the time a complaint is made, the prepaid health plan must notify the recipient of the name and telephone number of the ombudsman. Recipients may request the assistance of the ombudsman in the complaint system process. The prepaid health plan shall issue a written resolution within 30 days of filing with the prepaid health plan. The ombudsman may waive the requirement that the complaint system procedures be exhausted prior to an appeal if the ombudsman determines that the complaint must be resolved expeditiously in order to provide care in an urgent situation.~~

~~(c) A state human services referee shall conduct a hearing on the matter and shall recommend an order to the commissioner of human~~

~~services. The commissioner need not grant a hearing if the sole issue raised by an appellant is the commissioner's authority to require mandatory enrollment in a prepaid health plan in a county where prepaid health plans are under contract with the commissioner.~~

~~(d) In a notice of appeal from a ruling of a prepaid health plan, a recipient may request an expedited hearing. The ombudsman, after discussing with the recipient his or her condition and in consultation with a health practitioner who practices in the specialty area of the recipient's primary diagnosis, shall investigate and determine whether an expedited appeal is warranted. In making the determination, the ombudsman shall evaluate whether the medical condition of the recipient, if not expeditiously diagnosed and treated, could cause physical or mental disability, substantial deterioration of physical or mental health, continuation of severe pain, or death. The ombudsman may order a second medical opinion from the prepaid health plan or order a second medical opinion from a nonprepaid health plan provider at prepaid health plan expense. If the ombudsman determines that an expedited appeal is warranted, the state welfare referee shall hear the appeal and render a decision within a time commensurate with the level of urgency involved, based on the individual circumstances of the case. In urgent or emergency situations in which a prepaid health plan provider has prescribed treatment, and the prepaid health plan has denied authorization for that treatment, the referee may order the health plan to authorize treatment pending the outcome of the appeal.~~

Sec. 23. Minnesota Statutes 1988, section 256.045, is amended by adding a subdivision to read:

Subd. 3a. [PREPAID HEALTH PLAN APPEALS.] (a) All prepaid health plans under contract to the commissioner under chapter 256B or 256D must provide for a complaint system according to section 62D.11. When a prepaid health plan denies, reduces, or terminates a health service, the prepaid health plan must notify the recipient of the right to file a complaint or an appeal. The notice must include the name and telephone number of the ombudsman and notice of the recipient's right to request a hearing under paragraph (b). When a complaint is filed, the prepaid health plan must notify the ombudsman within three working days. Recipients may request the assistance of the ombudsman in the complaint system process. The prepaid health plan must issue a written resolution of the complaint to the recipient within 30 days after the complaint is filed with the prepaid health plan. A recipient is not required to exhaust the complaint system procedures in order to request a hearing under paragraph (b).

(b) Recipients enrolled in a prepaid health plan under chapter 256B or 256D may contest a prepaid health plan's denial, reduction, or termination of health services or the prepaid health plan's written resolution of a complaint by submitting a written request

for a hearing according to subdivision 3. A state human services referee shall conduct a hearing on the matter and shall recommend an order to the commissioner of human services. The commissioner need not grant a hearing if the sole issue raised by a recipient is the commissioner's authority to require mandatory enrollment in a prepaid health plan in a county where prepaid health plans are under contract with the commissioner. The state human services referee may order a second medical opinion from the prepaid health plan or may order a second medical opinion from a nonprepaid health plan provider at the expense of the prepaid health plan. Recipients may request the assistance of the ombudsman in the appeal process.

(c) In the written request for a hearing to appeal from a prepaid health plan's denial, reduction, or termination of a health service or the prepaid health plan's written resolution to a complaint, a recipient may request an expedited hearing. If an expedited appeal is warranted, the state human services referee shall hear the appeal and render a decision within a time commensurate with the level of urgency involved, based on the individual circumstances of the case.

Sec. 24. Minnesota Statutes 1988, section 256.045, subdivision 4, is amended to read:

Subd. 4. [CONDUCT OF HEARINGS.] All hearings held pursuant to subdivision 3, 3a, or 4a shall be conducted according to the provisions of the federal Social Security Act and the regulations implemented in accordance with that act to enable this state to qualify for federal grants-in-aid, and according to the rules and written policies of the commissioner of human services. Local agencies shall install equipment necessary to conduct telephone hearings. A state human services referee may schedule a telephone conference hearing when the distance or time required to travel to the local agency offices will cause a delay in the issuance of an order, or to promote efficiency, or at the mutual request of the parties. Hearings may be conducted by telephone conferences unless the applicant, recipient, or former recipient objects. The hearing shall not be held earlier than five days after filing of the required notice with the local or state agency. The state human services referee shall notify all interested persons of the time, date, and location of the hearing at least five days before the date of the hearing. Interested persons may be represented by legal counsel or other representative of their choice at the hearing and may appear personally, testify and offer evidence, and examine and cross-examine witnesses. The applicant, recipient, or former recipient shall have the opportunity to examine the contents of the case file and all documents and records to be used by the local agency at the hearing at a reasonable time before the date of the hearing and during the hearing. Upon request, the local agency shall provide reimbursement for transportation, child care, photocopying, medical assessment, witness fee, and other necessary and reasonable costs

incurred by the applicant, recipient, or former recipient in connection with the appeal. All evidence, except that privileged by law, commonly accepted by reasonable people in the conduct of their affairs as having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be "a contested case" within the meaning of section 14.02, subdivision 3.

Sec. 25. Minnesota Statutes 1988, section 256.045, subdivision 4a, is amended to read:

Subd. 4a. [CASE MANAGEMENT APPEALS.] Any recipient of case management services pursuant to section 256B.092, subdivisions 1 to 1b who contests the local agency's action or failure to act in the provision of those services, other than a failure to act with reasonable promptness or a suspension, reduction, denial, or termination of services, must submit a written request for review to the local agency. The local agency shall inform the commissioner of the receipt of a request for review when it is submitted and shall schedule a conciliation conference. The local agency shall notify the recipient, the commissioner, and all interested persons of the time, date, and location of the conciliation conference. The commissioner shall designate a representative to be present at the conciliation conference to assist in the resolution of the dispute without the need for a hearing. Within 30 days, the local agency shall conduct the conciliation conference and inform the recipient in writing of the action the local agency is going to take and when that action will be taken and notify the recipient of the right to a hearing under this subdivision. The conciliation conference shall be conducted in a manner consistent with the procedures for reconsideration of an individual service plan or an individual habilitation plan pursuant to Minnesota Rules, parts 9525.0075, subpart 5 and 9525.0105, subpart 6. If the county fails to conduct the conciliation conference and issue its report within 30 days, or, at any time up to 90 days after the conciliation conference is held, a recipient may submit to the commissioner a written request for a hearing before a state human services referee to determine whether case management services have been provided in accordance with applicable laws and rules or whether the local agency has assured that the services identified in the recipient's individual service plan have been delivered in accordance with the laws and rules governing the provision of those services. The state human services referee shall recommend an order to the commissioner, who shall, in accordance with the procedure in subdivision 5, issue a final order within 60 days of the receipt of the request for a hearing, unless the commissioner refuses to accept the recommended order, in which event a final order shall issue within 90 days of the receipt of that request. The order may direct the local agency to take those actions necessary to comply with applicable laws or rules. The commissioner may issue a temporary order prohibiting the demission of a recipient of case management services from a residential or day habilitation program licensed under chapter 245A, while a local agency review

process or an appeal brought by a recipient under this subdivision is pending, or for the period of time necessary for the local agency to implement the commissioner's order. The commissioner shall not issue a final order staying the demission of a recipient of case management services from a residential or day habilitation program licensed under chapter 245A.

Sec. 26. Minnesota Statutes 1988, section 256.045, subdivision 5, is amended to read:

Subd. 5. [ORDERS OF THE COMMISSIONER OF HUMAN SERVICES.] A state human services referee shall conduct a hearing on the appeal and shall recommend an order to the commissioner of human services. The recommended order must be based on all relevant evidence and must not be limited to a review of the propriety of the state or local agency's action. A referee may take official notice of adjudicative facts. The commissioner of human services may accept the recommended order of a state human services referee and issue the order to the local agency and the applicant, recipient, ~~or~~ former recipient, or prepaid health plan. The commissioner on refusing to accept the recommended order of the state human services referee, shall notify the local agency and the applicant, recipient, ~~or~~ former recipient, or prepaid health plan of that fact and shall state reasons therefor and shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten-day period, the commissioner shall issue an order on the matter to the local agency and the applicant, recipient, ~~or~~ former recipient, or prepaid health plan.

A party aggrieved by an order of the commissioner may appeal under subdivision 7, or request reconsideration by the commissioner within 30 days after the date the commissioner issues the order. The commissioner may reconsider an order upon request of any party or on the commissioner's own motion. A request for reconsideration does not stay implementation of the commissioner's order. Upon reconsideration, the commissioner may issue an amended order or an order affirming the original order.

Any order of the commissioner issued ~~in accordance with~~ under this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision 7. Any order of the commissioner is binding on the parties and must be implemented by the state agency or a local agency until the order is reversed by the district court, or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision 10.

Except for a prepaid health plan, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a local agency to provide social services under section 256E.08,

subdivision 4, is not a party and may not request a hearing or seek judicial review of an order issued under this section.

Sec. 27. Minnesota Statutes 1988, section 256.045, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL POWERS OF THE COMMISSIONER; SUBPOENAS.] (a) The commissioner of human services may initiate a review of any action or decision of a local agency and direct that the matter be presented to a state human services referee for a hearing held ~~pursuant to~~ under subdivision 3, 3a, or 4a. In all matters dealing with human services committed by law to the discretion of the local agency, the commissioner's judgment may be substituted for that of the local agency. The commissioner may order an independent examination when appropriate.

(b) Any party to a hearing held pursuant to subdivision 3, 3a, or 4a may request that the commissioner issue a subpoena to compel the attendance of witnesses at the hearing. The issuance, service, and enforcement of subpoenas under this subdivision is governed by section 357.22 and the Minnesota Rules of Civil Procedure.

(c) The commissioner may issue a temporary order staying a proposed demission by a residential facility licensed under chapter 245A while an appeal by a recipient under subdivision 3 is pending, or for the period of time necessary for the local agency to implement the commissioner's order.

Sec. 28. Minnesota Statutes 1988, section 256.045, subdivision 7, is amended to read:

Subd. 7. [JUDICIAL REVIEW.] Any party who is aggrieved by an order of the commissioner of human services may appeal the order to the district court of the county responsible for furnishing assistance by serving a written copy of a notice of appeal upon the commissioner and any adverse party of record within 30 days after the date the commissioner issued the order, the amended order, or order affirming the original order, and by filing the original notice and proof of service with the court administrator of the district court. Service may be made personally or by mail; service by mail is complete upon mailing; no filing fee shall be required by the court administrator in appeals taken pursuant to this subdivision. The commissioner may elect to become a party to the proceedings in the district court. Any party may demand that the commissioner furnish all parties to the proceedings with a copy of the decision, and a transcript of any testimony, evidence, or other supporting papers from the hearing held before the human services referee, by serving a written demand upon the commissioner within 30 days after service of the notice of appeal. Any party aggrieved by the failure of an adverse party to obey an order issued by the commissioner under

subdivision 5 may compel performance according to the order in the manner prescribed in sections 586.01 to 586.12.

Sec. 29. Minnesota Statutes 1988, section 256.045, subdivision 10, is amended to read:

Subd. 10. [PAYMENTS PENDING APPEAL.] If the commissioner of human services or district court orders monthly assistance or aid or services paid or provided in any proceeding under this section, it shall be paid or provided pending appeal to the commissioner of human services, district court, court of appeals, or supreme court. The state or local agency has a claim for food stamps and cash payments made to a recipient or former recipient while an appeal is pending if the recipient or former recipient is determined ineligible for the food stamps and cash payments as a result of the appeal.

Sec. 30. [256.9685] [ESTABLISHMENT OF INPATIENT HOSPITAL PAYMENT SYSTEM.]

Subdivision 1. [AUTHORITY.] The commissioner shall establish procedures for determining medical assistance and general assistance medical care payment rates under a prospective payment system for inpatient hospital services in hospitals that qualify as vendors of medical assistance. The commissioner shall establish, by rule, procedures for implementing this section and sections 256.9686, 256.969, and 256.9695. The payment rates must be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of recipients in efficiently and economically operated hospitals. Services must meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), to be eligible for payment.

Subd. 2. [FEDERAL REQUIREMENTS.] If it is determined that a provision of this section or section 256.9686, 256.969, or 256.9695 conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the medicare limitations.

Sec. 31. [256.9686] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this section and sections 256.9685, 256.969, and 256.9695, the following terms and phrases have the meanings given.

Subd. 2. [BASE YEAR.] "Base year" means a hospital's fiscal year that is recognized by the Medicare program or a hospital's fiscal

year specified by the commissioner if a hospital is not required to file information by the Medicare program from which cost and statistical data are used to establish medical assistance and general assistance medical care payment rates.

Subd. 3. [CASE MIX INDEX.] "Case mix index" means a hospital's distribution of relative values among the diagnostic categories.

Subd. 4. [CHARGES.] "Charges" means the usual and customary payment requested of the general public.

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

Subd. 6. [HOSPITAL.] "Hospital" means a facility licensed under sections 144.50 to 144.58 or an out-of-state facility licensed under the requirements of that state in which it is located.

Subd. 7. [MEDICAL ASSISTANCE.] "Medical assistance" means the program established under chapter 256B and Title XIX of the Social Security Act. Medical assistance includes general assistance medical care established under chapter 256D, unless otherwise specifically stated.

Subd. 8. [RATE YEAR.] "Rate year" means a calendar year from January 1 to December 31.

Subd. 9. [RELATIVE VALUE.] "Relative value" means the average allowable cost of inpatient services provided within a diagnostic category divided by the average allowable cost of inpatient services provided in all diagnostic categories.

Sec. 32. Minnesota Statutes 1988, section 256.969, is amended to read:

256.969 [~~INPATIENT HOSPITALS~~ PAYMENT RATES.]

Subdivision 1. [~~ANNUAL~~ HOSPITAL COST INDEX.] ~~The commissioner of human services shall develop a prospective payment system for inpatient hospital service under the medical assistance and general assistance medical care programs. Rates established for licensed hospitals for rate years beginning during the fiscal biennium ending June 30, 1987, shall not exceed an annual hospital cost index for the final rate allowed to the hospital for the preceding year not to exceed five percent in any event.~~ The ~~annual~~ hospital cost index shall be obtained from an independent source ~~representing~~ and shall represent a ~~statewide~~ weighted average of ~~inflation~~ historical and projected cost change estimates determined for expense categories to include wages and salaries, employee benefits, medical and professional fees, raw food, ~~medical supplies, pharma-~~

~~ceuticals,~~ utilities, ~~repairs and maintenance,~~ insurance ~~other than~~ including malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect ~~the regional differences within the state and include a one percent increase to reflect changes in technology. The annual hospital cost index shall be published 30 days before the start of each calendar quarter and shall be applicable to all hospitals whose fiscal years start on or during the calendar quarter.~~ Minnesota cost category weights. Individual indices shall be specific to Minnesota if the commissioner determines that sufficient accuracy of the hospital cost index is achieved. The hospital cost index shall be used to adjust the base year operating payment rate through the rate year on an annually compounded basis.

Subd. 2. [~~RATES FOR INPATIENT HOSPITALS~~ DIAGNOSTIC CATEGORIES.] ~~On July 1, 1984,~~ The commissioner shall ~~begin to utilize~~ use to the extent possible existing diagnostic classification systems, including the system used by the Medicare program to determine the relative values of inpatient services and case mix indices. ~~The commissioner may incorporate the grouping of hospitals with similar characteristics for uniform rates upon the development and implementation of the diagnostic classification system. Prior to implementation of the diagnostic classification system, the commissioner shall report the proposed grouping of hospitals to the senate health and human services committee and the house health and welfare committee.~~ The commissioner may combine diagnostic classifications into diagnostic categories and may establish separate categories and numbers of categories based on program eligibility or hospital peer group. Relative values shall be recalculated when the base year is changed and shall not be determined on a hospital specific basis. Relative value determinations shall include paid claims for admissions during each hospital's base year. The commissioner may extend the time period forward to obtain sufficiently valid information to establish relative values. Relative value determinations shall not include property cost data, Medicare crossover data, and data from the transferring hospital on transfer discharges, except data on transfer discharges with a burn diagnostic classification or data on transfer discharges for the patient's convenience that have been reported by the hospital to the commissioner by the October 1 preceding the rate year. The computation of the base year cost per admission ~~and the computation of the relative values of the diagnostic categories~~ must include identified outlier cases and their weighted costs up to the point that they become outlier cases, but must exclude costs ~~and days~~ recognized in outlier payments beyond that point. ~~Claims paid for care provided on or after August 1, 1985, shall be adjusted to reflect a recomputation of rates, unless disapproved by the federal Health Care Financing Administration. The state shall pay the state share of the adjustment for care provided on or after August 1, 1985, up to and including June 30, 1987, whether or not the adjustment is approved by the federal Health Care Financing Administration.~~ The commissioner may ~~reconstitute~~ re-

categorize the diagnostic ~~categories~~ classifications and recalculate relative values and case mix indices to reflect actual hospital practices, the specific character of specialty hospitals, or to reduce variances within the diagnostic categories after notice in the State Register and a 30-day comment period. ~~After May 1, 1986, acute care hospital billings under the medical assistance and general assistance medical care programs must not be submitted until the recipient is discharged. However, the commissioner shall establish monthly interim payments with inpatient hospitals that have individual patient lengths of stay in excess of 30 days regardless of diagnosis-related group. For purposes of establishing interim rates, the commissioner is exempt from the requirements of chapter 14. Medical assistance and general assistance medical care reimbursement for treatment of mental illness shall be reimbursed based upon diagnosis classifications. The commissioner may selectively contract with hospitals for services within the diagnostic classifications relating to mental illness and chemical dependency under competitive bidding when reasonable geographic access by recipients can be assured. No physician shall be denied the privilege of treating a recipient required to utilize a hospital under contract with the commissioner, as long as the physician meets credentialing standards of the individual hospital. Effective July 1, 1988, the commissioner shall limit the annual increase in pass-through cost payments for depreciation, rents and leases, and interest expense to the annual growth in the hospital cost index described in subdivision 1. When computing budgeted pass-through cost payments, the commissioner shall use the annual increase in the hospital cost index forecasted by Data Resources, Inc. consistent with the quarter of the hospital's fiscal year end. In final settlement of pass-through cost payments, the commissioner shall use the hospital cost index for the month in which the hospital's fiscal year ends compared to the same month one year earlier.~~

~~Subd. 2a. [AUDIT ADJUSTMENTS TO INPATIENT HOSPITAL RATES.] Inpatient hospital rates established under subdivision 2 using 1981 historical medicare cost report data may be adjusted based on the findings of audits of hospital billings and patient records performed by the commissioner that identify billings for services that were not delivered or never ordered. The audit findings may be based on a statistically valid sample of billings of the hospital. After the audits are complete, the commissioner shall adjust rates paid in subsequent years to reflect the audit findings and recover payments in excess of the adjusted rates or reimburse hospitals when audit findings indicate that underpayments were made to the hospital.~~

Subd. 2b. [OPERATING PAYMENT RATES.] In determining operating payment rates for admissions occurring on or after the rate year beginning January 1, 1991, and every two years after, or more frequently as determined by the commissioner, the commissioner shall obtain operating data from an updated base year and

establish operating payment rates per admission for each hospital based on the cost-finding methods and allowable costs of the Medicare program in effect during the base year. The base year operating payment rate per admission is standardized by the case mix index and adjusted by the hospital cost index, relative values, and disproportionate population adjustment. The cost and charge data used to establish operating rates shall only reflect inpatient services covered by medical assistance and shall not include property cost information and costs recognized in outlier payments.

Subd. 2c. [PROPERTY PAYMENT RATES.] For each hospital's first two consecutive fiscal years beginning on or after July 1, 1988, the commissioner shall limit the annual increase in property payment rates for depreciation, rents and leases, and interest expense to the annual growth in the hospital cost index derived from the methodology in effect on the day before the effective date of this section. When computing budgeted and settlement property payment rates, the commissioner shall use the annual increase in the hospital cost index forecasted by Data Resources, Inc., consistent with the quarter of the hospital's fiscal year end. For admissions occurring on or after January 1, 1991, the commissioner shall obtain property data from an updated base year and establish property payment rates per admission for each hospital. Property payment rates shall be derived from data from the same base year that is used to establish operating payment rates. The property information shall include cost categories not subject to the hospital cost index and shall reflect the cost-finding methods and allowable costs of the Medicare program in effect during the base year. The property payment rate per admission shall be adjusted for technology changes by increasing the property payment rate one percent compounded annually from the base year through the rate year. The cost and charge data used to establish property rates shall only reflect inpatient services covered by medical assistance and shall not include operating cost information. The commissioner shall adjust rates for the rate year beginning January 1, 1991, to ensure that all hospitals are subject to the hospital cost index limitation for two complete years.

~~Subd. 3. [SPECIAL CONSIDERATIONS.] (a) In determining the rate the commissioner of human services will take into consideration whether the following circumstances exist:~~

~~(1) minimal medical assistance and general assistance medical care utilization;~~

~~(2) unusual length of stay experience; and~~

~~(3) disproportionate numbers of low-income patients served.~~

~~(b) To the extent of available appropriations, the commissioner shall provide supplemental grants directly to a hospital described in~~

~~section 256B.031, subdivision 10, paragraph (a), that receives medical assistance payments through a county-managed health plan that serves only residents of the county. The payments must be designed to compensate for actuarially demonstrated higher health care costs within the county, for the population served by the plan, that are not reflected in the plan's rates under section 256B.031, subdivision 4.~~

~~(c) The computation of each hospital's payment rate and the relative values of the diagnostic categories are not subject to the routine service cost limitation imposed under the Medicare program.~~

~~(d) Indian health service facilities are exempt from the rate establishment methods required by this section and section 256D.03, subdivision 4, and shall be reimbursed at the facility's usual and customary charges to the general public.~~

~~(e) Out-of-state hospitals that are located within a Minnesota local trade area shall have rates established using the same procedures and methods that apply to Minnesota hospitals. Hospitals that are not required by law to file information in a format necessary to establish rates shall have rates established based on the commissioner's estimates of the information. Relative values of the diagnostic categories shall not be redetermined under this paragraph until required by rule and hospitals affected by this paragraph shall then be included in determining relative values. However, hospitals that have rates established based upon the commissioner's estimates of information shall not be included in determining relative values. This paragraph is effective for hospital fiscal years beginning on or after July 1, 1988. A hospital shall provide the information necessary to establish rates under this paragraph at least 90 days before the start of the hospital's fiscal year.~~

~~(f) Hospitals that are not located within Minnesota or a Minnesota local trade area shall have rates established as provided in paragraph (e) or, at the commissioner's discretion, at an amount negotiated by the commissioner. Relative values shall not be affected by negotiated rates.~~

~~(g) For inpatient hospital originally paid admissions, excluding Medicare cross-overs, provided from July 1, 1988, through June 30, 1989, hospitals with 100 or fewer medical assistance annualized paid admissions, excluding Medicare cross-overs, that were paid by March 1, 1988, for admissions paid during the period January 1, 1987, to June 30, 1987, shall have medical assistance inpatient payments increased 30 percent. Hospitals with more than 100 but fewer than 250 medical assistance annualized paid admissions, excluding Medicare cross-overs, that were paid by March 1, 1988, for admissions paid during the period January 1, 1987, to June 30, 1987, shall have medical assistance inpatient payments increased~~

~~20 percent for inpatient hospital originally paid admissions, excluding Medicare cross-overs, provided from July 1, 1988, through June 30, 1989. This provision applies only to hospitals that have 100 or fewer licensed beds on March 1, 1988.~~

Subd. 3a. [PAYMENTS.] Acute care hospital billings under the medical assistance program must not be submitted until the recipient is discharged. However, the commissioner shall establish monthly interim payments for inpatient hospitals that have individual patient lengths of stay over 30 days regardless of diagnostic category. To establish interim rates, the commissioner is exempt from the requirements of chapter 14. Medical assistance reimbursement for treatment of mental illness shall be reimbursed based on diagnostic classifications. The commissioner may selectively contract with hospitals for services within the diagnostic categories relating to mental illness and chemical dependency under competitive bidding when reasonable geographic access by recipients can be assured. No physician shall be denied the privilege of treating a recipient required to use a hospital under contract with the commissioner, as long as the physician meets credentialing standards of the individual hospital. Individual hospital payments established under this section and sections 256.9685, 256.9686, and 256.9695, in addition to third party liability, for admissions occurring during the rate year shall not exceed, in aggregate, the charges for the medical assistance covered inpatient services paid for the same period of time to the hospital. This payment limitation is not applicable and shall not be calculated to include general assistance medical care services. Services that have rates established under subdivision 6a, paragraph (a), clause (5) or (6), must be limited separately from other services. After consulting with the affected hospitals, the commissioner may consider related hospitals one entity and may merge the payment rates while maintaining separate provider numbers. The operating and property base rates per admission or per day shall be derived from the best Medicare and claims data available when rates are established. The commissioner shall determine the best Medicare and claims data, taking into consideration variables of recency of the data, audit disposition, settlement status, and the ability to set rates in a timely manner. The commissioner shall notify hospitals of payment rates by December 1 of the year preceding the rate year. The rate setting data must reflect the admissions data used to establish relative values. Base year changes from 1981 to the base year established for the rate year beginning January 1, 1991, and for subsequent rate years, shall not be limited to the limits ending June 30, 1987, on the maximum rate of increase under subdivision 1. The commissioner may adjust base year cost, relative value, and case mix index data to exclude the costs of services that have been discontinued by the October 1 of the year preceding the rate year or that are paid separately from inpatient services. Inpatient stays that encompass portions of two or more rate years shall have payments established based on payment rates in effect at the time of admission unless the

date of admission preceded the rate year in effect by six months or more. In this case, operating payment rates for services rendered during the rate year in effect and established based on the date of admission shall be adjusted to the rate year in effect by the hospital cost index.

~~Subd. 4. [APPEALS BOARD.] An appeals board shall be established for purposes of hearing reports for changes in the rate per admission. The appeals board shall consist of two public representatives, two representatives of the hospital industry, and one representative of the business or consumer community. The appeals board shall advise the commissioner on adjustments to hospital rates under this section.~~

Subd. 4a. [REPORTS.] If, under this section or section 256.9685, 256.9686, or 256.9695, a hospital is required to report information to the commissioner by a specified date, the hospital must report the information on time. If the hospital does not report the information on time, the commissioner may determine the information that will be used and may disregard the information that is reported late. If the Medicare program does not require or does not audit information that is needed to establish medical assistance rates, the commissioner may, after consulting the affected hospitals, require reports to be provided, in a format specified by the commissioner, that are based on allowable costs and cost-finding methods of the Medicare program in effect during the base year. The commissioner may require any information that is necessary to implement this section and sections 256.9685, 256.9686, and 256.9695 to be provided by a hospital within a reasonable time period.

~~Subd. 5. [APPEAL RIGHTS.] Nothing in this section supersedes the contested case provisions of chapter 14, the administrative procedure act.~~

Subd. 5a. [AUDITS AND ADJUSTMENTS.] Inpatient hospital rates and payments must be established under this section and sections 256.9685, 256.9686, and 256.9695. The commissioner may adjust rates and payments based on the findings of audits of payments to hospitals, hospital billings, costs, statistical information, charges, or patient records performed by the commissioner or the Medicare program that identify billings, costs, statistical information, or charges for services that were not delivered, never ordered, in excess of limits, not covered by the medical assistance program, paid separately from rates established under this section and sections 256.9685, 256.9686, and 256.9695, or for charges that are not consistent with other payor billings. Charges to the medical assistance program must be less than or equal to charges to the general public. Charges to the medical assistance program must not exceed the lowest charge to any other payor. The audit findings may be based on a statistically valid sample of hospital information that is needed to complete the audit. If the information the commissioner

uses to establish rates or payments is not audited by the Medicare program, the commissioner may require an audit using Medicare principles and may adjust rates and payments to reflect any subsequent audit.

~~Subd. 6. [RULES.] The commissioner of human services shall promulgate emergency and permanent rules to implement a system of prospective payment for inpatient hospital services pursuant to chapter 14, the administrative procedure act. Notwithstanding section 14.53, emergency rule authority authorized by Laws 1983, chapter 312, article 5, section 9, subdivision 6, shall extend to August 1, 1985.~~

Subd. 6a. [SPECIAL CONSIDERATIONS.] (a) In determining the payment rates, the commissioner shall consider whether the following circumstances exist:

(1) [MINIMAL MEDICAL ASSISTANCE USE.] Minnesota hospitals with 30 or fewer annualized admissions of Minnesota medical assistance recipients in the base year, excluding Medicare crossover admissions, may have the base year operating rates, as adjusted by the case mix index, and property payment rates established at the 70th percentile of hospitals in the peer group in effect during the base year as established by the Minnesota department of health for use by the rate review program. Rates within a peer group shall be adjusted for differences in fiscal years and outlier percentage payments before establishing the 70th percentile. The operating payment rate portion of the 70th percentile shall be adjusted by the hospital cost index. To have rates established under this paragraph, the hospital must notify the commissioner in writing by November 1 of the year preceding the rate year. This paragraph shall be applied to all payment rates of the affected hospital.

(2) [UNUSUAL COST OR LENGTH OF STAY EXPERIENCE.] The commissioner shall establish day and cost outlier thresholds for each diagnostic category established under subdivision 2 at two standard deviations beyond the geometric mean length of stay or allowable cost. Payment for the days and cost beyond the outlier threshold shall be in addition to the operating and property payment rates per admission established under subdivisions 2, 2b and 2c. Payment for outliers shall be at 70 percent of the allowable operating cost calculated by dividing the operating payment rate per admission, after adjustment by the case mix index, hospital cost index, relative values and the disproportionate population adjustment, by the arithmetic mean length of stay for the diagnostic category. The outlier threshold for neonatal and burn diagnostic categories shall be established at one standard deviation beyond the geometric mean length of stay or allowable cost, and payment shall be at 90 percent of allowable operating cost calculated in the same manner as other outliers. A hospital may choose an alternative percentage outlier payment to a minimum of 60 percent and a

maximum of 80 percent if the commissioner is notified in writing of the request by October 1 of the year preceding the rate year. The chosen percentage applies to all diagnostic categories except burns and neonates. The percentage of allowable cost that is unrecognized by the outlier payment shall be added back to the base year operating payment rate per admission. Cost outliers shall be calculated using hospital specific allowable cost data. If a stay is both a day and a cost outlier, outlier payments shall be based on the higher outlier payment.

(3) [DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.] For admissions occurring on or after July 1, 1989, the medical assistance disproportionate population adjustment shall comply with federal law. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. For admissions occurring on or after January 1, 1991, the disproportionate population adjustment shall be derived from base year Medicare cost report data and may be adjusted by data reflecting actual claims paid by the department.

(4) [SEPARATE BILLING BY CERTIFIED REGISTERED NURSE ANESTHETISTS.] Hospitals may exclude certified registered nurse anesthetist costs from the operating payment rate as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must notify the commissioner in writing by October 1 of the year preceding the rate year of the request to exclude certified registered nurse anesthetist costs. The hospital must agree that all hospital claims for the cost and charges of certified registered nurse anesthetist services will not be included as part of the rates for inpatient services provided during the rate year. In this case, the operating payment rate shall be adjusted to exclude the cost of certified registered nurse anesthetist services. Payments made through separate claims for certified registered nurse anesthetist services shall not be paid directly through the hospital provider number or indirectly by the certified registered nurse anesthetist to the hospital or related organizations.

(5) [SPECIAL RATES.] The commissioner may establish special rate-setting methodologies, including a per day operating and property payment system, for hospice, ventilator dependent, and other services on a hospital and recipient specific basis taking into consideration such variables as federal designation, program size, and admission from a medical assistance waiver or home care program. The data and rate calculation method shall conform to the requirements of paragraph (7), except that hospice rates shall not exceed the amount allowed under federal law and payment shall be secondary to any other medical assistance hospice program. Rates and payments established under this paragraph must meet the requirements of section 256.9685, subdivisions 1 and 2, and must not exceed payments that would otherwise be made to a hospital in

total for rate year admissions under subdivisions 2, 2b, 2c, 3, 4, 5, and 6. The cost and charges used to establish rates shall only reflect inpatient medical assistance covered services. Hospital and claims data that are used to establish rates under this paragraph shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(6) [REHABILITATION DISTINCT PARTS.] Units of hospitals that are recognized as rehabilitation distinct parts by the Medicare program shall have separate provider numbers under the medical assistance program for rate establishment and billing purposes only. These units shall also have operating and property payment rates and the disproportionate population adjustment established separately from other inpatient hospital services, based on the methods of subdivisions 2, 2b, 2c, 3, 4, 5, and 6. The commissioner may establish separate relative values under subdivision 2 for rehabilitation hospitals and distinct parts as defined by the Medicare program. For individual hospitals that did not have separate medical assistance rehabilitation provider numbers or rehabilitation distinct parts in the base year, hospitals shall provide the information needed to separate rehabilitation distinct part cost and claims data from other inpatient service data.

(7) [NEONATAL TRANSFERS.] Neonatal diagnostic category transfers shall have operating and property payment rates established on a per day payment system that is based on the cost finding methods and allowable costs of the Medicare program during the base year. The rate per day for the neonatal service setting within the hospital shall be determined by dividing base year neonatal allowable costs by neonatal patient days. The operating payment rate portion of the rate shall be adjusted by the hospital cost index and the disproportionate population adjustment. The cost and charges used to establish rates shall only reflect inpatient services covered by medical assistance. Hospital and claims data used to establish rates under this paragraph shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(8) [TRANSFERS.] Except as provided in paragraphs (5) and (7), operating and property payment rates for admissions that result in transfers and transfers shall be established on a per day payment system. The per day payment rate shall be the sum of the adjusted operating and property payment rates determined in subdivisions 2b and 2c, divided by the arithmetic mean length of stay for the diagnostic category. Each admission that results in a transfer and each transfer is considered a separate admission to each hospital, and the total of the admission and transfer payments to each hospital must not exceed the total per admission payment that would otherwise be made to each hospital under paragraph (2) and subdivisions 2b and 2c.

(b) The computation of each hospital's payment rate and the relative values of the diagnostic categories are not subject to the routine service cost limitation imposed under the Medicare program.

(c) Indian health service facilities are exempt from the rate establishment methods required by this section and shall be reimbursed at the facility's usual and customary charges to the general public. This exemption is not effective for payments under general assistance medical care.

(d) Except as provided in paragraph (a), clauses (1) and (3), out-of-state hospitals that are located within a Minnesota local trade area shall have rates established using the same procedures and methods that apply to Minnesota hospitals. Hospitals that are not required by law to file information in a format necessary to establish rates shall have rates established based on the commissioner's estimates of the information. Relative values of the diagnostic categories shall not be redetermined under this paragraph until required by rule. Hospitals affected by this paragraph shall then be included in determining relative values. However, hospitals that have rates established based upon the commissioner's estimates of information shall not be included in determining relative values. This paragraph is effective for hospital fiscal years beginning on or after July 1, 1988. A hospital shall provide the information necessary to establish rates under this paragraph at least 90 days before the start of the hospital's fiscal year.

(e) Hospitals that are not located within Minnesota or a Minnesota local trade area shall have operating and property rates established at the average of statewide and local trade area rates or, at the commissioner's discretion, at an amount negotiated by the commissioner. Relative values shall not include data from hospitals that have rates established under this paragraph. Payments, including third party liability, established under this paragraph may not exceed the charges on a claim specific basis for inpatient services that are covered by medical assistance.

(f) Medical assistance inpatient payments shall increase 30 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988 for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(g) Medical assistance inpatient payments shall increase 20

percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988 for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(h) Medical assistance inpatient payment rates must include the cost incurred by hospitals to pay the department of health for metabolic disorder testing of newborns who are medical assistance recipients, if the cost is not recognized by another payment source.

Sec. 33. [256.9695] [APPEALS OF RATES; PROHIBITED PRACTICES FOR HOSPITALS; TRANSITION RATES.]

Subdivision 1. [APPEALS.] A hospital may appeal a decision arising from the application of standards or methods under section 256.9685, 256.9686, or 256.969, if an appeal would result in a change to the hospital's payment rate or payments. Both overpayments and underpayments that result from the submission of appeals shall be implemented. Regardless of any appeal outcome, relative values shall not be recalculated. The appeal shall be heard by an administrative law judge according to sections 14.48 to 14.56, or upon agreement by both parties, according to a modified appeals procedure established by the commissioner and the office of administrative hearings. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect or not according to law.

(a) To appeal a payment rate or payment determination or a determination made from base year information, the hospital shall file a written appeal request to the commissioner within 60 days of the date the payment rate determination was mailed. The appeal request shall specify: (i) the disputed items; (ii) the authority in federal or state statute or rule upon which the hospital relies for each disputed item; and (iii) the name and address of the person to contact regarding the appeal. A change to a payment rate or payments that results from a successful appeal to the Medicare program of the base year information establishing rates for the rate year beginning in 1991 and after is a prospective adjustment to subsequent rate years. After December 31, 1990, payment rates shall not be adjusted for appeals of base year information that affect years prior to the rate year beginning January 1, 1991. Facts to be considered in any appeal of base year information are limited to those in existence at the time the payment rates of the first rate year were established from the base year information. In the case of

Medicare settled appeals, the 60-day appeal period shall begin on the mailing date of the notice by the Medicare program or the date the medical assistance payment rate determination notice is mailed, whichever is later.

(b) To appeal a payment rate or payment change that results from a difference in case mix between the base year and a rate year, the procedures and requirements of paragraph (a) apply. However, the appeal must be filed with the commissioner within 60 days after the end of a rate year. A case mix appeal must apply to the cost of services to all medical assistance patients that received inpatient services from the hospital during the rate year appealed. For this paragraph, hospital means a facility holding the provider number as an inpatient service facility.

Subd. 2. [PROHIBITED PRACTICES.] (a) Hospitals that have a provider agreement with the department may not limit medical assistance admissions to percentages of certified capacity or to quotas unless patients from all payors are limited in the same manner. This requirement does not apply to certified capacity that is unavailable due to contracts with payors for specific occupancy levels.

(b) Hospitals may not transfer medical assistance patients to or cause medical assistance patients to be admitted to other hospitals without the explicit consent of the receiving hospital when service needs of the patient are available and within the scope of the transferring hospital. The transferring hospital is liable to the receiving hospital for patient charges and ambulance services without regard to medical assistance payments plus the receiving hospital's reasonable attorney fees if found in violation of this prohibition.

Subd. 3. [TRANSITION.] Except as provided in section 256.969, subdivision 6a, paragraph (a), clause (3), the commissioner shall establish a transition period for the calculation of payment rates from the effective date of this section to December 31, 1990, as follows:

(a) Changes resulting from section 256.969, subdivision 6a, paragraph (a), clauses (1) to (8), shall not be implemented.

(b) Rates established for hospital fiscal years beginning on or after July 1, 1989, shall be adjusted for the one percent technology factor included in the hospital cost index.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989.

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through December 31, 1990. The laws in effect on the day before the effective date of this section apply to the retroactive settlement from the effective date of this section to December 31, 1990.

Subd. 4. [STUDY.] The commissioner shall contract for an evaluation of the inpatient and outpatient hospital payment systems. The study shall include recommendations concerning:

(1) more effective methods of assigning operating and property payment rates to specific services or diagnoses;

(2) effective methods of cost control and containment;

(3) fiscal impacts of alternative payment systems; and

(4) the relationships of the use of and payment for inpatient and outpatient hospital services.

The commissioner shall report the findings to the legislature by January 15, 1991, along with recommendations for implementation.

Subd. 5. [RULES.] The commissioner of human services shall adopt permanent rules to implement this section and sections 256.9685, 256.9686, and 256.969 under chapter 14, the administrative procedure act.

Sec. 34. Minnesota Statutes 1988, section 256B.031, subdivision 5, is amended to read:

Subd. 5. [FREE CHOICE LIMITED.] (a) The commissioner may require recipients of aid to families with dependent children to enroll in a prepaid health plan and receive services from or through the prepaid health plan, with the following exceptions:

(1) recipients who are refugees and whose health services are reimbursed 100 percent by the federal government ~~for the first 24 months after entry into the United States~~; and

(2) recipients who are placed in a foster home or facility. If placement occurs before the seventh day prior to the end of any month, the recipient will be disenrolled from the recipient's prepaid health plan effective the first day of the following month. If placement occurs after the seventh day before the end of any month, that recipient will be disenrolled from the prepaid health plan on the first day of the second month following placement. The prepaid health

plan must provide all services set forth in subdivision 2 during the interim period.

Enrollment in a prepaid health plan is mandatory only when recipients have a choice of at least two prepaid health plans.

(b) Recipients who become eligible on or after December 1, 1987, must choose a health plan within 30 days of the date eligibility is determined. At the time of application, the local agency shall ask the recipient whether the recipient has a primary health care provider. If the recipient has not chosen a health plan within 30 days but has provided the local agency with the name of a primary health care provider, the local agency shall determine whether the provider participates in a prepaid health plan available to the recipient and, if so, the local agency shall select that plan on the recipient's behalf. If the recipient has not provided the name of a primary health care provider who participates in an available prepaid health plan, commissioner shall randomly assign the recipient to a health plan.

(c) If possible, the local agency shall ask whether the recipient has a primary health care provider and the procedures under paragraph (b) shall apply. If a recipient does not choose a prepaid health plan by this date, the commissioner shall randomly assign the recipient to a health plan.

(d) The commissioner shall request a waiver from the federal Health Care Financing Administration to limit a recipient's ability to change health plans to once every six or 12 months. If such a waiver is obtained, each recipient must be enrolled in the health plan for a minimum of six or 12 months. A recipient may change health plans once within the first 60 days after initial enrollment.

(e) Women who are receiving medical assistance due to pregnancy and later become eligible for aid to families with dependent children are not required to choose a prepaid health plan until 60 days postpartum. An infant born as a result of that pregnancy must be enrolled in a prepaid health plan at the same time as the mother.

(f) If third-party coverage is available to a recipient through enrollment in a prepaid health plan through employment, through coverage by the former spouse, or if a duty of support has been imposed by law, order, decree, or judgment of a court under section 518.551, the obligee or recipient shall participate in the prepaid health plan in which the obligee has enrolled provided that the commissioner has contracted with the plan.

Sec. 35. Minnesota Statutes 1988, section 256B.04, subdivision 14, is amended to read:

Subd. 14. [COMPETITIVE BIDDING.] When determined to be

effective, economical, and feasible, the commissioner ~~shall~~ may utilize volume purchase through competitive bidding and negotiation under the provisions of chapter ~~16~~ 16B, to provide ~~the following~~ items under the medical assistance program including but not limited to the following:

(1) eyeglasses;

(2) oxygen. The commissioner shall provide for oxygen needed in an emergency situation on a short-term basis, until the vendor can obtain the necessary supply from the contract dealer;

(3) hearing aids and supplies; and

(4) durable medical equipment, including but not limited to:

(a) hospital beds;

(b) commodes;

(c) glide-about chairs;

(d) patient lift apparatus;

(e) wheelchairs and accessories;

(f) oxygen administration equipment;

(g) respiratory therapy equipment;

(h) electronic diagnostic, therapeutic and life support systems;

(5) ~~wheelchair~~ specialized transportation services; and

(6) drugs.

Sec. 36. Minnesota Statutes 1988, section 256B.055, subdivision 7, is amended to read:

Subd. 7. [AGED, BLIND, OR DISABLED PERSONS.] Medical assistance may be paid for a person who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section. The methodology for calculating ~~disregards and deductions from~~ income must be ~~as specified in section 256D.37, subdivisions 6 to 14~~ the same methodology used for calculating income for the supplemental security income program except as specified otherwise by state or federal law.

Sec. 37. Minnesota Statutes 1988, section 256B.055, subdivision 8, is amended to read:

Subd. 8. [MEDICALLY NEEDY PERSONS WITH EXCESS INCOME OR ASSETS.] Medical assistance may be paid for a person who, except for the amount of income or assets, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and who meets the other eligibility requirements of this section. However, in the case of families and children ~~who meet the categorical eligibility requirements for aid to families with dependent children~~, the methodology for calculating assets shall be as specified in section 256.73, subdivision 2, except that the exclusion for an automobile shall be as in subdivision 3, clause (g), as long as acceptable to the health care financing administration, and the methodology for calculating deductions from earnings for child care and work expenses shall be as specified in section 256.74, subdivision 1.

Sec. 38. Minnesota Statutes 1988, section 256B.056, subdivision 3, is amended to read:

Subd. 3. [ASSET LIMITATIONS.] To be eligible for medical assistance, a person must not individually own more than $3,000 in ~~cash or liquid~~ assets, or if a member of a household with two family members (husband and wife, or parent and child), the household must not own more than $6,000 in ~~cash or liquid~~ assets, plus $200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. ~~Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:~~ The value of the items in paragraphs (a) to (i) are not considered in determining medical assistance eligibility.

(a) The homestead~~,~~ is not considered.

(b) Household goods and personal effects ~~with a total equity value of $2,000 or less,~~ are not considered.

(c) Personal property used as a regular abode by the applicant or recipient~~,~~ is not considered.

(d) A lot in a burial plot for each member of the household~~,~~ is not considered.

(e) Capital and operating assets of a trade or business that the

local agency determines are necessary to the person's ability to earn an income, are not considered.

(f) For a period of six months, insurance settlements to repair or replace damaged, destroyed, or stolen property, are not considered.

(g) One motor vehicle that is licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e, and that is used primarily for the person's benefit, ~~and (h) other items which may be required by federal law or statute~~ is not considered.

To be excluded, the vehicle must have a market value of less than $4,500; be necessary to obtain medically necessary health services; be necessary for employment; be modified for operation by or transportation of a handicapped person; or be necessary to perform essential daily tasks because of climate, terrain, distance, or similar factors. The equity value of other motor vehicles is counted against the ~~cash or liquid~~ asset limit.

(h) Life insurance policies and assets designated as burial expenses, according to the standards and restrictions of the supplemental security income (SSI) program.

(i) Other items which may be excluded by federal law are not considered.

Sec. 39. Minnesota Statutes 1988, section 256B.056, subdivision 4, is amended to read:

Subd. 4. [INCOME.] To be eligible for medical assistance, a person must not have, or anticipate receiving, semiannual income in excess of ~~115~~ 133⅓ percent of the income standards by family size used in the aid to families with dependent children program, ~~except that families and children may have an income up to 133⅓ percent of the AFDC income standard~~. Notwithstanding any laws or rules to the contrary, in computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566, section 503; 99-272; and 99-509.

Sec. 40. Minnesota Statutes 1988, section 256B.056, subdivision 5, is amended to read:

Subd. 5. [EXCESS INCOME.] A person who has excess income is eligible for medical assistance if the person has expenses for medical care that are more than the amount of the person's excess income, computed by deducting incurred medical expenses from the excess income to reduce the excess to the income standard specified in

subdivision 4. The person shall elect to have the medical expenses deducted ~~monthly~~ at the beginning of a one-month budget period or at the beginning of ~~the~~ a six-month budget period; ~~or who is a pregnant woman or infant up to one year of age who meets the requirements of section 256B.055, subdivisions 1 to 9, except that her anticipated income is in excess of the income standards by family size used in the aid to families with dependent children program, but is equal to or less than 185 percent of the federal poverty guideline for the same family size. Eligibility for a pregnant woman or infant up to one year of age with respect to this clause shall be without regard to the asset standards specified in subdivisions 2 and 4. For persons who reside in licensed nursing homes, regional treatment centers, or medical institutions, the income over and above that required in section 256B.35 for personal needs allowance is to be applied to the cost of institutional care. In addition, income may be retained by an institutionalized person (a) to support dependents in the amount that, together with the income of the spouse and child under age 18, would provide net income equal to the medical assistance standard for the family size of the dependents excluding the person residing in the facility; or (b) for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if the person was not living together with a spouse or child under age 21 at the time the person entered a long-term care facility, if the person has expenses of maintaining a residence in the community, and if a physician certifies that the person is expected to reside in the long-term care facility on a short-term basis. For purposes of this section, persons are determined to be residing in licensed nursing homes, regional treatment centers, or medical institutions if the persons are expected to remain for a period expected to last longer than three months. The commissioner of human services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care.~~ The commissioner shall seek applicable waivers from the secretary of health and human services to allow persons eligible for assistance on a spend-down basis under this section to elect to pay the monthly spend-down amount to the local agency in order to maintain eligibility on a continuous basis for medical assistance and to simplify payment to health care providers. If the local agency has not received payment of the spend-down amount by the 15th day of the month, the recipient is ineligible for this option for the following month. The commissioner may seek a waiver of the Social Security Act that all requirements be uniform statewide, to phase in this option over a six-month period.

Sec. 41. [256B.057] [ELIGIBILITY; QUALIFIED MEDICARE BENEFICIARIES.]

A person who is entitled to Part A Medicare benefits, whose income is less than 85 percent of the federal poverty guidelines, and whose assets are no more than twice the asset limit used to

determine eligibility for the supplemental security income program, is eligible for medical assistance reimbursement of Part A and Part B premiums, Part A and Part B coinsurance and deductibles, and cost-effective premiums for enrollment with a health maintenance organization or a competitive medical plan under section 1876 of the Social Security Act. The income limit shall be increased to 90 percent of the federal poverty guidelines on January 1, 1990; to 95 percent on January 1, 1991; and to 100 percent on January 1, 1992. Reimbursement of the Medicare coinsurance and deductibles must not exceed the total rate the provider would have received for the same service or services if the person were a medical assistance recipient. Adjustments in the income limits due to annual changes in the federal poverty guidelines shall be implemented the first day of July following publication.

Sec. 42. [256B.058] [AVAILABILITY OF INCOME FOR INSTITUTIONALIZED PERSONS.]

When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

(a) The following amounts must be deducted from the institutionalized person's income in the following order:

(1) the personal needs allowance under section 256B.35;

(2) the personal allowance for disabled individuals under section 256B.36;

(3) a community spouse monthly needs allowance determined under subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;

(4) a monthly family allowance, for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member;

(5) amounts for reasonable expenses incurred for necessary medical or remedial care for the institutionalized spouse that are not medical assistance covered expenses and that are not subject to payment by a third party; and

(6) if the institutionalized person has a guardian or conservator, five percent of the recipient's gross monthly income up to $100 as reimbursement for guardianship or conservatorship services.

For purposes of clause (4), family member includes only minor or dependent children, dependent parents, or dependent siblings of the

institutionalized or community spouse if the sibling resides with the community spouse.

(b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:

(1) a physician certifies that the person is expected to reside in the long-term care facility for three calendar months or less;

(2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family member as defined in paragraph (a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home, regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Sec. 43. [256B.059] [PROHIBITIONS ON TRANSFER; EXCEPTIONS.]

Subdivision 1. [PROHIBITED TRANSFERS.] If an institutionalized person has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under section 256B.056, subdivision 3, within 30 months of the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months of the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 7. For purposes of this section, long-term care services include nursing facility services, and home and community-based services provided pursuant to section 256B.491. For purposes of this subdivision and subdivisions 7, 8, and 9, "institutionalized person" includes a person who is an inpatient in a nursing facility, or who is receiving home and community-based services under section 256B.491.

Subd. 2. [PERIOD OF INELIGIBILITY.] For any uncompensated transfer, the number of months of ineligibility for long-term care

services shall be the lesser of 30 months, or the uncompensated transfer amount divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

Subd. 3. [HOMESTEAD EXCEPTION TO TRANSFER PROHIBITION.] (a) An institutionalized person is not ineligible for long-term care services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:

(1) title to the homestead was transferred to the individual's

(i) spouse;

(ii) child who is under age 21;

(iii) blind or permanently and totally disabled child as defined in the supplemental security income program;

(iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or

(v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the facility, and who provided care to the individual that permitted the individual to reside at home rather than in an institution or facility;

(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(3) the local agency grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

(b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of long-term care services granted within 30 months of the transfer or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local

agency responsible for providing medical assistance under chapter 256G.

Subd. 4. [OTHER EXCEPTIONS TO TRANSFER PROHIBITION.] Notwithstanding subdivisions 1 to 6, an institutionalized person who applies for medical assistance and who has transferred assets for less than fair market value within 30 months immediately before the month of application is not ineligible for long-term care services if one of the following conditions apply:

(1) the assets were transferred to the community spouse, provided the spouse does not transfer the assets to another person for less than fair market value; or to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(2) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(3) the local agency determines that denial of eligibility for long-term care services would work an undue hardship, and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of long-term care services granted within 30 months of the transfer, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G.

Sec. 44. Minnesota Statutes 1988, section 256B.062, is amended to read:

256B.062 [CONTINUED ELIGIBILITY.]

~~Subdivision 1. Any family which was eligible for aid to families with dependent children in at least three of the six months immediately preceding the month in which the family became ineligible for aid to families with dependent children because of increased income from employment shall, while a member of the family is employed, remain eligible for medical assistance for four calendar months following the month in which the family would otherwise be determined to be ineligible due to the income and resources limitations of this chapter.~~

~~Subd. 2. A family whose eligibility for aid to families with dependent children is terminated because of the loss of the $30, or the $30 and one-third earned income disregard is eligible for medical assistance for 12 calendar months following the month in which the family loses medical assistance eligibility as an aid to~~

~~families with dependent children recipient.~~ Medical assistance may be paid for persons who received aid to families with dependent children in at least three of the six months preceding the month in which the person became ineligible for aid to families with dependent children, if the ineligibility was due to an increase in hours of employment or employment income or due to the loss of an earned income disregard. A person who is eligible for extended medical assistance is entitled to six months of assistance without reapplication, unless the assistance unit ceases to include a dependent child. For a person under 21 years of age, medical assistance may not be discontinued within the six-month period of extended eligibility until it has been determined that the person is not otherwise eligible for medical assistance. Medical assistance may be continued for an additional six months if the person meets all requirements for the additional six months, according to Title XIX of the Social Security Act, as amended by section 303 of the Family Support Act of 1988, Public Law Number 100-485.

Sec. 45. Minnesota Statutes 1988, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner. The commissioner shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, ~~prenatal vitamins,~~ and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with

the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of $.30 may be added to the dispensing fee paid to pharmacists for prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifi-

cally indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

Sec. 46. Minnesota Statutes 1988, section 256B.0625, is amended by adding a subdivision to read:

Subd. 26. [SPECIAL EDUCATION SERVICES.] Medical assistance covers medical services identified in a recipient's individualized education plan. The services must be provided by a Minnesota school district that is enrolled as a medical assistance provider or its subcontractor, and only if the services meet all the requirements otherwise applicable if the service had been provided by a provider other than a school district, in the following areas: medical necessity, physician's orders, documentation, personnel qualifications, and prior authorization requirements. Medical assistance coverage for medically necessary services provided under other subdivisions in this section may not be denied solely on the basis that the same or similar services are covered under this subdivision.

Sec. 47. Minnesota Statutes 1988, section 256B.092, subdivision 7, is amended to read:

Subd. 7. [SCREENING TEAMS ESTABLISHED.] Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community-based services of persons who are entitled to the level of care provided by an intermediate care facility for persons with mental retardation or related conditions or for whom there is a reasonable indication that they might require the level of care provided by an intermediate care facility. The screening team shall make an evaluation of need within 15 working days of the date that the assessment is completed or within 60 working days of a request for service by a person with mental retardation or related conditions, whichever is the earlier, and within five working days of an emergency admission of an individual to an intermediate care facility for persons with mental retardation or related conditions. The screening team shall consist of the case manager, the client, a parent or guardian, and a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section ~~442.401~~ 483.430, as amended through ~~December 31, 1987.~~ June 3, 1988. The case manager may also act as the qualified mental retardation professional if the case manager meets the federal definition. County social service agencies may contract with a public or private agency or individual who is not a service provider for the person for the public guardianship representation required by the screening or individual service and habilitation planning process. The contract shall be limited to public guardianship representation for the

screening and individual service and habilitation planning activities. The contract shall require compliance with the commissioner's instructions, and may be for paid or voluntary services. For individuals determined to have overriding health care needs, a registered nurse must be designated as either the case manager or the qualified mental retardation professional. The case manager shall consult with the client's physician, other health professionals or other persons as necessary to make this evaluation. The case manager, with the concurrence of the client or the client's legal representative, may invite other persons to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case.

Sec. 48. Minnesota Statutes 1988, section 256B.14, is amended to read:

256B.14 [RELATIVE'S RESPONSIBILITY.]

Subdivision 1. [IN GENERAL.] Subject to the provisions of sections 256B.055, 256B.056, and 256B.06, responsible relative means the ~~spouse of a medical assistance recipient or~~ parent of a minor recipient of medical assistance.

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete repayment of medical assistance furnished to recipients for whom they are responsible. ~~No resource contribution is required of a spouse at the time of the first approved medical assistance application.~~ These rules shall not require repayment when payment would cause undue hardship to the responsible relative or that relative's immediate family. These rules shall be consistent with the requirements of section 252.27, subdivision 2, for parents of children whose eligibility for medical assistance was determined without deeming of the parents' resources and income. For parents of children receiving services under a federal medical assistance waiver or under section 134 of the Tax Equity and Fiscal Responsibility Act of 1982, United States Code, title 42, section 1396a(e)(3), while living in their natural home, including in-home family support services, respite care, homemaker services, and minor adaptations to the home, the state agency shall take into account the room, board, and services provided by the parents in determining the parental contribution to the cost of care. The county agency shall give the responsible relative notice of the amount of the repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county

agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 49. Minnesota Statutes 1988, section 256B.69, subdivision 4, is amended to read:

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6. The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice: (1) persons eligible for medical assistance according to section 256B.055, subdivision 1, or who are in foster placement; ~~and~~ (2) persons eligible for medical assistance due to blindness or disability as determined by the social security administration or the state medical review team, unless they are 65 years of age or older; (3) recipients who currently have private coverage through a health maintenance organization; and (4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense. Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

Sec. 50. Minnesota Statutes 1988, section 256B.501, subdivision 3, is amended to read:

Subd. 3. [RATES FOR INTERMEDIATE CARE FACILITIES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.] The commissioner shall establish, by rule, procedures for determining rates for care of residents of intermediate care facilities for persons with mental retardation or related conditions. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically

operated facilities. In developing the procedures, the commissioner shall include:

(a) cost containment measures that assure efficient and prudent management of capital assets and operating cost increases which do not exceed increases in other sections of the economy;

(b) limits on the amounts of reimbursement for property, general and administration, and new facilities;

(c) requirements to ensure that the accounting practices of the facilities conform to generally accepted accounting principles;

(d) incentives to reward accumulation of equity;

(e) a revaluation on sale between unrelated organizations for a facility that, for at least three years before its use as an intermediate care facility, has been used by the seller as a single family home and been claimed by the seller as a homestead, and was not revalued immediately prior to or upon entering the medical assistance program, provided that the facility revaluation not exceed the amount permitted by the Social Security Act, section 1902(a)(13); and

(f) appeals procedures that satisfy the requirements of section 256B.50 for appeals of decisions arising from the application of standards or methods pursuant to Minnesota Rules, parts 9510.0500 to 9510.0890, 9553.0010 to 9553.0080, and 12 MCAR 2.05301 to 2.05315 (temporary).

In establishing rules and procedures for setting rates for care of residents in intermediate care facilities for persons with mental retardation or related conditions, the commissioner shall consider the recommendations contained in the February 11, 1983, Report of the Legislative Auditor on Community Residential Programs for the Mentally Retarded and the recommendations contained in the 1982 Report of the Department of Public Welfare Rule 52 Task Force. Rates paid to supervised living facilities for rate years beginning during the fiscal biennium ending June 30, 1985, shall not exceed the final rate allowed the facility for the previous rate year by more than five percent.

Sec. 51. Minnesota Statutes 1988, section 256B.501, subdivision 3g, is amended to read:

Subd. 3g. [ASSESSMENT OF RESIDENTS.] For rate years beginning on or after October 1, 1990, the commissioner shall establish program operating cost rates for care of residents in facilities that take into consideration service characteristics of residents in those facilities. To establish the service characteristics of residents,

the quality assurance and review teams in the department of health shall assess all residents annually beginning January 1, 1989, using a uniform assessment instrument developed by the commissioner. This instrument shall include assessment of the client's behavioral needs, integration into the community, ability to perform activities of daily living, medical and therapeutic needs, and other relevant factors determined by the commissioner. The commissioner may ~~establish procedures to adjust the program operating costs of facilities based on a comparison of client services characteristics, resource needs, and costs.~~ adjust the program operating cost rates of facilities based on a comparison of client service characteristics, resource needs, and costs. The commissioner may adjust a facility's payment rate during the rate year when accumulated changes in the facility's average service units exceed the minimums established in the rules required by subdivision 3j.

Sec. 52. Minnesota Statutes 1988, section 256B.69, subdivision 5, is amended to read:

Subd. 5. [PROSPECTIVE PER CAPITA PAYMENT.] The ~~project advisory committees with the~~ commissioner shall establish the method and amount of payments for services. The commissioner shall annually contract with demonstration providers to provide services consistent with these established methods and amounts for payment. Notwithstanding section 62D.02, subdivision 1, payments for services rendered as part of the project may be made to providers that are not licensed health maintenance organizations on a risk-based, prepaid capitation basis.

If allowed by the commissioner, a demonstration provider may contract with an insurer, health care provider, nonprofit health service plan corporation, or the commissioner, to provide insurance or similar protection against the cost of care provided by the demonstration provider or to provide coverage against the risks incurred by demonstration providers under this section. The recipients enrolled with a demonstration provider are a permissible group under group insurance laws and chapter 62C, the Nonprofit Health Service Plan Corporations Act. Under this type of contract, the insurer or corporation may make benefit payments to a demonstration provider for services rendered or to be rendered to a recipient. Any insurer or nonprofit health service plan corporation licensed to do business in this state is authorized to provide this insurance or similar protection.

Payments to providers participating in the project are exempt from the requirements of sections 256.966 and 256B.03, subdivision 2. The commissioner shall complete development of capitation rates for payments before delivery of services under this section is begun. For payments made during calendar year 1990 and later years, the commissioner shall contract with an independent actuary to establish prepayment rates.

Sec. 53. Minnesota Statutes 1988, section 256B.69, subdivision 11, is amended to read:

Subd. 11. [APPEALS.] A recipient may appeal to the commissioner a demonstration provider's delay or refusal to provide services, according to section 256.045. ~~The commissioner shall appoint a panel of health practitioners, including social service practitioners, as necessary to determine the necessity of services provided or refused to a recipient. The deliberations and decisions of the panel replace the administrative review process otherwise available under chapter 256. The panel shall follow the time requirements and other provisions of the Code of Federal Regulations, title 42, sections 431.200 to 431.246. The time requirements shall be expedited based on request by the individual who is appealing for emergency services. If a service is determined to be necessary and is included among the benefits for which a recipient is enrolled, the service must be provided by the demonstration provider as specified in subdivision 5. The panel's decision is a final agency action.~~

Sec. 54. Minnesota Statutes 1988, section 256B.69, is amended by adding a subdivision to read:

Subd. 17. [CONTINUATION OF PREPAID MEDICAL ASSISTANCE.] The commissioner may continue the provisions of this section after June 30, 1990, in any or all of the participating counties if necessary federal authority is granted. The commissioner may adopt permanent rules to continue prepaid medical assistance in these areas.

Sec. 55. Minnesota Statutes 1988, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (a) General assistance medical care may be paid for any person:

(1) who is eligible for assistance under section 256D.05 or 256D.051 and is not eligible for medical assistance under chapter 256B; or

(2) (i) who is a resident of Minnesota; ~~whose income as calculated under chapter 256B is not in excess of the medical assistance standards or whose excess income is spent down pursuant to chapter 256B;~~ and whose equity in ~~resources~~ assets is not in excess of $1,000 per assistance unit. Exempt ~~real and liquid~~ assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B.; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivi-

sion 5. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. The earned income deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except for the disregard of the first $50 of earned income; or

(3) who is over age 18 and who 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.

(b) Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care may be paid for a person, regardless of age, who is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, if the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the local agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after

30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired.

Sec. 56. Minnesota Statutes 1988, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by Medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and X-ray services, physician's services, medical transportation, chiropractic services as covered under the medical assistance program, podiatric services, and dental care. In addition, payments of state aid shall be made for:

(1) outpatient services provided by a mental health center or clinic that is under contract with the county board and is certified under Minnesota Rules, parts ~~9520.0750~~ 9520.0010 to ~~9520.0870~~ 9520.0230;

(2) day treatment services for mental illness provided under contract with the county board; ~~and~~

(3) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;

(4) case management services 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; and

(5) psychological services, medical supplies and equipment, and Medicare coinsurance and deductible payments for a person who would be eligible for medical assistance except that the person resides in an institution for mental diseases.

(b) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary

services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. ~~The rates payable under this section must be calculated according to section 256B.031, subdivision 4~~ For payments made during fiscal year 1990 and later years, the commissioner shall contract with an independent actuary to establish prepayment rates.

(c) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985, to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986 to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be

reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987, to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988, to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(d) Any county may, from its own resources, provide medical ~~5~~ payments for which state payments are not made.

(e) Chemical dependency services that are reimbursed under Laws 1986, chapter 394, sections 8 to 20, must not be reimbursed under general assistance medical care.

(f) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(g) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

Sec. 57. Minnesota Statutes 1988, section 256E.03, subdivision 2, is amended to read:

Subd. 2. (a) "Community social services" means services provided or arranged for by county boards to fulfill the responsibilities prescribed in section 256E.08, subdivision 1 to the following groups of persons:

~~(a)~~ (1) families with children under age 18, who are experiencing child dependency, neglect or abuse, and also pregnant adolescents, adolescent parents under the age of 18, and their children;

~~(b)~~ (2) persons who are under the guardianship of the commissioner of human services as dependent and neglected wards;

~~(c)~~ (3) adults who are in need of protection and vulnerable as defined in section 626.557;

~~(d)~~ (4) persons age 60 and over who are experiencing difficulty living independently and are unable to provide for their own needs;

~~(e)~~ (5) emotionally disturbed children and adolescents, chronically and acutely mentally ill persons who are unable to provide for their own needs or to independently engage in ordinary community activities;

~~(f)~~ (6) persons with mental retardation as defined in section 252A.02, subdivision 2, or with related conditions as defined in section 252.27, subdivision 1, who are unable to provide for their own needs or to independently engage in ordinary community activities;

~~(g)~~ (7) drug dependent and intoxicated persons as defined in section 254A.02, subdivisions 5 and 7, and persons at risk of harm to self or others due to the ingestion of alcohol or other drugs;

~~(h)~~ (8) parents whose income is at or below 70 percent of the state median income and who are in need of child care services in order to secure or retain employment or to obtain the training or education necessary to secure employment; and

~~(i)~~ (9) other groups of persons who, in the judgment of the county board, are in need of social services.

(b) Except as provided in section 256E.08, subdivision 5, community social services do not include public assistance programs known as aid to families with dependent children, Minnesota supplemental aid, medical assistance, general assistance, general assistance medical care, or community health services authorized by sections 145A.09 to 145A.13.

Sec. 58. Minnesota Statutes 1988, section 256E.05, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DUTIES.] The commissioner shall also:

(a) Provide necessary forms and instructions to the counties for plan format and information;

(b) ~~Identify and then amend or repeal the portions of all applicable department rules which mandate counties to provide specific community social services or programs, unless state or federal law requires the commissioner to mandate a service or program. The commissioner shall be exempt from the rulemaking provisions of chapter 14 in amending or repealing rules pursuant to this clause. However, when the commissioner proposes to amend or repeal any rule under the authority granted by this clause, notice shall be provided by publication in the State Register. When the commissioner proposes to amend a rule, the notice shall include that portion of the existing rule necessary to provide adequate notice of the nature of the proposed change. On proposing to repeal an entire rule, the commissioner need only publish that fact, giving the exact citation to the rule to be repealed. In all cases, the notice shall contain a statement indicating that interested persons may submit comment on the proposed repeal or amendment for a period of 30 days after publication of the notice. The commissioner shall take no final action until after the close of the comment period. The commissioner's actions shall not be effective until five days after the commissioner publishes notice of adoption in the State Register. If the final action is the same as the action originally proposed, publication may be made by notice in the State Register that the amendment and repeals have been adopted as proposed, and by citing the prior publication. If the final action differs from the action as previously proposed in the State Register, the text which differs from the original proposal shall be included in the notice of adoption together with a citation to the prior State Register publication. The commissioner shall provide to all county boards separate notice of all final actions which become effective under this clause, advising the boards with respect to services or programs which have now become optional, to be provided at county discretion;~~ To the extent possible, coordinate other categorical social service grant applications and plans required of counties so that the applications and plans are included in and are consistent with the timetable and other requirements for the community social services plan in subdivision 2 and section 256E.09;

(c) Provide to the chair of each county board, in addition to notice required pursuant to sections 14.05 to 14.36, timely advance notice and a written summary of the fiscal impact of any proposed new rule or changes in existing rule which will have the effect of increasing county costs for community social services;

(d) Provide training, technical assistance, and other support services to county boards to assist in needs assessment, planning,

implementing, and monitoring social services programs in the counties;

(e) Design and implement a method of monitoring and evaluating social services, including site visits that utilize quality control audits to assure county compliance with applicable standards, guidelines, and the county and state social services plans; and

(f) ~~Annually publish a report on community social services which shall reflect the contents of the individual county reports. The report shall be submitted to the governor and the legislature with an evaluation of community social services and recommendations for changes needed to fully implement state social service policies; and~~

(g) Request waivers from federal programs as necessary to implement sections 256E.01 to 256E.12.

Sec. 59. Minnesota Statutes 1988, section 256E.08, subdivision 5, is amended to read:

Subd. 5. [COMMUNITY SOCIAL SERVICES FUND.] In the accounts and records of each county there shall be created a community social services fund. All moneys provided for community social services programs under sections 256E.06 and 256E.07 and all other revenues~~,~~; fees~~,~~; grants-in-aid, including those from public assistance programs identified in section 256E.03, subdivision 2, paragraph (b), that pay for services such as child care, waivered services under the medical assistance programs, alternative care grants, and other services funded by these programs through federal or state waivers; gifts~~,~~; or bequests designated for community social services purposes shall be identified in the record of the fund and in the report required in subdivision 8. This fund shall be used exclusively for planning and delivery of community social services as defined in section 256E.03, subdivision 2. If county boards have joined for purposes of administering community social services, the county boards may create a joint community social services fund. If a human service board has been established, the human service board shall account for community social services money as required in chapter 402.

Sec. 60. Minnesota Statutes 1988, section 256E.09, subdivision 1, is amended to read:

Subdivision 1. [PLAN PROPOSAL.] ~~In 1988, the county board shall publish a one-year update to its 1987-1988 biennial plan for calendar year 1989, and make it available upon request to all residents of the county.~~ Beginning in 1989, and every two years after that, the county board shall publish and make available upon request to all county residents a proposed biennial community social services plan for the next two calendar years.

Sec. 61. Minnesota Statutes 1988, section 256E.09, subdivision 3, is amended to read:

Subd. 3. [PLAN CONTENT.] The biennial community social services plan published by the county shall include:

(a) A statement of the goals of community social service programs in the county;

(b) Methods used pursuant to subdivision 2 to encourage participation of citizens and providers in the development of the plan and the allocation of money;

(c) Methods used to identify persons in need of service and the social problems to be addressed by the community social service programs, including efforts the county proposes to make in providing for early intervention, prevention and education aimed at minimizing or eliminating the need for services for groups of persons identified in section 256E.03, subdivision 2;

(d) A statement describing how the county will fulfill its responsibilities identified in section 256E.08, subdivision 1, to the groups of persons described in section 256E.03, subdivision 2, and a description of each community social service proposed and identification of the agency or person proposed to provide the service;

(e) A statement describing how the county proposes to make the following services available for persons identified by the county as in need of services: daytime developmental achievement services for children~~,~~; day training and habilitation services for adults~~,~~; extended employment program services for persons with disabilities~~,~~; supported employment services as defined in section 252.41, subdivision 8; community-based employment programs as defined in section 129A.01, subdivision 12; subacute detoxification services~~,~~; and residential services and nonresidential social support services as appropriate for the groups identified in section 256E.03, subdivision 2;

(f) A statement specifying how the county will collaboratively plan the development of supported employment services and community-based employment services with local representatives of public rehabilitation agencies and local education agencies, including, if necessary, how existing day or employment services could be modified to provide supported employment services and community-based employment services;

(g) A statement describing how the county is fulfilling its responsibility to establish a comprehensive and coordinated system of early intervention services as required under section 120.17, subdivisions 11a, 12, and 14;

~~(g)~~ (h) The amount of money proposed to be allocated to each service;

~~(h)~~ (i) An inventory of public and private resources including associations of volunteers which are available to the county for social services;

~~(i)~~ (j) Evidence that serious consideration was given to the purchase of services from private and public agencies; and

~~(j)~~ (k) Methods whereby community social service programs will be monitored and evaluated by the county.

Sec. 62. [268.912] [HEAD START PROGRAM.]

The department of jobs and training is the state agency responsible for administering the head start program. The commissioner of jobs and training may make grants to public or private nonprofit agencies for the purpose of providing supplemental funds for the federal head start program.

Sec. 63. [268.913] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 268.914 to 268.916, the terms defined in this section have the meanings given them.

Subd. 2. [PROGRAM ACCOUNT 20.] "Program account 20" means the federally designated and funded account limited to training activities.

Subd. 3. [PROGRAM ACCOUNT 22.] "Program account 22" means the federally designated and funded account for basic services.

Subd. 4. [PROGRAM ACCOUNT 26.] "Program account 26" means the federally designated and funded account that can only be used to provide special services to handicapped diagnosed children.

Subd. 5. [START-UP COSTS.] "Start-up costs" means one-time costs incurred in expanding services to additional children.

Sec. 64. [268.914] [DISTRIBUTION OF APPROPRIATION.]

(a) The commissioner of jobs and training shall distribute money appropriated for that purpose to head start program grantees to expand services to low-income children. Money must be allocated to each project head start grantee in existence on the effective date of this act. The money must be initially allocated to local agencies based on the agencies' share of the statewide total number of low-income children three to five years old. A head start grantee

shall be funded at a per child rate equal to its contracted federally funded level for program account 22, program account 26, and the base amount of program account 20, at the start of the state fiscal year. The commissioner may provide additional funding to grantees for start-up costs incurred by grantees due to the increased number of children to be served. Before paying money to the grantees, the commissioner shall notify each grantee of its initial allocation, how the money must be used, and the number of low-income children that must be served with the allocation. Each grantee must notify the commissioner of the number of additional low-income children it will be able to serve. For any grantee that cannot serve additional children to its full allocation, the commissioner shall reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible grantees.

(b) Up to 11 percent of the funds appropriated annually may be used to provide grants to local head start agencies to provide funds for innovative programs designed either to target head start resources to particular at-risk groups of children or to provide services in addition to those currently allowable under federal head start regulations. The commissioner shall award funds for innovative programs under this paragraph on a competitive basis.

Sec. 65. [268.915] [FEDERAL REQUIREMENTS.]

Grantees and the commissioner shall comply with federal regulations governing the federal head start program, except for innovative programs funded under section 268.914, paragraph (b), which may operate differently than federal head start regulations.

Sec. 66. [268.916] [REPORTS.]

Each grantee shall submit an annual report to the commissioner on the format designated by the commissioner, including program information report data. By January 1 of each year, the commissioner shall prepare an annual report to the health and human services committees of the legislature concerning the uses and impact of head start supplemental funding, or summary of innovative programs, and the results of innovative programs.

Sec. 67. Minnesota Statutes 1988, section 297.13, subdivision 1, is amended to read:

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

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

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

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota future resources account;

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

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

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

Sec. 68. [COMMUNITY ACTION PROGRAM LEGISLATIVE TASK FORCE.]

Subdivision 1. [PURPOSE.] On this 25th anniversary of the Economic Opportunity Act of 1964, the legislature recognizes the need to evaluate how Minnesota can, through community action

programs, meet the needs of its low-income residents and provide them with opportunities to escape poverty. With the population of low-income residents increasing, and federal financial support for community action programs decreasing, the legislature must evaluate the ability of community action programs to serve low-income residents. The purpose of the task force is to chart a course for community action programs to ensure that the needs of low-income residents are met.

Subd. 2. [MEMBERSHIP.] There is established a legislative task force 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 majority leader. At least two members should be of the minority caucus.

Subd. 3. [CHAIR.] The members of the task force shall elect one member to serve as chair of the task force.

Subd. 4. [STAFF.] The task force shall use legislative staff to carry out its duties.

Subd. 5. [DUTIES.] The task force shall examine the role and future of community action programs in Minnesota. The task force shall examine and make recommendations on how community action programs can better address the needs of Minnesota's low-income residents. The task force shall also examine programs, advocacy efforts, funding trends, and local initiatives to reduce poverty, as well as the state's role in supporting community action programs in Minnesota. The task force shall submit a report on its findings and recommendations to the legislature by January 15, 1990.

Sec. 69. [REPEALER.]

Subdivision 1. Minnesota Statutes 1988, sections 246.50, subdivisions 3a, 4a, and 9; 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.69, subdivisions 12, 13, 14, and 15; and 256E.08, subdivision 9, are repealed.

Subd. 2. Minnesota Statutes 1988, section 256B.17, subdivisions 1, 2, 3, 4, 5, 6, and 8, are repealed.

Subd. 3. Minnesota Statutes 1988, section 256B.17, subdivision 7, is repealed, effective October 1, 1989.

Sec. 70. [EFFECTIVE DATE.]

Section 1 is effective for claims filed with the insurer after June 30, 1989.

Section 5 is effective retroactive to December 28, 1988.

Section 43 is effective July 1, 1988, for all assets transferred on or after that date except for interspousal transfers under section 256B.17, subdivision 7.

Section 46 is effective September 1, 1989.

Section 53 is effective for all appeals that are filed after June 30, 1989.

Sections 62 to 66 are effective the day following final enactment.

Sec. 71. [INSTRUCTION TO REVISOR.]

In Minnesota Statutes 1989 Supplement and subsequent editions of the statutes, the revisor of statutes shall change the words "resident" and "patient," wherever they appear in Minnesota Statutes, sections 246.50 to 246.55, to "client.""

Delete the title and insert:

"A bill for an act relating to human services; providing for eligibility changes in the medical assistance, general assistance medical care, and children's health plan programs; clarifying existing eligibility requirements; providing for coordination of benefits with the children's health plan; establishing a legislative task force to study community action programs; clarifying and adjusting administrative and judicial review procedures; providing for certain changes in the administration of the medical assistance demonstration project; clarifying methods for determining cost of care in state hospitals; providing for distribution of money to head start programs; making changes in the community social services act; amending Minnesota Statutes 1988, sections 62A.045; 62A.046; 145.61, subdivision 5; 145.63; 148B.32, subdivision 2; 214.06, subdivision 1; 246.50, subdivisions 3, 4, and 5; 246.54; 252.291, subdivision 2; 252.46, subdivisions 1, 2, 3, 4, 6, and 12; 252.47; 256.045, subdivisions 1, 3, 4, 4a, 5, 6, 7, 10, and by adding a subdivision; 256.969; 256B.031, subdivision 5; 256B.04, subdivision 14; 256B.055, subdivisions 7 and 8; 256B.056, subdivisions 3, 4, and 5; 256B.062; 256B.0625, subdivision 13, and by adding a subdivision; 256B.092, subdivision 7; 256B.14; 256B.69, subdivision 4; 256B.501, subdivisions 3 and 3g; 256B.69, subdivisions 5, 11, and by adding a subdivision; 256D.03, subdivisions 3 and 4; 256E.03, subdivision 2; 256E.05, subdivision 3; 256E.08, subdivision 5; 256E.09, subdivisions 1 and 3; and 297.13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 246; 256; 256B; and 268; repealing Minnesota Statutes 1988, sections 246.50, subdivisions 3a, 4a, and 9; 256.969, subdivisions 2a, 3, 4, 5, and 6; 256B.69,

subdivisions 12, 13, 14, and 15; 256E.08, subdivision 9; 256B.17, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8."

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

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

H. F. No. 1197, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 5 and 18; 10A.32, subdivision 3a; 13.46, subdivision 2; 13.75, subdivision 2; 16A.26; 16B.28, subdivision 3; 18B.25, subdivision 4; 45.028, subdivision 1; 69.32; 105.81; 115A.195; 115C.08, subdivision 3; 116.44, subdivision 1; 122.23, subdivision 18; 122.96, subdivision 3; 124.646, subdivision 1; 124A.24; 124A.27, subdivision 1; 127.35; 136C.61, subdivision 1; 136D.27, subdivision 3; 136D.71; 136D.74, subdivision 2b; 136D.741, subdivision 4; 136D.87, subdivision 3; 141.35; 144.122; 144.335, subdivision 2; 145A.07, subdivision 1; 145A.13; 157.03; 168.33, subdivision 2; 168A.24, subdivision 2; 168A.29, subdivision 3; 169.345, subdivision 2; 176.081, subdivision 1; 176.101, subdivision 3e; 176.131, subdivision 1; 176.421, subdivision 7; 205.065, subdivision 1; 205.18, subdivision 2; 211B.15, subdivision 4; 214.01, subdivision 2; 245.77; 256.01, subdivision 2; 256.991; 256B.69, subdivision 16; 256D.03, subdivision 4; 256G.02, subdivision 4; 256G.06; 257.354, subdivision 4; 268.04, subdivision 32; 268.10, subdivision 1; 272.02, subdivision 1; 273.124, subdivision 6; 290.05, subdivision 3; 290.92, subdivision 23; 297.07, subdivision 3; 297.35, subdivision 3; 298.2211, subdivision 1; 308.11; 340A.414, subdivision 6; 349.213, subdivision 2; 352.01, subdivision 2b; 353.01, subdivision 2a; 363.06, subdivision 4; 383B.229; 383B.77; 383C.331; 383C.334; 469.0721; 469.121, subdivision 1; 469.129, subdivision 1; 471.562, subdivision 4; 471.563; 473.605, subdivision 2; 473.845, subdivision 1; 474A.02, subdivision 18; 480A.02, subdivision 7; 485.018, subdivision 2; 515A.3-115; 525.94, subdivision 3; 548.09, subdivision 2; 604.02, subdivision 1; 609.506, subdivision 1; and 611A.53, subdivision 1; reenacting Minnesota Statutes 1988, section 80A.14, subdivision 18; repealing Minnesota Statutes 1988, sections 260.125, subdivision 6; 326.01, subdivision 21; and 362A.08; amending Laws 1976, chapter 134, section 79; Laws 1988, chapter 640, section 5; and chapter 719, article 12, section 29; repealing Laws 1965, chapter 267, section 1; Laws 1971, chapter 830, section 7; Laws 1976, chapter 2, section 62; chapter 134, section 2; chapter 163, section 10; and chapter 173, section 53; Laws 1977, chapter 35, section 8; Laws 1978, chapter 496, section 1; and chapter 706, section

31; Laws 1979, chapter 48, section 2; and chapter 184, section 3; Laws 1981, chapter 271, section 1; Laws 1982, chapter 514, section 15; Laws 1983, chapter 242, section 1; chapter 247, section 38; chapter 289, section 4; chapter 290, sections 2 and 3; chapter 299, section 26; and chapter 303, sections 21 and 22; Laws 1984, chapter 654, article 2, section 117; Laws 1986, chapter 312, section 1; chapter 400, section 43; and chapter 452, section 17; Laws 1986, First Special Session chapter 3, article 1, sections 74 and 79; and Laws 1987, chapter 268, article 5, section 5; chapter 384, article 2, section 25; chapter 385, section 7; chapter 403, article 5, section 1; and chapter 404, section 138.

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. 1220, A bill for an act relating to economic development; providing for funding to the Minnesota marketplace program; appropriating money.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

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

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.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

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

H. F. No. 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.

Reported the same back with the following amendments:

Page 2, line 3, after "appointment" insert "by the governor who shall consider the recommendations"

Page 2, line 16, after the period insert "The board must also include at least one lay person."

Page 3, delete lines 7 to 21, and insert:

"Subd. 8. [DATA PRACTICES.] Institute data is governed by the Minnesota government data practices act under the provisions of chapter 13."

Page 3, line 33, after "Employees" insert "in state bargaining units 2, 3, 4, 6, and 7 as defined in section 179A.10, subdivision 2, are in the classified service and subject to chapters 43A and 179A. All other employees"

Page 6, delete lines 5 to 11

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

The report was adopted.

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

H. F. No. 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.

Reported the same back with the following amendments:

Page 2, line 15, delete "and"

Page 2, line 16, after "collaboration" insert ", and the training of community residents"

Page 3, line 21, delete "six" and insert "three"

Page 5, after line 5, insert:

"Subd. 5. [NEIGHBORHOOD INVOLVEMENT.] Priority in hiring shall be given to residents of the neighborhood or community to be served for any professional or nonprofessional positions funded with these grants."

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

Page 5, line 20, delete "6" and insert "7"

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. 1336, A bill for an act relating to metropolitan airport planning; requiring various actions, plans, and reports by the metropolitan council and the metropolitan airports commission; expanding the membership of the commission; establishing a state advisory council on metropolitan airport planning; amending Minnesota Statutes 1988, sections 473.604, subdivision 1; and 473.621, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 473.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [473.155] [AVIATION PLANNING.]

Subdivision 1. [AVIATION PLANNING ASSESSMENT.] By February 15 of each year, the council shall prepare a long-range assessment of air transportation trends and factors that may affect major airport development in the metropolitan area for a prospective 30-year period. The council shall involve the airports commission in preparing the assessment and shall take into consideration the airport development and operations plans and activities of the commission.

Subd. 2. [AVIATION PLAN.] By February 1, 1990, the council shall amend the aviation chapter of the metropolitan development guide to incorporate policies and strategies that will ensure a comprehensive, coordinated, continuing, thorough, and timely investigation and evaluation of alternatives for major airport development in the metropolitan area for a prospective 30-year period. The alternatives to be examined must include both the airport improvements and enhancements of capacity that may be necessary

at the existing airport and the location and development of a new airport.

Subd. 3. [SEARCH AREA.] By January 1, 1992, the council, in consultation with the airports commission, shall designate an area within the metropolitan area as a search area for a major new airport.

Subd. 4. [LEGISLATIVE REPORTS.] (a) Until the activities required by section 3, subdivision 3, and section 4 are completed, the council shall report to the legislature by February 15 of each year on the results of the aviation planning activities of the council under this section. The report must include a summary of expenditures and sources of funding for the activities.

(b) By February 1, 1990, the council shall report to the legislature recommending methods and legislative actions that would be necessary to protect a new airport search area from conflicting development, to protect and control development on land at and around a site for a major new airport, and to inhibit land speculation and reduce incentives for land speculation in the airport area.

(c) By February 1, 1991, the council shall report to the legislature on the general availability of suitable land in the metropolitan area for a new airport. If the council finds that sufficient land may not be available in the area, the council shall describe the legal and institutional changes that would be required to extend the search for a suitable site beyond the boundaries of the metropolitan area.

(d) By March 1, 1990, after consulting with the airports commission, the federal aviation administration, industry representatives, and other persons, the council shall report to the legislature on assumptions and methods that will be used by the council to forecast demand for air travel and capacity needs at major airport facilities in the metropolitan area for a prospective 30-year period. The council shall involve the airports commission in preparing the report and shall take into consideration the assumptions and methods used by the commission in preparing forecasts for airport development and operations purposes.

(e) By March 1, 1990, the council shall report to the legislature analyzing and making recommendations on long-range aviation goals for the major airport facility in the metropolitan area for a prospective 30-year period. The report must address goals for safety, environmental impact, and service, including ground access and the airport capacity required to maintain and enhance service levels to other states and countries and to nonmetropolitan areas of the state.

(f) By January 1, 1993, the council shall report to the legislature on policies for the reuse of the existing major airport site should a new major airport be developed.

(g) At least 60 days before submitting a report to the legislature, the council shall submit a draft of the report to the state advisory council created by section 7, for review and comment. This requirement does not apply to the report under paragraph (a).

Sec. 2. Minnesota Statutes 1988, section 473.604, subdivision 1, is amended to read:

Subdivision 1. The commission consists of:

(1) the mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

(2) a number of members appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123. Each member shall be a resident of the precinct represented. The members shall be appointed by the governor as follows: a number as near as possible to one-fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four-year terms commencing in July of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult with each member of the legislature from the precinct for which the member is to be appointed, to solicit the legislator's recommendation on the appointment; ~~and~~

(3) four members appointed from outside of the metropolitan area to reflect fairly the various regions and interests throughout the state that are affected by the operation of the commission's major airport and airport system. Two of these members must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as a key airport. The other two must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as an intermediate airport. The members must be appointed by the governor as follows: one for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. All of the terms start on July 1, 1989. The successors of each member must be appointed to four-year terms commencing on July 1 of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult each member of the legislature representing the municipality or county from which the member is to be appointed, to solicit the legislator's recommendation on the appointment; and

(4) a chair appointed by the governor for a term of four years. The chair may be removed at the pleasure of the governor.

Sec. 3. [473.616] [COMPREHENSIVE AIRPORT PLANNING.]

Subdivision 1. [WOLD-CHAMBERLAIN PLAN.] (a) By January 1, 1991, the commission shall adopt a long-term comprehensive plan for the international airport at its existing location. The plan must describe:

(1) aviation demand;

(2) airport capacity limits and potential;

(3) facilities requirements;

(4) a plan for physical development, including financial estimates and a tentative development schedule;

(5) airport operational characteristics;

(6) compatibility with metropolitan and local physical facility systems;

(7) environmental effects;

(8) safety; and

(9) the effect on the neighboring communities.

The plan must satisfy air transportation needs for a prospective 20-year period. At the same time, the commission shall adopt a concept plan for the airport, including an estimate of facilities requirements, to satisfy air transportation needs for an additional ten-year period. The air transportation needs identified in the plans must be consistent with the long-term air transportation needs projected by the council. The plans must be updated at least every five years. The plans must be amended as necessary to reflect changes in trends and conditions, facilities requirements, and development plans and schedules. The plans are subject to sections 473.165 and 473.611.

(b) Until January 1, 1996, or until the commission has completed the activities required by subdivision 3 and section 4, whichever occurs first, the commission may construct a new runway or a new, expanded, or relocated terminal facility if the commission determines that construction of the runway or facility is: (1) necessary and prudent, considering the current and projected demand for service and related capacity requirements, and (2) consistent with a potential legislative decision, made promptly after the legislature receives the reports required under subdivision 3 and section 4, that the commission should proceed as expeditiously as is practicable to acquire and construct a new airport. The commission shall make its

determination by resolution, containing findings of fact and conclusions. Before making its determination, the commission shall hold a public hearing on the question. The hearing may be held separately or in conjunction with any other hearing required on the project, as the commission deems appropriate. The commission shall contract with the state office of administrative hearings for the services of an administrative law judge to conduct and report on the hearing. The report of the administrative law judge to the commission must contain findings of fact and conclusions. The report must be completed within 90 days of the day that the commission enters the contract for services with the state office of administrative hearings.

Subd. 2. [NEW AIRPORT; CONCEPTUAL DESIGN STUDY AND PLAN.] By March 1, 1990, the commission, in consultation with the council, shall complete a study of facilities requirements, airport functioning, and conceptual design for a major new airport. By January 1, 1991, the commission shall complete a conceptual design plan for a major new airport. The conceptual design study and plan must satisfy air transportation needs for a prospective 30-year period, consistent with the long-term air transportation needs projected by the council. The conceptual design plan must include an analysis of estimated costs, potential financing methods and sources of public and private funding, and cost allocation issues and options. The council shall use the design study and plan in evaluating areas for locating a new airport under section 1, subdivision 3.

Subd. 3. [NEW AIRPORT; SITE SELECTION; COMPREHENSIVE PLAN.] Within four years following the council's designation of a search area under section 1, the commission shall: (1) select a site for a major new airport in the search area designated by the council; (2) prepare a comprehensive plan and schedule, including financial plans, for the development of a major airport at that site for a prospective 20-year period following a decision to develop a new airport; (3) prepare an estimate of facilities requirements and a concept plan for development of the airport for an additional ten years; and (4) prepare and submit for administrative review the environmental documents that are required for site acquisition.

Subd. 4. [LEGISLATIVE REPORTS.] (a) Until the activities required by subdivision 3 and section 4 are completed, the commission shall report to the legislature by February 15 of each year on the results of the airport planning activities of the commission under this section. The report must include a summary of expenditures and sources of funding for the activities.

(b) By March 1, 1990, the commission shall report to the legislature on the conceptual design study for a major new airport, prepared under subdivision 2. By January 1, 1991, the commission shall report to the legislature on the conceptual design plan prepared under subdivision 2.

(c) At least 60 days before submitting a report to the legislature, the commission shall submit a draft of the report to the advisory council created by section 7, for review and comment. This requirement does not apply to the report under paragraph (a).

Sec. 4. [473.618] [AIRPORT PLANNING AND DEVELOPMENT REPORT.]

Within 180 days after the completion of the actions required by section 3, subdivision 3, the metropolitan council and the airports commission shall report to the legislature on the long-range planning and development of major airport facilities in the metropolitan area. The report must include the recommendations of the agencies on major airport development in the metropolitan area for a prospective 30-year period and on acquiring a site for a major new airport. The report must include an analysis of the effect of a new airport on present and proposed facilities at the existing airport and on the local, regional, and state economies. The report must contain the recommendations of the agencies on financial planning and financing for a major new airport, including: cost; cost allocation; amortization of major improvements at the existing airport before a transfer of operations; financing methods and sources of public and private funds; lease agreements and user charges at a new airport; and a method of capturing for public uses a portion of the revenue from development around a new airport. At least 60 days before submitting the report to the legislature, the agencies shall submit the report to the advisory council created by section 7, for review and comment.

Sec. 5. [473.619] [PLANNING ADMINISTRATION.]

Subdivision 1. [INTERAGENCY AGREEMENT.] The metropolitan council and the airports commission shall enter into an intergovernmental agreement by July 1, 1989. The agreement must establish a process and agency responsibilities for comprehensive and coordinated planning for major airport development, consistent with the requirements of this section and sections 1 to 4. The agreement must establish a joint committee composed of board members of the two agencies to oversee implementation of the agreement.

Subd. 2. [SCOPE OF WORK REPORT.] The metropolitan council and the airports commission shall prepare a scope of work report that describes the general scope and schedule of work and the topics to be addressed in the planning and study tasks required of the agencies under sections 1 to 4. By September 1, 1989, the report must be submitted to the advisory council created by section 7, for review and comment. The advisory council has 90 days to complete its review.

Subd. 3. [FEDERAL PARTICIPATION.] The metropolitan council

and the airports commission shall make maximum use of available federal funding for their activities under sections 1 to 4.

Subd. 4. [CONSULTATION.] The metropolitan council and the airports commission shall prepare the plans and reports under sections 1 to 4 in consultation with each other, the commissioner of transportation, the federal aviation administration, industry representatives, and other interested persons.

Subd. 5. [COMMENCEMENT.] In order to meet the planning deadlines prescribed in sections 1 to 4, the agencies may begin preparing plans and studies immediately, without waiting for the completion of the interagency agreement or the completion and review of the scope of work report.

Sec. 6. Minnesota Statutes 1988, section 473.621, subdivision 1a, is amended to read:

Subd. 1a. [RELATIONSHIP TO LEGISLATURE.] The commission shall be held accountable to the legislature in its activities, plans, policies, and programs. It shall report each session to appropriate committees of the legislature as to its activities, plans, policies, and programs and shall make other reports and recommendations which the legislature or its committees deem appropriate. ~~The commission shall adopt a long-term comprehensive plan for the Minneapolis-St. Paul International Airport. The plan must describe, in the degree of detail that the commission deems appropriate for at least a prospective ten-year period, the following:~~

~~(1) aviation demand;~~

~~(2) airport capacity, including environmental, runway, terminal, and other factors relevant to capacity;~~

~~(3) a plan and financial estimates for physical development;~~

~~(4) airport operational characteristics;~~

~~(5) compatibility with the capacity of metropolitan and local physical facility systems;~~

~~(6) environmental effects; and~~

~~(7) the effect on the neighboring communities.~~

~~The plan must be submitted to the legislature by December 31, 1988, and be updated at least every five years thereafter. The plan is subject to sections 473.165 and 473.611.~~

Sec. 7. [STATE ADVISORY COUNCIL.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state of Minnesota advisory council on metropolitan airport planning is established to provide a forum at the state level for education, discussion, and advice on the reports prepared for the legislature by the metropolitan council and metropolitan airports commission.

Subd. 2. [AUTHORITY; DUTIES.] (a) The advisory council shall review and comment on the scope of work report required by section 5, subdivision 2.

(b) The advisory council shall review and comment on the reports to the legislature required by section 1, subdivision 4, section 3, subdivision 4, and section 4.

(c) The advisory council may conduct public meetings on the reports to inform the public and solicit opinion.

(d) The advisory council may request interim briefings on work in progress.

Subd. 3. [MEMBERSHIP.] The members of the advisory council are:

(1) six legislators, three members of the senate and three members of the house of representatives, appointed by the customary appointing authority of each house;

(2) the commissioners of transportation, planning, the pollution control agency, and trade and economic development, or their designees;

(3) two metropolitan council members, appointed by the metropolitan council, at least one from a district directly affected by the international airport;

(4) two members of the metropolitan airports commission, appointed by the airports commission, at least one from a district directly affected by the international airport;

(5) two representatives of the aviation industry, appointed by the metropolitan council;

(6) four persons who are not eligible for selection under other clauses appointed as follows: two persons appointed by the customary appointing authority of each house of the legislature, one from the metropolitan area and the other from elsewhere in the state; and

(7) a representative of the federal aviation administration and persons representing members of Congress from the state, serving ex officio.

Members serve at the pleasure of the appointing authority.

Subd. 4. [CHAIRS.] The legislative appointing authorities shall each designate a legislative appointee to serve as a co-chair of the advisory council.

Subd. 5. [ADMINISTRATION.] On the request of the advisory council, legislative staff offices and the state and metropolitan agencies represented on the advisory council shall provide administrative and staff assistance.

Subd. 6. [TERMINATION.] The advisory council ceases to exist when the actions required by section 3, subdivision 3, and section 4 are completed.

Sec. 8. [COMPLIANCE WITH OTHER LAWS.]

Nothing in sections 1 to 9 relieves the commission or the council of any duties or responsibilities otherwise imposed by law.

Sec. 9. [APPLICATION.]

Sections 1 to 6 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

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

The report was adopted.

Long from the Committee on Taxes to which was referred:

H. F. No. 1357, A bill for an act relating to taxation; liquor; changing the time limit for certain claims for refund; amending Minnesota Statutes 1988, section 297C.06, subdivisions 2 and 5.

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. 1405, A bill for an act relating to liquor; requiring notice and hearing before liquor license fees are increased; amending Minnesota Statutes 1988, section 340A.408, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 1415, A bill for an act relating to workers' compensation; regulating insurance for truckers and loggers; imposing a tax on certain purchasers of wood to subsidize insurance costs of loggers; regulating coverages and rates; appropriating money; amending Minnesota Statutes 1988, sections 79.251, subdivision 3; 79.252, by adding a subdivision; 176.011, by adding a subdivision; 176.041, subdivision 1; 176.102, by adding a subdivision; 176.184, by adding a subdivision; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176; proposing coding for new law as Minnesota Statutes, chapter 297E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 79.251, subdivision 3, is amended to read:

Subd. 3. [RATES.] Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the commissioner by rule. The commissioner shall annually, not later than January 1 of each year, establish the schedule of rates applicable to assigned risk plan business. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner shall fix the compensation received by the agent of record. The commissioner shall provide a quarterly payment plan for the logging industry. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.

Sec. 2. Minnesota Statutes 1988, section 79.252, is amended by adding a subdivision to read:

Subd. 6. [COVERAGE OUTSIDE STATE.] Policies issued by the assigned risk plan pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The commissioner, on behalf of the assigned risk plan, may apply for and obtain any licensure required in any other state to issue that coverage.

Sec. 3. [79.571] [TRUCK DRIVER CLASSIFICATIONS.]

Subdivision 1. [COMBINING CERTAIN CLASSIFICATIONS.] The purpose of this section is to spread the high cost of workers' compensation premiums for truck drivers among a broader range of classifications in the trucking industry without unnecessarily raising rates in classifications that typically include employees with a relatively low risk of injury.

The following classifications from the basic manual for workers' compensation and employers liability insurance, including the Minnesota exceptions, shall be combined into one classification and all risks in the combined classification must be charged a uniform workers' compensation rate:

7219 - All employees and drivers, not otherwise classified

7380 - Drivers, chauffeurs, and their helpers, not otherwise classified - commercial

8293 - Furniture moving and storage drivers

The risks in classifications 7219, 7380, and 8293, as of January 1, 1989, and any risks after that date that would have been classified as a risk under the 7219, 7380, or 8293 classification in the basic manual of workers' compensation and employers liability insurance classification system in existence on January 1, 1989, including the Minnesota exceptions, must be assigned to the combined class created by this subdivision.

Subd. 2. [MANDATORY USE OF CLASSIFICATION.] An insurer or data service organization is prohibited from filing or using rates or a rating system or a classification system for truck drivers that does not comply with this section. An insurer or data service organization is prohibited from restructuring or varying the risk classification system to eliminate or modify the combined classification created by this subdivision or to remove or add any categories of risks from the combined classification without first obtaining approval of the commissioner. The commissioner shall not approve a variation of the uniform classification system that is inconsistent with the purpose of this section.

Subd. 3. [MANDATORY EXPERIENCE RATING.] An insurer for a business entity or individual engaged in the truck driving industry must use an experience rated plan. An insurer may not exempt from this requirement trucking businesses for which the workers' compensation insurance premium is less than a certain dollar amount.

Subd. 4. [DETERMINATION OF RISK ASSIGNMENT.] If a

dispute arises concerning whether or not a risk should be assigned to the combined classification established in subdivision 1, the commissioner shall determine the appropriate classification. If the employer or insurer disagrees with the commissioner's decision, the employer or insurer may request a hearing under chapter 14 by filing a written request with the commissioner within 30 days of the service and filing of the decision on a form prescribed by the commissioner. The commissioner may adopt rules to implement this section.

Sec. 4. Minnesota Statutes 1988, section 79.60, subdivision 2, is amended to read:

Subd. 2. [PERMITTED ACTIVITY.] In addition to any other activities not prohibited by this chapter, insurers may:

(a) Through licensed data service organizations, individually, or with insurers commonly owned, managed, or controlled, conduct research and collect statistics to investigate, identify, and classify information relating to causes or prevention of losses;

(b) Develop and use classification plans and rates based upon any reasonable factors subject to section 3; and

(c) Develop rules for the assignment of risks to classifications subject to section 3.

Sec. 5. Minnesota Statutes 1988, section 79.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED ACTIVITY.] Any data service organization shall perform the following activities:

(a) File statistical plans, including classification definitions, amendments to the plans, and definitions, with the commissioner for approval, and assign each compensation risk written by its members to its approved classification for reporting purposes subject to section 3;

(b) Establish requirements for data reporting and monitoring methods to maintain a high quality data base;

(c) Prepare and distribute a periodic report, in a form prescribed by the commissioner, on ratemaking including, but not limited to the following elements:

(i) development factors and alternative derivations;

(ii) trend factors and alternative derivations and applications;

(iii) pure premium relativities for the approved classification system for which data are reported, provided that the relativities for insureds engaged in similar occupations and presenting substantially similar risks shall, if different, differ by at least ten percent; and

(iv) an evaluation of the effects of changes in law on loss data.

The report shall also include explicit discussion and explanation of methodology, alternatives examined, assumptions adopted, and areas of judgment and reasoning supporting judgments entered into, and the effect of various combinations of these elements on indications for modification of an overall pure premium rate level change. The pure premium relativities and rate level indications shall not include a loading for expenses or profit and no expense or profit data or recommendations relating to expense or profit shall be included in the report or collected by a data service organization;

(d) Collect, compile, summarize, and distribute data from members or other sources pursuant to a statistical plan approved by the commissioner;

(e) Prepare merit rating plan and calculate any variable factors necessary for utilization of the plan. Such a plan may be used by any of its members, at the option of the member provided that the application of a plan shall not result in rates that are unfairly discriminatory;

(f) Provide loss data specific to an insured to the insured at a reasonable cost;

(g) Distribute information to an insured or interested party that is filed with the commissioner and is open to public inspection; and

(h) Assess its members for operating expenses on a fair and equitable basis.

Sec. 6. Minnesota Statutes 1988, section 176.011, subdivision 11a, is amended to read:

Subd. 11a. [FAMILY FARM.] "Family farm" means any farm operation which (1) pays or is obligated to pay less than ~~$8,000~~ $20,000 in cash wages, exclusive of machine hire, to farm laborers for services rendered during the preceding calendar year, and (2) has total liability and medical payment coverage equal to $250,000 and $5,000, respectively, under a farm liability insurance policy. For purposes of this subdivision, farm laborer does not include any spouse, parent or child, regardless of age, of a farmer employed by the farmer, or any executive officer of a family farm corporation as defined in section 500.24, subdivision 2, or any spouse, parent or

child, regardless of age, of such an officer employed by that family farm corporation, or other farmers in the same community or members of their families exchanging work with the employer. Notwithstanding any law to the contrary, a farm laborer shall not be considered as an independent contractor for the purposes of this chapter; provided that a commercial baler or commercial thresher shall be considered an independent contractor.

Sec. 7. Minnesota Statutes 1988, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to any of the following:

(a) a person employed by a common carrier by railroad engaged in interstate or foreign commerce and who is covered by the Federal Employers' Liability Act, United States Code, title 45, sections 51 to 60, or other comparable federal law;

(b) a person, except a migrant worker as defined under section 181.85, employed by a family farm as defined by section 176.011, subdivision 11a;

(c) the spouse, parent, and child, regardless of age, of a farmer-employer working for the farmer-employer;

(d) a sole proprietor, or the spouse, parent, and child, regardless of age, of a sole proprietor;

(e) a partner engaged in a farm operation or a partner engaged in a business and the spouse, parent, and child, regardless of age, of a partner in the farm operation or business;

(f) an executive officer of a family farm corporation;

(g) an executive officer of a closely held corporation having less than 22,880 hours of payroll in the preceding calendar year, if that executive officer owns at least 25 percent of the stock of the corporation;

(h) a spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, and employed by that family farm corporation;

(i) a spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation who is referred to in paragraph (g);

(j) another farmer or a member of the other farmer's family

exchanging work with the farmer-employer or family farm corporation operator in the same community;

(k) a person whose employment at the time of the injury is casual and not in the usual course of the trade, business, profession, or occupation of the employer;

(l) persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83 except that this exclusion does not apply to an employee of an independent contractor and does not apply to loggers, as defined in section 9, unless the logger qualifies for exclusion under paragraph (d), (e), or (g) of this section;

(m) an officer or a member of a veterans' organization whose employment relationship arises solely by virtue of attending meetings or conventions of the veterans' organization, unless the veterans' organization elects by resolution to provide coverage under this chapter for the officer or member;

(n) a person employed as a household worker in, for, or about a private home or household who earns less than $1,000 in cash in a three-month period from a single private home or household provided that a household worker who has earned $1,000 or more from the household worker's present employer in a three-month period within the previous year is covered by this chapter regardless of whether or not the household worker has earned $1,000 in the present quarter;

(o) persons employed by a closely held corporation who are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to an officer of the corporation, who is referred to in paragraph (g), if the corporation files a written election with the commissioner to exclude such individuals. A written election is not required for a person who is otherwise excluded from this chapter by this section;

(p) a nonprofit association which does not pay more than $1,000 in salary or wages in a year;

(q) persons covered under the Domestic Volunteer Service Act of 1973, as amended, United States Code, title 42, sections 5011, et. seq.

Sec. 8. Minnesota Statutes 1988, section 176.102, is amended by adding a subdivision to read:

Subd. 4a. [PILOT PROJECT.] (a) The purpose of this pilot project is to test the impact of early and intense rehabilitation efforts in the regulated motor carrier industry, (truckers who are subject to

chapter 221 as "for hire" motor carriers), which has high workers' compensation costs in part because of difficulty in bringing injured employees back to work.

(b) Within three working days after the filing of the first report of injury, the employer shall refer all truck drivers in the regulated motor carrier industry who have not returned to work to the division of rehabilitation services of the department of jobs and training. The division of rehabilitation services shall provide immediate rehabilitation services to those employees it determines are not likely to return to work within 30 days of the injury. The employee must cooperate with any rehabilitation plan adopted under this section. The employee may change to a different qualified rehabilitation consultant at the division of rehabilitation services but may not change to a private qualified rehabilitation consultant.

(c) The rehabilitation plan under this section must give high priority to returning the injured employee to work as soon as possible. When a suitable job under section 176.101, subdivision 3(e) is not immediately available, the plan should attempt to get the employee back to a job under section 176.101, subdivision 3(f), as soon as possible. After the employee has returned to a job under subdivision 3(f), additional efforts shall be made to find a suitable job. At the time the plan is developed, the participants shall evaluate the need for retraining, although the need may be reconsidered at any time.

(d) Fees for the qualified rehabilitation consultant shall be paid by the division of rehabilitation services and are not recoverable from the employer or insurer. All other rehabilitation costs shall be paid by the employer.

(e) The division of rehabilitation services shall report to the legislature by January 1, 1992, regarding the impact of this project on returning injured truckers to work.

(f) This subdivision shall apply to all injuries to truck drivers from July 1, 1989 to June 30, 1991.

Sec. 9. [176.130] [TARGETED INDUSTRY FUND; LOGGERS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section the following terms have the meaning given them, except where the context clearly indicates a different meaning.

(a) "Commissioner" is the commissioner of labor and industry unless otherwise provided.

(b) "Logger" is limited to the following occupations:

(1) timber fellers are those who employ chainsaws or other mechanical devices mounted on logging vehicles to fell or delimb trees;

(2) buckers or chippers are those who cut trees into merchantable lengths with either chainsaws or heavier machinery including slashers, harvesters, and processors;

(3) skidders or forwarders are those who either drag logs or trees to roadside landings, or load and transport logs or short wood (fuel wood or pulp wood) to similar destinations; and

(4) timber harvesters or processors are those who combine two or more of the operations listed above.

(c) "Logging industry" means loggers and employers of loggers.

(d) "Wood mill" means the primary processors of wood or wood chips including, but not limited to, hard board manufacturers, wafer board or oriented strand board manufacturers, pulp and paper manufacturers, sawmills, and other primary manufacturers who do the initial processing of wood purchased from loggers.

(e) "Insurer" means any insurance company that provides workers' compensation coverage for loggers including the Minnesota assigned risk plan.

Subd. 2. [ADMINISTRATION.] The commissioner shall administer and enforce this chapter. Payments required by this chapter shall be made on forms provided by the commissioner. The commissioner shall maintain a separate account at the special compensation fund for the purposes of this section and shall collect all assessments and allocate the assessments as provided in this section.

Subd. 3. [PROOF OF INSURANCE; LOGGING INDUSTRY.] Purchasers of wood from the logging industry shall obtain from the logger a certification of compliance with the mandatory insurance requirements of this chapter, or reason for exemption, on a form prescribed by the commissioner. Purchaser includes, but is not limited to, dealers and jobbers buying from the logging industry to sell to wood mills and wood mills that buy directly from the logging industry. Certificates obtained by the purchaser shall be submitted to the commissioner on request. The powers of inspection and enforcement pertaining to employers under section 176.184 shall be available with regard to purchasers under this section.

Subd. 4. [ASSESSMENT.] There is imposed an assessment, at the rate of 25 cents per cord of wood, for every cord of wood in excess of 5,000 cords, purchased or acquired in any calendar year, either

inside or outside the state of Minnesota, by a wood mill located in Minnesota. This assessment shall be paid by the wood mill to the commissioner on or before February 1 for the previous calendar year and shall not, in any way, be recovered by the wood mill from the logging industry.

Subd. 5. [ANNUAL REPORTS; WOOD MILLS; INSURERS.] (a) Each wood mill that purchases or acquires more than 5,000 cords of wood in a calendar year shall, on or before February 1, make and file with the commissioner a report setting forth the number of cords purchased or acquired in the preceding calendar year, and other information the commissioner may require for the proper administration of this chapter.

(b) Each insurer shall, on or before February 1, make and file with the commissioner a report setting forth the total amount of premium dollars received in the preceding calendar year for providing workers' compensation coverage to loggers, and other information the commissioner may require for the proper administration of this chapter.

Subd. 6. [ALLOCATION OF ASSESSMENT.] Money collected under this section shall be paid by the commissioner, on or before June 1, directly to each insurer in a proportion equal to the proportion that the total premium dollars received by that insurer in the preceding calendar year for providing workers' compensation coverage to loggers is to the total premium dollars received by all insurers in the preceding calendar year for providing that coverage.

Subd. 7. [USE OF ASSESSMENT BY INSURERS.] Money paid to insurers under subdivision 6 shall be used to reimburse policyholders who have paid premiums for workers' compensation coverage on loggers. The insurer shall reimburse to those policyholders a proportion of the money equal to the proportion that the policyholder's premium for the preceding calendar year is to the total premium dollars for all such policyholders of that insurer in the preceding calendar year. The insurer shall reimburse the policyholders within 30 days after receiving payment from the commissioner. Where, after reasonable efforts, the insurer is unable to locate a policyholder or otherwise make payment, the payment shall be submitted to the commissioner of commerce as unclaimed property. Reimbursement for the assigned risk plan shall be made by the company holding a service contract under section 79.251, subdivision 4.

Subd. 8. [INSPECTION.] The commissioner or duly authorized employees may, at all reasonable hours, enter in and upon the premises of a wood mill or an insurer and examine books, papers, and records to determine whether the assessment has been properly paid or properly reimbursed.

Subd. 9. [PENALTIES; WOOD MILLS.] Where the assessment

provided for in this chapter is not paid on or before February 1 of the year when due and payable, the commissioner may impose penalties, as provided in section 176.129, subdivision 10.

Subd. 10. [PENALTIES; INSURERS.] Where the reimbursement provided for in this section is not mailed by the insurer to the policyholder within 30 days after receiving payment from the commissioner, the commissioner may impose penalties, as provided in section 176.129, subdivision 10. Where the insurer is unable to make reimbursement to the policyholder, the reimbursement shall be submitted to the commissioner as unclaimed property within 180 days after receiving payment from the commissioner.

Subd. 11. [FALSE REPORTS.] Any person or entity who, for the purpose of evading payment of the assessment or avoiding the reimbursement, or any part of it, and makes a false report under this section shall pay to the special compensation fund a penalty of 50 percent of the amount of the assessment. A person who knowingly makes or signs any false report, or who knowingly submits any other false information, is guilty of a misdemeanor, and upon conviction, punished as provided by law.

Subd. 12. [EMPLOYER/EMPLOYEE RELATIONSHIP.] This section shall not be construed in any way to create an employer/employee relationship or used as a factor in determining the existence of an employer/employee relationship.

Sec. 10. Minnesota Statutes 1988, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation. Exposure to rabies is an injury and an employer shall furnish preventive treatment to employees exposed to rabies. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of the employer's inability or refusal seasonably to do so the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical

reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and attorney fees incurred by the employee. No action to recover the cost of copies may be brought until the commissioner adopts a schedule of reasonable charges under subdivision 7. Attorney's fees shall be determined on an hourly basis according to the criteria in section 176.081, subdivision 5. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.

(b) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

Sec. 11. Minnesota Statutes 1988, section 176.136, subdivision 1, is amended to read:

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

Sec. 12. Minnesota Statutes 1988, section 176.136, subdivision 5, is amended to read:

Subd. 5. [PERMANENT RULES.] Where permanent rules have been adopted to implement this section, the commissioner shall annually give notice in the State Register of the ~~75th percentile~~ reimbursement allowance to meet the requirements of subdivision 1. The notice shall be in lieu of the requirements of chapter 14 ~~if the 75th percentile for the service meets~~ and shall be set at the 75th

percentile of the billings for each service in the data base; provided that the requirements of paragraphs (a) to (e) are met.

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

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

(c) ~~The standard deviation as a percentage of the mean of billings for the service is 50 percent or less~~ The data is taken from the data base of Blue Cross and Blue Shield of Minnesota where available; if not available from Blue Cross and Blue Shield of Minnesota, the data will be taken directly from the health care providers, professional associations, or other available sources.

(d) ~~The means of the Blue Cross and Blue Shield data base and of the department of human services data base for the service are within 20 percent of each other~~ The standard deviation is less than or equal to 50 percent of the mean of the billings for each service in the data base or the value of the 75th percentile is not greater than or equal to three times the value of the 25th percentile of the billings for each service in the data base.

(e) ~~The data is taken from the data base of Blue Cross and Blue Shield or the department of human services~~ The 75th percentile logically reflects the usual and customary charges for the service.

If the commissioner identifies a problem with the data for a particular service such that the 75th percentile does not logically reflect the usual and customary charges for that service, the commissioner may, upon consultation with the Medical Services Review Board, set the reimbursement fee.

Sec. 13. Minnesota Statutes 1988, section 176.155, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER'S PHYSICIAN.] The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the department or a compensation judge to order an examination at a location further from the petitioner's residence. The employee is entitled upon request to have a personal physician present at any such examination. Each party shall defray the cost of that party's physician. Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury, shall be made available, upon request and without charge, to the injured employee or

representative of the employee. The employer shall pay reasonable travel expenses, in advance if requested, incurred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination. A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition.

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

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

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

Sec. 14. Minnesota Statutes 1988, section 176.541, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION OF CHAPTER TO STATE EMPLOYEES.] This chapter applies to the employees of ~~any department of this state~~ the executive, legislative, and judicial branches of the state, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund, including the state historical society and the state agricultural society.

Sec. 15. Minnesota Statutes 1988, section 176.541, subdivision 2, is amended to read:

Subd. 2. [DEFENSE OF CLAIM AGAINST STATE.] When the commissioner of employee relations believes that a claim against the state for compensation should be contested, the commissioner shall

defend the state claim. The commissioner has sole authority to settle claims on behalf of the state.

Sec. 16. Minnesota Statutes 1988, section 176.541, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF ATTORNEY GENERAL.] At any stage in ~~such~~ a compensation proceeding under this section, the attorney general may assume the duty of defending the state. When the commissioner of employee relations ~~or a department of this state~~ requests the attorney general to assume the defense, the attorney general shall do so.

Sec. 17. Minnesota Statutes 1988, section 176.541, subdivision 5, is amended to read:

Subd. 5. [EXPENSES OF CONDUCTING DEFENSE.] The expenses of conducting a defense ~~shall~~ must be charged to the ~~department which~~ entity that employs the employee involved. These expenses ~~shall~~ must be paid from the state compensation revolving fund.

Sec. 18. Minnesota Statutes 1988, section 176.541, subdivision 6, is amended to read:

Subd. 6. [LEGAL, PROFESSIONAL, AND CLERICAL ~~HELP~~ SERVICES.] The commissioner of employee relations may employ ~~such~~ legal, professional, and clerical ~~help~~ services as authorized by the department of ~~administration~~ finance. The ~~salaries~~ cost of ~~these persons shall~~ the services must be paid from the state compensation revolving fund~~, but shall be apportioned among the several departments of the state in relation to the amount of compensation paid to employees of any department as against the total amount of compensation paid to employees of all departments~~.

Sec. 19. Minnesota Statutes 1988, section 176.551, subdivision 1, is amended to read:

Subdivision 1. [HEADS OF STATE ~~DEPARTMENTS~~ EMPLOYING ENTITIES TO REPORT ACCIDENTS TO EMPLOYEES.] Except as provided in subdivision 2, the head of a ~~department of the~~ state employing entity, including the University of Minnesota and other entities whose workers' compensation liability is paid from the state revolving fund, shall report each accident ~~which~~ that occurs to an employee as ~~and in the manner~~ required by this chapter.

Sec. 20. Minnesota Statutes 1988, section 176.571, is amended to read:

176.571 [INVESTIGATIONS OF INJURIES TO STATE EMPLOYEES.]

Subdivision 1. [PRELIMINARY INVESTIGATION.] When the head of ~~a department~~ an employing state entity has filed a report or the commissioner of employee relations has otherwise received information of the occurrence of an injury to a state employee for which liability to pay compensation may exist, the commissioner of employee relations shall make a preliminary investigation to determine the question of probable liability.

In making this investigation, the commissioner of employee relations may require the assistance of the head of any ~~department~~ entity or any employee of the state. The commissioner of employee relations may require that all facts be furnished ~~which~~ that appear in the records of any state ~~department~~ entity bearing on the issue.

Subd. 2. [DETERMINATION BY DEPARTMENT.] When the commissioner of the department of employee relations has completed an investigation, the commissioner shall inform the claimant, and the head of the employing ~~department, and the commissioner of finance~~ entity in writing of the action taken.

Sec. 21. Minnesota Statutes 1988, section 176.581, is amended to read:

176.581 [PAYMENT TO STATE EMPLOYEES.]

Upon a warrant ~~prepared~~ approved by the commissioner of the department of employee relations and ~~approved~~ prepared by the commissioner of finance, ~~and in accordance with the terms of the order awarding compensation,~~ the state treasurer shall pay compensation to the employee or the employee's dependent. These payments ~~shall~~ be made from money appropriated for this purpose.

Sec. 22. Minnesota Statutes 1988, section 176.591, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] To facilitate the discharge by the state of its obligations under this chapter, ~~there is established a revolving fund to be known as~~ the state compensation revolving fund is maintained in the state treasury.

This fund ~~is comprised of~~ comprises the unexpended balance in the fund on July 1, 1935, and the sums ~~which the several departments~~ employing entities of the state pay to the fund.

Sec. 23. Minnesota Statutes 1988, section 176.591, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION PAYMENTS UPON WARRANTS.] The state treasurer shall make compensation payments from the fund only as authorized by this chapter upon warrants ~~of~~ approved by the commissioner of the department of employee relations.

Sec. 24. Minnesota Statutes 1988, section 176.603, is amended to read:

176.603 [COST OF ADMINISTERING CHAPTER, PAYMENT.]

The annual cost to the commissioner of the department of employee relations of administering this chapter in relation to state employees and the necessary expenses ~~which~~ that the department of employee relations or the attorney general incurs in containing costs or in investigating, administering, and defending a claim against the state for compensation ~~shall~~ must be paid from the state compensation revolving fund.

Sec. 25. Minnesota Statutes 1988, section 176.611, subdivision 2, is amended to read:

Subd. 2. [STATE DEPARTMENTS.] ~~Every department~~ An employing entity of the state, including the University of Minnesota, shall reimburse the fund for money paid for its claims, an occupational preventative health and safety program under section 15.46, and the costs of administering the revolving fund at ~~such~~ whatever times and in ~~such~~ whatever amounts as the commissioner of employee relations ~~shall certify~~ certifies has been paid out of the fund ~~on its behalf~~. The heads of the ~~departments~~ entities shall anticipate these payments by including them in their budgets. In addition, the commissioner of employee relations, with the approval of the commissioner of finance, may require an ~~agency~~ entity to make advance payments to the fund sufficient to cover the ~~agency's~~ entity's estimated obligation for a period of at least 60 days. Reimbursements and other money received by the commissioner of employee relations under this subdivision must be credited to the state compensation revolving fund.

Sec. 26. Minnesota Statutes 1988, section 176A.03, is amended by adding a subdivision to read:

Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state to issue the coverage.

Sec. 27. [APPROPRIATION.]

$381,860 is appropriated for the biennium ending June 30, 1991, from the special compensation fund to the department of jobs and training for the purposes of section 176.102, subdivision 4a. The complement of the department of jobs and training is increased by six positions but only until June 30, 1991.

Sec. 28. [APPROPRIATION.]

$25,000 is appropriated from the special compensation fund to the department of labor and industry for each fiscal year in the biennium beginning July 1, 1989, to be used for a safety program in the logging industry. The commissioner of labor and industry may contract with a private entity to plan and implement the safety program."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating insurance for truckers, loggers, and farmers; imposing an assessment on certain purchasers of wood to subsidize insurance costs of loggers; regulating coverages and rates, regulating medical fees and examinations; appropriating money; amending Minnesota Statutes 1988, sections 79.251, subdivision 3; 79.252, by adding a subdivision; 79.60, subdivision 2; 79.61, subdivision 1; 176.011, subdivision 11a; 176.041, subdivision 1; 176.102, by adding a subdivision; 176.135, subdivision 1; 176.136, subdivisions 1 and 5; 176.155, subdivision 1; 176.541, subdivisions 1, 2, 3, 5, and 6; 176.551, subdivision 1; 176.571; 176.581; 176.591, subdivisions 1 and 3; 176.603; 176.611, subdivision 2; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 79 and 176."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1416, A bill for an act relating to state lands; authorizing private conveyance of certain tax-forfeited land in Benton county.

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. 1429, A bill for an act relating to licensure of ambulance services; establishing new standards; amending Minnesota Statutes 1988, sections 144.801, subdivisions 4 and 7; 144.802, subdivisions 3, 3a, 4, and by adding a subdivision; 144.804; 144.806; 144.807, subdivision 1; 144.808; 144.809; and 144.8091; repealing Minnesota Statutes 1988, sections 144.805; 144.807, subdivision 3; and 144.8092.

Reported the same back with the following amendments:

Page 1, line 21, delete "may" and insert "is likely to"

Page 6, line 8, after the period insert "The commissioner may grant a variance to allow a licensed ambulance service to use attendants certified by the American Red Cross in advanced first aid and emergency care in order to ensure 24-hour emergency ambulance coverage. The variance must expire no later than August 1, 1990."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 1438, A resolution memorializing the Board of Governors of the Federal Reserve Board to reject amendments to its rules that would govern permissible activities of state-chartered banks.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

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

H. F. No. 1460, A bill for an act relating to unemployment compensation; making various technical corrections; amending Minnesota Statutes 1988, sections 268.04, subdivisions 12 and 25; 268.06, subdivisions 1, 8a, and 28; 268.07, subdivisions 2 and 3; 268.09, subdivision 1; 268.10, subdivisions 1 and 2; 268.12, subdivision 12; 268.16, subdivision 4; 268.162, subdivision 1; 268.163, subdivision 1; and 268.165, subdivisions 1 and 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Munger from the Committee on Environment and Natural Resources to which was referred:

H. F. No. 1464, A resolution memorializing the Congress of the United States to reject pending legislation that would authorize the use of Minnesota waters for the transportation of coal and would grant the right of eminent domain of coal slurry pipelines.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1476, A bill for an act relating to tourism; authorizing the commissioner of trade and economic development to make or participate in tourism-related loans; appropriating money; proposing coding for new law in chapter 116J.

Reported the same back with the following amendments:

Page 1, line 22, after the period insert "An eligible borrower may not receive a loan under this section if the borrower has received a tourism-related loan made by the state or participated in by the state in the past three years."

Amend the title as follows:

Page 1, line 5, after "in" insert "Minnesota Statutes,"

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

The report was adopted.

Osthoff from the Committee on Financial Institutions and Housing to which was referred:

H. F. No. 1484, A bill for an act relating to transitional housing; providing flexibility in the use of transitional housing money;

providing for increased acquisition and rehabilitation of transitional housing; appropriating money; amending Minnesota Statutes 1988, section 462A.21, subdivisions 4k, 12, and by adding a subdivision.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

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

H. F. No. 1503, A bill for an act relating to state lands; authorizing conveyance of certain real property to the town of Round Lake.

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:

S. F. No. 133, A bill for an act relating to statutes; providing free copies of Minnesota Statutes to public utilities commission; amending Minnesota Statutes 1988, section 3C.12, subdivision 2.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Appropriations.

The report was adopted.

Kelly from the Committee on Judiciary to which was referred:

S. F. No. 560, A bill for an act relating to criminal procedure; providing for the Ramsey county attorney to prosecute certain gross misdemeanors; amending Minnesota Statutes 1988, section 388.051, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 65, 110, 116, 132, 156, 166, 193, 412, 456, 483, 557, 564, 595, 635, 678, 693, 700, 731, 761, 786, 837, 916, 930, 949, 1016, 1048, 1069, 1118, 1151, 1197, 1357, 1405, 1415, 1416, 1429, 1438, 1460 and 1503 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 560 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Tunheim introduced:

H. F. No. 1635, A bill for an act relating to education; providing guaranteed general educational revenue; amending Minnesota Statutes 1988, section 124A.22, subdivision 1.

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

McEachern and Bauerly introduced:

H. F. No. 1636, A bill for an act relating to education; simplifying the high school league's audit requirements; amending Minnesota Statutes 1988, section 129.121, subdivision 2.

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

Bennett introduced:

H. F. No. 1637, A bill for an act relating to education; imposing conditions on enrolling in, and getting a certificate for, public school driver's training courses and on certain driving privileges; amending Minnesota Statutes 1988, sections 171.04; and 171.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 126 and 171.

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

Tunheim introduced:

H. F. No. 1638, A bill for an act relating to education; authorizing a special capital loan for independent school district No. 682, Roseau.

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

Frederick and Haukoos introduced:

H. F. No. 1639, A bill for an act relating to taxation; exempting purchases by the department of transportation from sales tax and motor vehicle excise tax; amending Minnesota Statutes 1988, sections 297A.25, subdivision 11; and 297B.03.

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

Tjornhom, Runbeck, Limmer, Heap and Pellow introduced:

H. F. No. 1640, A bill for an act relating to taxation; individual income; providing for indexing of the tax brackets at the same time provided by federal law; amending Minnesota Statutes 1988, section 290.06, subdivision 2d.

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

Blatz, Begich, Abrams, Battaglia and Wenzel introduced:

H. F. No. 1641, A bill for an act relating to employment; prohibiting termination of sales representative agreements under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 325E.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Milbert; Pugh; Nelson, K.; Wagenius and Scheid introduced:

H. F. No. 1642, A bill for an act relating to appropriations;

providing funds for a United States and Soviet Union high school academic program.

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

Price; Orenstein; Carlson, L.; Nelson, K., and Morrison introduced:

H. F. No. 1643, A bill for an act relating to education; requiring post-secondary education systems to include appropriate educational services for handicapped adults in their system plans; establishing a task force on education and training for handicapped adults; requiring a directory of education and training services for handicapped adults; amending Minnesota Statutes 1988, section 135A.06, subdivision 3.

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

Price; Poppenhagen; Orenstein; Carlson, L., and Morrison introduced:

H. F. No. 1644, A bill for an act relating to education; clarifying reporting responsibilities to the HECB; amending Minnesota Statutes 1988, section 136A.05.

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

Sarna introduced:

H. F. No. 1645, A bill for an act relating to commerce; regulating auto rental companies; providing licensing and bonding requirements; providing remedies; proposing coding for new law as Minnesota Statutes, chapter 65C.

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

Winter introduced:

H. F. No. 1646, A bill for an act relating to education; making eligibility for the post-secondary enrollment options act contingent upon pupils maintaining a minimum grade point average; requiring counselor approval; amending Minnesota Statutes 1988, section 123.3514, subdivisions 2, 4, and 4a.

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

Segal introduced:

H. F. No. 1647, 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.

Price, Kostohryz, Quinn, Osthoff and Gutknecht introduced:

H. F. No. 1648, A bill for an act relating to gambling; video games of chance; prohibiting cash awards; requiring notice to the public and to employees of the consequences of participating in cash awards; prescribing a penalty; amending Minnesota Statutes 1988, sections 349.51, subdivision 2; 349.53; and 349.56; proposing coding for new law in Minnesota Statutes, chapter 349.

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

Marsh and Gruenes introduced:

H. F. No. 1649, A bill for an act relating to retirement; public employees retirement association; permitting the purchase of prior service by certain persons serving as elected members of a city council.

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

Tompkins, Rice, Macklin, Vellenga and McEachern introduced:

H. F. No. 1650, A bill for an act relating to education; creating a task force to assist in developing and reviewing materials that help young people make decisions about responsible sexual behavior; appropriating money.

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

Greenfield introduced:

H. F. No. 1651, A bill for an act relating to courts; declaring that money or assets in court-supervised settlement accounts are not available to a minor child or the child's parent or guardian, until released by the court, for purposes of determining eligibility for human services programs; amending Minnesota Statutes 1988, section 540.08.

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

Greenfield, Clark, Jefferson and Osthoff introduced:

H. F. No. 1652, A bill for an act relating to housing; preservation of federally insured or assisted housing; appropriating money; amending Minnesota Statutes 1988, section 462A.07, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Pugh and Milbert introduced:

H. F. No. 1653, A bill for an act relating to capital improvements; appropriating money for improvements for redevelopment in South St. Paul; providing for the issuance of state building bonds.

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

Jennings introduced:

H. F. No. 1654, A bill for an act relating to local planning and zoning; providing for the administration of land use controls; defining authority of local government units; providing for procedures and records; providing penalties; amending Minnesota Statutes 1988, section 473.858, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 465A; repealing Minnesota Statutes 1988, sections 394.21 to 394.37; and 462.351 to 462.364.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Scheid and Vanasek introduced:

H. F. No. 1655, A bill for an act relating to official documents; requiring parties to supply social security numbers when filing papers in civil actions and instruments conveying an interest in real property; requiring the court administrator to enter the social security numbers on judgments; amending Minnesota Statutes 1988, sections 507.07; 507.09; 507.092; 507.14; and 507.15, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 544 and 548.

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

Kostohryz introduced:

H. F. No. 1656, A bill for an act relating to retirement; St. Paul teachers retirement fund association; providing a benefit adjustment for certain St. Paul teachers with declining enrollment staff reduction demotions.

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

Ogren, Kalis and Rice introduced:

H. F. No. 1657, A bill for an act relating to agriculture; appropriating money for certifying farmers and food producers who grow food organically; appropriating money.

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

Ogren introduced:

H. F. No. 1658, A bill for an act relating to health care; establishing an employee health care corporation to provide health coverage for uninsured workers; establishing eligibility requirements for coverage; requiring employers who do not offer subsidized health coverage to contribute to the fund; requiring a plan and report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 62E.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Battaglia, Rice and Carlson, D., introduced:

H. F. No. 1659, A bill for an act relating to state lands; authorizing exchange of interests in land between department of transportation and regional rail authority of St. Louis and Lake counties.

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

Tjornhom introduced:

H. F. No. 1660, A bill for an act relating to traffic regulations; requiring the commissioner of transportation to allow high-occupancy vehicles to use exclusive bus ramps on controlled-access trunk highways; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Bishop, Krueger, Kelly and Kahn introduced:

H. F. No. 1661, A bill for an act relating to the legislature; establishing a legislative management information system to coordinate computer development in the legislature; proposing coding for new law in Minnesota Statutes, chapter 3.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Johnson, R.; Munger; Carlson, D.; Marsh and Rukavina introduced:

H. A. No. 7, A proposal to study adequacy of arson and forestry laws in preventing forest fires.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 95, A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sections 345.48, subdivision 1; 609.101, subdivision 2; 611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.54.

The Senate has appointed as such committee:

Ms. Peterson, D. C.; Messrs. Moe, D. M., and Belanger.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wagenius moved that the House refuse to concur in the Senate amendments to H. F. No. 702, 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 that the Senate refuses to concur in the House amendments to Senate File No. 227:

S. F. No. 227, A bill for an act relating to health; enacting the uniform determination of death act; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Messrs. Dahl, Spear and Knaak.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Quinn moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 227. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 778, 1080 and 936.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 778, A bill for an act relating to human services; authorizing general assistance medical care payments for patients in facilities determined to be institutions for mental diseases; creating an exception to negotiated rate facility limits for institutions for mental diseases; appropriating money.

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

S. F. No. 1080, 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.

Marsh moved that S. F. No. 1080 and H. F. No. 1216, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 936, 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.

CONSENT CALENDAR

S. F. No. 699, A bill for an act relating to alcoholic beverages; authorizing Cook county to issue an off-sale liquor license.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 112, A bill for an act relating to vocational rehabilitation; changing term "extended employment plan participants" to "workers"; amending Minnesota Statutes 1988, section 129A.08, subdivision 4.

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

The bill was passed and its title agreed to.

H. F. No. 895, A bill for an act relating to state lands; authorizing the commissioner of transportation to convey certain surplus property to Stevens county for other than public purposes; authorizing the county to sell the property for other than public purposes through a public sale.

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

The bill was passed and its title agreed to.

H. F. No. 1287, A bill for an act relating to commerce; securities; exempting nonissuer sales of securities issued by the state, its subdivisions, or instrumentalities from regulation; amending Minnesota Statutes 1988, section 80A.15, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Conway	Henry	Knickerbocker	Miller
Anderson, G.	Cooper	Himle	Kostohryz	Morrison
Anderson, R.	Dauner	Hugoson	Krueger	Munger
Battaglia	Dawkins	Jacobs	Lasley	Murphy
Bauerly	Dempsey	Janezich	Lieder	Nelson, C.
Beard	Dorn	Jaros	Limmer	Nelson, K.
Begich	Forsythe	Jefferson	Long	Neuenschwander
Bennett	Frederick	Jennings	Lynch	O'Connor
Bertram	Frerichs	Johnson, A.	Macklin	Ogren
Bishop	Girard	Johnson, R.	Marsh	Olsen, S.
Blatz	Gruenes	Johnson, V.	McDonald	Olson, E.
Burger	Gutknecht	Kahn	McEachern	Olson, K.
Carlson, D.	Hartle	Kalis	McGuire	Omann
Carlson, L.	Hasskamp	Kelly	McLaughlin	Onnen
Carruthers	Haukoos	Kelso	McPherson	Orenstein
Clark	Heap	Kinkel	Milbert	Osthoff

Ostrom	Pugh	Sarna	Stanius	Vellenga
Otis	Quinn	Schafer	Steensma	Wagenius
Ozment	Redalen	Scheid	Sviggum	Waltman
Pappas	Reding	Schreiber	Swenson	Weaver
Pauly	Rest	Seaberg	Tjornhom	Welle
Pellow	Rice	Segal	Tompkins	Wenzel
Pelowski	Richter	Simoneau	Trimble	Williams
Peterson	Rodosovich	Skoglund	Tunheim	Winter
Poppenhagen	Rukavina	Solberg	Uphus	Wynia
Price	Runbeck	Sparby	Valento	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1447, A bill for an act relating to motor vehicles; defining the effect of certain leases; amending Minnesota Statutes 1988, section 168A.17, by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1517, A bill for an act relating to local government; authorizing the city of St. Louis Park to change the name of the housing and redevelopment authority; permitting the recording of certain deeds.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 390 was reported to the House.

There being no objection, S. F. No. 390 was temporarily laid over on the Consent Calendar.

CALENDAR

H. F. No. 593, A bill for an act relating to occupations and professions; providing for a uniform electrical violation ticket; proposing coding for new law in Minnesota Statutes, chapter 326.

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

The bill was passed and its title agreed to.

H. F. No. 956, A bill for an act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota Statutes 1988, section 65B.49, subdivisions 3a and 4a.

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.

Pursuant to rule 2.5, Himle requested that he be excused from voting on H. F. No. 956. The request was granted.

There were 95 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abrams	Boo	Dawkins	Jacobs	Knickerbocker
Anderson, G.	Brown	Dempsey	Janezich	Krueger
Anderson, R.	Burger	Dille	Jaros	Lasley
Battaglia	Carlson, D.	Dorn	Jefferson	Lieder
Bauerly	Carlson, L.	Frederick	Johnson, A.	Lynch
Beard	Carruthers	Gruenes	Johnson, R.	Macklin
Begich	Clark	Gutknecht	Kahn	Marsh
Bennett	Conway	Hasskamp	Kalis	McEachern
Bertram	Cooper	Haukoos	Kelly	McGuire
Blatz	Dauner	Henry	Kinkel	McPherson

Milbert	Olson, E.	Peterson	Scheid	Uphus
Miller	Olson, K.	Price	Segal	Wagenius
Morrison	Omann	Pugh	Skoglund	Weaver
Munger	Orenstein	Quinn	Solberg	Welle
Murphy	Ostrom	Rest	Sparby	Wenzel
Nelson, C.	Otis	Rodosovich	Steensma	Williams
O'Connor	Ozment	Rukavina	Swenson	Winter
Ogren	Pappas	Runbeck	Trimble	Wynia
Olsen, S.	Pelowski	Sarna	Tunheim	Spk. Vanasek

Those who voted in the negative were:

Forsythe	Jennings	Neuenschwander	Reding	Stanius
Frerichs	Johnson, V.	Onnen	Richter	Sviggum
Girard	Kelso	Pauly	Schafer	Tjornhom
Hartle	Kostohryz	Pellow	Schreiber	Tompkins
Heap	Limmer	Poppenhagen	Seaberg	Valento
Hugoson	McDonald	Redalen	Simoneau	Waltman

The bill was passed and its title agreed to.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 1444.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1444, A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding.

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, Lieder moved that the rule therein be suspended and

an urgency be declared so that S. F. No. 1444 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Lieder moved that the Rules of the House be so far suspended that S. F. No. 1444 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1444 was read for the second time.

Anderson, G., and Schreiber moved to amend S. F. No. 1444, as follows:

Page 1, after line 9, insert:

"Sec. 2. [ARBITRATION AWARD.]

$3,799,000 is appropriated from the state building fund to the commissioner of administration to pay the state office building arbitration award.

Sec. 3. [BOND SALE.]

To provide the money appropriated by section 2 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 $3,799,000 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."

Page 1, line 11, delete "Section 1 is" and insert "Sections 1 to 3 are"

Amend the title as follows:

Page 1, line 3, after "flooding" insert "; providing for an arbitration award"

The question was taken on the Anderson, G., and Schreiber amendment and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bennett	Carlson, D.	Dawkins	Girard
Anderson, G.	Bertram	Carlson, L.	Dempsey	Greenfield
Anderson, R.	Bishop	Carruthers	Dille	Gruenes
Battaglia	Blatz	Clark	Dorn	Gutknecht
Bauerly	Boo	Conway	Forsythe	Hartle
Beard	Brown	Cooper	Frederick	Hasskamp
Begich	Burger	Dauner	Frerichs	Haukoos

Heap	Lasley	Ogren	Redalen	Sviggum
Henry	Lieder	Olsen, S.	Reding	Swenson
Himle	Limmer	Olson, E.	Rest	Tjornhom
Hugoson	Long	Olson, K.	Rice	Tompkins
Jacobs	Lynch	Omann	Richter	Trimble
Janezich	Macklin	Onnen	Rodosovich	Tunheim
Jaros	Marsh	Orenstein	Rukavina	Uphus
Jefferson	McDonald	Osthoff	Runbeck	Valento
Jennings	McEachern	Ostrom	Sarna	Vellenga
Johnson, A.	McGuire	Otis	Schafer	Wagenius
Johnson, R.	McLaughlin	Ozment	Scheid	Waltman
Johnson, V.	McPherson	Pappas	Schreiber	Weaver
Kahn	Milbert	Pauly	Seaberg	Welle
Kalis	Miller	Pellow	Segal	Wenzel
Kelly	Morrison	Pelowski	Simoneau	Williams
Kelso	Munger	Peterson	Skoglund	Winter
Kinkel	Murphy	Poppenhagen	Solberg	Wynia
Knickerbocker	Nelson, K.	Price	Sparby	Spk. Vanasek
Kostohryz	Neuenschwander	Pugh	Stanius	
Krueger	O'Connor	Quinn	Steensma	

The motion prevailed and the amendment was adopted.

Nelson, K., was excused for the remainder of today's session.

S. F. No. 1444, A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding.

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

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

Those who voted in the affirmative were:

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

Tunheim	Vellenga	Weaver	Williams	Spk. Vanasek
Uphus	Wagenius	Welle	Winter	
Valento	Waltman	Wenzel	Wynia	

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

CALENDAR

H. F. No. 989, A bill for an act relating to trade practices; providing for payment to farm implement retailer by the manufacturer, wholesaler, or distributor who repurchases stock and inventory; amending Minnesota Statutes 1988, section 325E.06, subdivisions 1, 4, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Krueger	Orenstein	Seaberg
Anderson, G.	Frerichs	Lieder	Osthoff	Segal
Anderson, R.	Girard	Limmer	Ostrom	Simoneau
Battaglia	Greenfield	Long	Otis	Skoglund
Bauerly	Gruenes	Lynch	Ozment	Solberg
Beard	Gutknecht	Macklin	Pappas	Sparby
Begich	Hartle	Marsh	Pauly	Stanius
Bennett	Hasskamp	McDonald	Pellow	Steensma
Bertram	Haukoos	McEachern	Pelowski	Sviggum
Bishop	Heap	McGuire	Peterson	Swenson
Blatz	Henry	McLaughlin	Poppenhagen	Tjornhom
Boo	Himle	McPherson	Price	Tompkins
Brown	Hugoson	Milbert	Pugh	Trimble
Burger	Jacobs	Miller	Quinn	Tunheim
Carlson, D.	Janezich	Morrison	Redalen	Uphus
Carlson, L.	Jefferson	Munger	Reding	Valento
Carruthers	Jennings	Murphy	Rest	Vellenga
Clark	Johnson, A.	Nelson, C.	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	Kinkel	Omann	Scheid	Wynia
Forsythe	Knickerbocker	Onnen	Schreiber	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1014, A bill for an act relating to mechanics' liens; allowing owner to request statement of actual charges; requiring subcontractor to make good faith estimate of charges; amending Minnesota Statutes 1988, section 514.011, subdivision 2.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 916, A bill for an act relating to consumer protection; regulating landscape application contracts; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Bennett	Carlson, D.	Dawkins	Greenfield
Anderson, G.	Bertram	Carlson, L.	Dempsey	Gruenes
Anderson, R.	Bishop	Carruthers	Dille	Gutknecht
Battaglia	Blatz	Clark	Dorn	Hartle
Bauerly	Boo	Conway	Forsythe	Hasskamp
Beard	Brown	Cooper	Frederick	Haukoos
Begich	Burger	Dauner	Girard	Heap

Henry	Lieder	Ogren	Quinn	Stanius
Himle	Limmer	Olsen, S.	Redalen	Steensma
Hugoson	Long	Olson, E.	Reding	Sviggum
Jacobs	Lynch	Olson, K.	Rest	Swenson
Janezich	Macklin	Omann	Rice	Tjornhom
Jaros	Marsh	Onnen	Richter	Tompkins
Jefferson	McDonald	Orenstein	Rodosovich	Trimble
Jennings	McEachern	Osthoff	Rukavina	Tunheim
Johnson, A.	McGuire	Ostrom	Runbeck	Uphus
Johnson, R.	McLaughlin	Otis	Sarna	Valento
Johnson, V.	McPherson	Ozment	Schafer	Vellenga
Kalis	Milbert	Pappas	Scheid	Wagenius
Kelly	Miller	Pauly	Schreiber	Waltman
Kelso	Morrison	Pellow	Seaberg	Weaver
Kinkel	Munger	Pelowski	Segal	Welle
Knickerbocker	Murphy	Peterson	Simoneau	Wenzel
Kostohryz	Nelson, C.	Poppenhagen	Skoglund	Williams
Krueger	Neuenschwander	Price	Solberg	Winter
Lasley	O'Connor	Pugh	Sparby	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Frerichs

The bill was passed and its title agreed to.

H. F. No. 1117, A bill for an act relating to occupations and professions; regulating the practice of accountancy; creating standards of care; amending Minnesota Statutes 1988, sections 326.165; 326.20, subdivision 1; 326.211, subdivision 6; and 326.212, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326.

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	Clark	Haukoos	Knickerbocker	Munger
Anderson, G.	Conway	Heap	Kostohryz	Murphy
Anderson, R.	Cooper	Henry	Krueger	Nelson, C.
Battaglia	Dauner	Himle	Lasley	Neuenschwander
Bauerly	Dawkins	Hugoson	Lieder	O'Connor
Beard	Dempsey	Jacobs	Limmer	Ogren
Begich	Dille	Janezich	Long	Olsen, S.
Bennett	Dorn	Jaros	Lynch	Olson, E.
Bertram	Forsythe	Jefferson	Macklin	Olson, K.
Bishop	Frederick	Jennings	Marsh	Omann
Blatz	Frerichs	Johnson, A.	McDonald	Onnen
Boo	Girard	Johnson, R.	McEachern	Orenstein
Brown	Greenfield	Johnson, V.	McGuire	Osthoff
Burger	Gruenes	Kalis	McPherson	Ostrom
Carlson, D.	Gutknecht	Kelly	Milbert	Otis
Carlson, L.	Hartle	Kelso	Miller	Ozment
Carruthers	Hasskamp	Kinkel	Morrison	Pappas

Pauly	Reding	Schreiber	Sviggum	Wagenius
Pellow	Rest	Seaberg	Swenson	Waltman
Pelowski	Richter	Segal	Tjornhom	Weaver
Peterson	Rodosovich	Simoneau	Tompkins	Welle
Poppenhagen	Rukavina	Skoglund	Trimble	Wenzel
Price	Runbeck	Solberg	Tunheim	Williams
Pugh	Sarna	Sparby	Uphus	Winter
Quinn	Schafer	Stanius	Valento	Spk. Vanasek
Redalen	Scheid	Steensma	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 1155, A bill for an act relating to insurance; life and health; regulating policy and contract provisions, coverages, certain cost-containment mechanisms, cancellations and nonrenewals, trade and marketing practices, and remedies in these and other lines; making technical changes; amending Minnesota Statutes 1988, sections 45.025, subdivision 8; 45.027, subdivision 7; 45.028, subdivision 1; 61A.011, subdivision 1; 61A.092, subdivision 3; 61B.03, subdivision 6; 62A.01; 62A.041; 62A.08; 62A.09; 62A.15, subdivision 3a; 62A.17, subdivision 2; 62A.46, by adding a subdivision; 62A.48, subdivision 1; 62B.01; 62B.04, subdivision 1; 62D.12, by adding a subdivision; 62E.06, subdivision 1; 72A.20, subdivision 15, and by adding subdivisions; 72A.325; and 149.11; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 65A; and 72A; repealing Minnesota Statutes 1988, sections 60A.23, subdivision 7; and 72A.13, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Jefferson	McPherson	Pauly
Anderson, G.	Dempsey	Jennings	Milbert	Pellow
Anderson, R.	Dille	Johnson, A.	Miller	Pelowski
Battaglia	Dorn	Johnson, R.	Morrison	Peterson
Bauerly	Forsythe	Johnson, V.	Munger	Poppenhagen
Beard	Frederick	Kalis	Murphy	Price
Begich	Frerichs	Kelso	Nelson, C.	Pugh
Bennett	Girard	Kinkel	Neuenschwander	Quinn
Bertram	Greenfield	Knickerbocker	O'Connor	Redalen
Bishop	Gruenes	Kostohryz	Ogren	Reding
Blatz	Gutknecht	Krueger	Olsen, S.	Rest
Boo	Hartle	Lasley	Olson, E.	Rice
Brown	Hasskamp	Lieder	Olson, K.	Richter
Burger	Haukoos	Limmer	Omann	Rodosovich
Carlson, D.	Heap	Long	Onnen	Rukavina
Carlson, L.	Henry	Lynch	Orenstein	Runbeck
Carruthers	Himle	Macklin	Osthoff	Sarna
Clark	Hugoson	Marsh	Ostrom	Schafer
Conway	Jacobs	McDonald	Otis	Scheid
Cooper	Janezich	McEachern	Ozment	Schreiber
Dauner	Jaros	McGuire	Pappas	Seaberg

Segal	Stanius	Tompkins	Vellenga	Wenzel
Simoneau	Steensma	Trimble	Wagenius	Williams
Skoglund	Sviggum	Tunheim	Waltman	Winter
Solberg	Swenson	Uphus	Weaver	Wynia
Sparby	Tjornhom	Valento	Welle	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 269 was reported to the House and given its third reading.

Carruthers moved that H. F. No. 269 be continued on the Calendar. The motion prevailed.

S. F. No. 382, A bill for an act relating to animals; clarifying regulations pertaining to dangerous dogs; granting certain powers to animal control officers; prohibiting local ordinances that define specific breeds of dogs as dangerous; amending Minnesota Statutes 1988, sections 343.20, by adding a subdivision; 343.29, subdivision 1; 347.50, subdivisions 4, 5, and by adding a subdivision; 347.51, subdivisions 5 and 6, and by adding subdivisions; 347.53; 347.54; and 609.226, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 627, A bill for an act relating to motor carriers; exempting rear-end dump trucks operated by private agricultural carriers between point of production and point of processing from requirements for rear-end protection; amending Minnesota Statutes 1988, section 221.031, subdivision 2a.

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

Those who voted in the negative were:

Seaberg

The bill was passed and its title agreed to.

H. F. No. 736 was reported to the House and given its third reading.

Ostrom moved that H. F. No. 736 be continued on the Calendar until Monday, April 17, 1989. The motion prevailed.

H. F. No. 945, A bill for an act relating to public employment;

modifying the prohibition against bargaining certain retirement contributions; amending Minnesota Statutes 1988, sections 179A.03, subdivision 19; 356.24; and 471.616, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 951, A bill for an act relating to utilities; providing for the establishment of competitive electric utility rates for certain customers subject to effective competition; authorizing public utilities commission to require utility to initiate rate proceeding under limited circumstances; removing repealer of laws providing for establishment of flexible gas utility rates for certain customers subject to effective competition; amending Minnesota Statutes 1988, sections 216B.045, subdivision 5; and 216B.17, subdivision 6, and by adding a subdivision; Laws 1987, chapter 371, section 4; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1988, section 216B.17, subdivisions 2, 3, 4, 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 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey	Runbeck

The bill was passed and its title agreed to.

S. F. No. 163, A bill for an act relating to traffic regulations; regulating U-turns; providing for color and equipment requirements on school buses carrying ten or more persons; establishing conditions under which school bus drivers must activate flashing amber lights; providing for bumper requirements on private passenger vehicles; amending Minnesota Statutes 1988, sections 169.19, subdivision 2; 169.44, subdivisions 1a and 2; and 169.73.

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

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

Those who voted in the affirmative were:

Abrams	Battaglia	Begich	Bishop	Brown
Anderson, G.	Bauerly	Bennett	Blatz	Burger
Anderson, R.	Beard	Bertram	Boo	Carlson, D.

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

The bill was passed and its title agreed to.

S. F. No. 831, A bill for an act relating to local government; permitting local government appropriations for the arts; proposing coding for new law in Minnesota Statutes, chapter 471.

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 120 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Kahn	Murphy	Reding
Anderson, G.	Frederick	Kalis	Nelson, C.	Rest
Anderson, R.	Frerichs	Kelly	Neuenschwander	Rice
Battaglia	Girard	Kelso	O'Connor	Rodosovich
Bauerly	Greenfield	Kinkel	Ogren	Rukavina
Beard	Gruenes	Knickerbocker	Olsen, S.	Runbeck
Begich	Gutknecht	Kostohryz	Olson, E.	Sarna
Bennett	Hartle	Krueger	Olson, K.	Schafer
Bertram	Hasskamp	Lasley	Omann	Seaberg
Bishop	Haukoos	Lieder	Onnen	Segal
Boo	Heap	Long	Orenstein	Simoneau
Brown	Henry	Macklin	Ostrom	Skoglund
Burger	Himle	Marsh	Otis	Solberg
Carlson, D.	Hugoson	McDonald	Ozment	Sparby
Carlson, L.	Jacobs	McEachern	Pappas	Steensma
Clark	Janezich	McGuire	Pauly	Sviggum
Conway	Jaros	McLaughlin	Pelowski	Swenson
Cooper	Jefferson	McPherson	Peterson	Tompkins
Dauner	Jennings	Milbert	Poppenhagen	Trimble
Dawkins	Johnson, A.	Miller	Price	Tunheim
Dille	Johnson, R.	Morrison	Pugh	Uphus
Dorn	Johnson, V.	Munger	Quinn	Valento

Vellenga	Waltman	Welle	Williams	Wynia
Wagenius	Weaver	Wenzel	Winter	Spk. Vanasek

Those who voted in the negative were:

Blatz	Limmer	Pellow	Scheid	Tjornhom
Carruthers	Lynch	Redalen	Schreiber	
Dempsey	Osthoff	Richter	Stanius	

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to the Consent Calendar.

CONSENT CALENDAR

S. F. No. 390 which was temporarily laid over earlier today on the Consent Calendar was again reported to the House.

S. F. No. 390, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Todd county.

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

Vellenga	Waltman	Welle	Williams	Wynia
Wagenius	Weaver	Wenzel	Winter	Spk. Vanasek

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 bills pending on General Orders of the day. Quinn presided during a portion of the meeting of the Committee of the Whole. After some time spent therein the Committee arose.

REPORT OF THE COMMITTEE OF THE WHOLE

The Speaker resumed the Chair, whereupon the following recommendations of the Committee were reported to the House:

H. F. Nos. 159, 169, 438, 505, 611 and 719 were recommended to pass.

H. F. No. 296 was recommended for progress.

S. F. No. 104, the unofficial engrossment, which it recommended to pass with the following amendment offered by Marsh:

Page 2, line 36, after the period insert "This plan must include wetlands preservation as an important aspect of water conservation and must include proposals to preserve and enhance wetlands."

S. F. No. 358 which it recommended to pass with the following amendment offered by Jacobs:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 340A.402, is amended to read:

340A.402 [PERSONS ELIGIBLE.]

No retail license may be issued to:

(1) a person not a citizen of the United States or a resident alien;

(2) a person under 21 years of age;

(3) ~~a person who within five years of the license application has~~

~~been convicted of a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution, of intoxicating or nonintoxicating malt liquors;~~

~~(4)~~ a person who has had an intoxicating liquor or nonintoxicating liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; or

~~(5)~~ (4) a person not of good moral character and repute.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage.

Sec. 2. Minnesota Statutes 1988, section 340A.405, subdivision 1, is amended to read:

Subdivision 1. [CITIES.] A city may issue with the approval of the commissioner, an off-sale intoxicating liquor license to an exclusive liquor store or to a drugstore. ~~Cities of the first class may also issue an off-sale license to a general food store.~~ A city of the first class may issue an off-sale license to a general food store to which an off-sale license had been issued on the effective date of this section.

Sec. 3. Minnesota Statutes 1988, section 340A.504, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] No sale of intoxicating liquor for consumption on the licensed premises may be made:

(1) between 1:00 a.m. and 8:00 a.m. on the days of ~~Tuesday~~ Monday through Saturday;

(2) ~~between 12:00 midnight and 8:00 a.m. on Mondays;~~

~~(3)~~ after 1:00 a.m. on Sundays, except as provided by subdivision 3;

~~(4)~~ (3) between 8:00 p.m. on December 24 and 8:00 a.m. on December 25, except as provided by subdivision 3.

Sec. 4. Minnesota Statutes 1988, section 340A.504, subdivision 3, is amended to read:

Subd. 3. [INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE.] (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 12:00 noon on Sundays and ~~12:00 midnight on Sundays~~ 1:00 a.m. on Mondays.

(b) The governing body of a municipality may after one public hearing by ordinance permit a restaurant, hotel, bowling center, or club to sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and ~~12:00 midnight on Sundays~~ 1:00 a.m. on Mondays, provided that the licensee is in conformance with the Minnesota clean air act.

(c) An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed $200.

(d) A municipality may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the municipality voting on the question at a general or special election.

(e) An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

(f) Voter approval is not required for licenses issued by the metropolitan airports commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor on Sunday must obtain a Sunday license from the commissioner at an annual fee of $50, plus $5 for each duplicate.

Sec. 5. Minnesota Statutes 1988, section 340A.504, subdivision 4, is amended to read:

Subd. 4. [INTOXICATING LIQUOR; OFF-SALE.] No sale of intoxicating liquor may be made by an off-sale licensee:

(1) on Sundays;

(2) before 8:00 a.m. on Monday through Saturday;

(3) after 10:00 p.m. on Monday through Saturday at an establish-

ment located in a city other than a city of the first class or within a city located within 15 miles of a city of the first class in the same county;

(4) after 8:00 p.m. on Monday through Thursday and after 10:00 p.m. on Friday and Saturday at an establishment located in a city of the first class or within a city located within 15 miles of a city of the first class in the same county, provided that an establishment may sell intoxicating liquor until 10:00 p.m. on December 31 and July 3, and on the day preceding Thanksgiving day, unless otherwise prohibited under clause (1);

(5) ~~on~~ New ~~Years~~ ~~Day, January~~ ~~1;~~

~~(6) on Independence Day, July 4;~~

~~(7)~~ on Thanksgiving Day;

~~(8)~~ (6) on Christmas Day, December 25; or

~~(9)~~ (7) after 8:00 p.m. on Christmas Eve, December 24.

Sec. 6. Minnesota Statutes 1988, section 340A.510, is amended to read:

340A.510 [WINE SAMPLES.]

Off-sale licenses and municipal liquor stores may provide samples of malt liquor, wine, liqueurs, and cordials which the licensee or municipal liquor store currently has in stock and is offering for sale to the general public without obtaining an additional license, provided the wine, liqueur, and cordial samples are dispensed at no charge and consumed on the licensed premises during the permitted hours of off-sale in a quantity less than 100 milliliters of malt liquor per variety per customer, 50 milliliters of wine per variety per customer and 25 milliliters of liqueur or cordial per variety per customer.

Sec. 7. [OFF-SALE LICENSE; CANOSIA TOWNSHIP.]

Notwithstanding any other provision of law, the town board of Canosia township in St. Louis county may issue an off-sale intoxicating liquor license to an exclusive liquor store with the approval of the commissioner of public safety. A license under this section is governed by all provisions of Minnesota Statutes, chapter 340A, except as otherwise provided in this section.

Sec. 8. [REPEALER.]

Minnesota Statutes 1988, section 340A.412, subdivision 1, is repealed.

Sec. 9. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment. Section 7 is effective on approval by the Canosia town board and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to liquor; clarifying license eligibility; changing the time of sale on certain holidays; allowing for the dispensing of samples of malt liquor; repealing bond requirement for retail licensees; authorizing the town board of Canosia township to issue an off-sale license; amending Minnesota Statutes 1988, sections 340A.402; 340A.405, subdivision 1; 340A.504, subdivisions 2, 3, and 4; and 340A.510; repealing Minnesota Statutes 1988, section 340A.412, subdivision 1."

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 calls were taken in the Committee of the Whole:

Stanius; Carlson, D., and Miller moved to amend H. F. No. 169, the first engrossment, as follows:

Page 1, line 9, after "SPEARING" insert "; ANGLING"

Page 1, line 10, after "spearing" in both places insert "or angling"

Page 1, line 13, after "spearing" insert "or angling"

Page 1, line 14, after "speared" insert "or caught by angling"

Page 1, after line 16, insert:

"Sec. 2. Minnesota Statutes 1988, section 97A.475, subdivision 6, is amended to read:

Subd. 6. [RESIDENT FISHING.] Fees for the following licenses, to be issued to residents only, are:

(1) to take fish by angling, for persons under age 65, $9.50;

(2) ~~to take fish by angling, for persons age 65 and over, $4;~~

~~(3)~~ to take fish by angling, for a combined license for a married couple, $13.50;

~~(4)~~ (3) to take fish by spearing from a dark house, $12; and

~~(5)~~ (4) to take fish by angling for a period of 24 hours from the time of issuance, $4.50.

Sec. 3. Minnesota Statutes 1988, section 97A.485, subdivision 6, is amended to read:

Subd. 6. [LICENSES TO BE SOLD AND ISSUING FEES.] (a) Persons authorized to sell licenses under this section must sell the following licenses for the license fee and the following issuing fees:

(1) to take deer or bear with firearms and by archery, the issuing fee is $1;

(2) Minnesota sporting, the issuing fee is $1; and

(3) to take small game, for a person under age 65 to take fish by angling or for a person of any age to take fish by spearing, and to trap fur-bearing animals, the issuing fee is $1;

(4) for a trout and salmon stamp that is not issued simultaneously with an angling or sporting license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller; and

(5) for stamps other than a trout and salmon stamp, there is no fee.

(b) An issuing fee may not be collected for issuance of a trout and salmon stamp if a stamp is issued simultaneously with the related angling or sporting license. Only one issuing fee may be collected when selling more than one trout and salmon stamp in the same transaction after the end of the season for which the stamp was issued.

(c) The auditor or subagent shall keep the issuing fee as a commission for selling the licenses.

(d) The commissioner shall collect the issuing fee on licenses sold by the commissioner.

(e) A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses.

~~(f) The fee for an angling license paid by a resident 65 years of age or over must be refunded to the licensee upon request to the commissioner, if the request is made within 30 days of the sale. The commissioner shall design a system on the license for this purpose.~~"

Amend the title as follows:

Page 1, line 3, after "spearing" insert "or angling"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, before the period insert "; 97A.475, subdivision 6; and 97A.485, subdivision 6"

The question was taken on the Stanius et al amendment and the roll was called. There were 45 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Beard	Girard	Lynch	Ogren	Schreiber
Bennett	Gruenes	Macklin	Olsen, S.	Seaberg
Blatz	Hartle	Marsh	Omann	Stanius
Carlson, D.	Haukoos	McDonald	Ozment	Sviggum
Carlson, L.	Henry	McEachern	Pauly	Swenson
Dempsey	Hugoson	McPherson	Pellow	Tjornhom
Forsythe	Johnson, V.	Milbert	Richter	Tompkins
Frederick	Krueger	Miller	Runbeck	Valento
Frerichs	Limmer	Nelson, C.	Schafer	Waltman

Those who voted in the negative were:

Abrams	Dille	Kinkel	Ostrom	Simoneau
Anderson, G.	Dorn	Knickerbocker	Otis	Skoglund
Anderson, R.	Greenfield	Kostohryz	Pelowski	Solberg
Battaglia	Hasskamp	Lasley	Peterson	Sparby
Bauerly	Heap	Lieder	Price	Steensma
Begich	Himle	Long	Pugh	Trimble
Bertram	Jacobs	McGuire	Quinn	Tunheim
Boo	Janezich	McLaughlin	Redalen	Uphus
Brown	Jaros	Morrison	Reding	Vellenga
Burger	Jefferson	Munger	Rest	Wagenius
Carruthers	Johnson, A.	Murphy	Rice	Weaver
Clark	Johnson, R.	Neuenschwander	Rodosovich	Welle
Conway	Kahn	O'Connor	Rukavina	Wenzel
Cooper	Kalis	Olson, E.	Sarna	Williams
Dauner	Kelly	Orenstein	Scheid	Winter
Dawkins	Kelso	Osthoff	Segal	Wynia
				Spk. Vanasek

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

Stanius moved to amend H. F. No. 169, the first engrossment, as follows:

Page 1, after line 16, insert:

"Sec. 2. [REPEALER.]

Minnesota Statutes 1988, section 97C.385, subdivision 1, is repealed."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the Stanius amendment and the roll was called. There were 47 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Knickerbocker	Osthoff	Skoglund
Bennett	Gruenes	Kostohryz	Pauly	Stanius
Blatz	Gutknecht	Limmer	Pellow	Swenson
Boo	Hartle	Lynch	Redalen	Tjornhom
Burger	Haukoos	Macklin	Richter	Valento
Carlson, D.	Heap	Marsh	Runbeck	Wagenius
Dempsey	Henry	McDonald	Schafer	Weaver
Dille	Himle	Miller	Scheid	
Frederick	Hugoson	Morrison	Schreiber	
Frerichs	Johnson, V.	Olsen, S.	Seaberg	

Those who voted in the negative were:

Anderson, G.	Hasskamp	McEachern	Otis	Solberg
Anderson, R.	Jacobs	McGuire	Pappas	Sparby
Battaglia	Janezich	McLaughlin	Pelowski	Steensma
Bauerly	Jaros	McPherson	Peterson	Sviggum
Begich	Jefferson	Milbert	Poppenhagen	Tompkins
Bertram	Jennings	Munger	Price	Trimble
Brown	Johnson, A.	Murphy	Pugh	Tunheim
Carlson, L.	Johnson, R.	Nelson, C.	Quinn	Uphus
Carruthers	Kahn	Neuenschwander	Reding	Vellenga
Clark	Kelly	O'Connor	Rest	Waltman
Conway	Kelso	Ogren	Rice	Welle
Cooper	Kinkel	Olson, K.	Rodosovich	Wenzel
Dauner	Krueger	Omann	Rukavina	Williams
Dorn	Lasley	Onnen	Sarna	Winter
Forsythe	Lieder	Orenstein	Segal	Wynia
Greenfield	Long	Ostrom	Simoneau	Spk. Vanasek

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

MOTIONS AND RESOLUTIONS

SUSPENSION OF RULES

Lieder moved that H. F. No. 1586 be recalled from the Committee on Appropriations, and pursuant to Article IV, Section 19, of the

Constitution of the state of Minnesota, Lieder further moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1586 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Lieder moved that the Rules of the House be so far suspended that H. F. No. 1586 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 1586 was read for the second time.

Lieder moved to amend H. F. No. 1586, as follows:

Page 1, line 7, delete "$ . . . . . " and insert "$250,000"

The motion prevailed and the amendment was adopted.

Anderson, G., and Schreiber moved to amend H. F. No. 1586, as amended, as follows:

Page 1, after line 9, insert:

"Sec. 2. [ARBITRATION AWARD.]

$3,799,000 is appropriated from the state building fund to the commissioner of administration to pay the state office building arbitration award.

Sec. 3. [BOND SALE.]

To provide the money appropriated by section 2 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 $3,799,000 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."

Page 1, line 11, delete "Section 1 is" and insert "Sections 1 to 3 are"

Amend the title as follows:

Page 1, line 3, after "flooding" insert "; providing for an arbitration award"

The question was taken on the Anderson, G., and Schreiber amendment and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

H. F. No. 1586, A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding; providing for an arbitration award.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Heap	Kostohryz	Murphy
Anderson, G.	Conway	Henry	Krueger	Nelson, C.
Anderson, R.	Cooper	Himle	Lasley	Neuenschwander
Battaglia	Dauner	Hugoson	Lieder	O'Connor
Bauerly	Dawkins	Jacobs	Limmer	Ogren
Beard	Dempsey	Janezich	Long	Olsen, S.
Begich	Dille	Jefferson	Lynch	Olson, E.
Bennett	Dorn	Jennings	Macklin	Olson, K.
Bertram	Forsythe	Johnson, A.	Marsh	Omann
Bishop	Frederick	Johnson, R.	McDonald	Onnen
Blatz	Frerichs	Johnson, V.	McEachern	Orenstein
Boo	Girard	Kahn	McLaughlin	Osthoff
Brown	Greenfield	Kalis	McPherson	Ostrom
Burger	Gruenes	Kelly	Milbert	Otis
Carlson, D.	Gutknecht	Kelso	Miller	Ozment
Carlson, L.	Hartle	Kinkel	Morrison	Pappas
Carruthers	Haukoos	Knickerbocker	Munger	Pauly

Pellow	Rest	Schreiber	Sviggum	Wagenius
Pelowski	Rice	Seaberg	Swenson	Waltman
Peterson	Richter	Segal	Tjornhom	Weaver
Poppenhagen	Rodosovich	Simoneau	Tompkins	Welle
Price	Rukavina	Skoglund	Trimble	Wenzel
Pugh	Runbeck	Solberg	Tunheim	Williams
Quinn	Sarna	Sparby	Uphus	Winter
Redalen	Schafer	Stanius	Valento	Wynia
Reding	Scheid	Steensma	Vellenga	Spk. Vanasek

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

MOTIONS AND RESOLUTIONS, Continued

Price moved that the name of O'Connor be added as an author on H. F. No. 56. The motion prevailed.

Kelly moved that the name of Tjornhom be added as an author on H. F. No. 110. The motion prevailed.

Scheid moved that the name of Johnson, V., be added as an author on H. F. No. 543. The motion prevailed.

Carlson, D., moved that the name of Begich be shown as chief author and that his name be shown as second author on H. F. No. 909. The motion prevailed.

Jaros moved that the name of Munger be stricken and the name of McDonald be added as an author on H. F. No. 1132. The motion prevailed.

Carruthers moved that the name of Peterson be added as an author on H. F. No. 1354. The motion prevailed.

Milbert and Stanius moved that their names be stricken as authors on H. F. No. 1388. The motion prevailed.

Scheid moved that the name of Haukoos be stricken and the name of Hugoson be added as an author on H. F. No. 1491. The motion prevailed.

Lieder moved that the name of Sparby be added as an author on H. F. No. 1586. The motion prevailed.

Segal moved that the names of Rukavina and Jaros be added as authors on H. F. No. 1588. The motion prevailed.

Dorn moved that the name of Trimble be stricken and the name of Tjornhom be added as an author on H. F. No. 1593. The motion prevailed.

Pugh moved that H. F. No. 1203 be recalled from the Committee on

Commerce and be re-referred to the Committee on Judiciary. The motion prevailed.

Bertram moved that S. F. No. 294 be recalled from the Committee on Health and Human Services and together with H. F. No. 132, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Reding moved that H. F. No. 1541 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on Taxes. The motion prevailed.

Dorn moved that H. F. No. 1593 be recalled from the Committee on Economic Development and be re-referred to the Committee on Appropriations. The motion prevailed.

Jennings moved that H. F. No. 660, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Begich moved that H. F. No. 881, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

ADJOURNMENT

Wynia moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Thursday, April 13, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives