

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

THIRTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 19, 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 the Reverend Karl Wittman of the Church of St. Francis De Salles, St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Schreiber and Tjornhom were excused.

Dawkins was excused until 3:20 p.m.

The Chief Clerk proceeded to read the Journals of the preceding days. Kelly moved that further reading of the Journals be dispensed with and that the Journals 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. 701, 909, 1131, 1320, 1378, 1440, 1449, 1580, 1630, 852, 1626, 1665, 33, 41, 153, 314, 333, 367, 374, 399, 472, 513, 811, 815, 826, 831, 950, 1004, 1027, 1107, 1139, 1147, 1150, 1207, 1314, 1323, 1338, 1354, 1355, 412, 1395, 1408, 1432, 1464, 1482, 1492, 1498, 1502, 1530, 1574, 1581, 456 and 564 and S. F. Nos. 297, 361, 299 and 1051 have been placed in the members' files.

S. F. No. 361 and H. F. No. 269, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Carruthers moved that S. F. No. 361 be substituted for H. F. No. 269 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1051 and H. F. No. 1464, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Welle moved that S. F. No. 1051 be substituted for H. F. No. 1464 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

34th Day]

WEDNESDAY, APRIL 19, 1989

2605

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

April 13, 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. 106, relating to game and fish; selection process for wild turkey license holders.

H. F. No. 508, relating to local government; permitting statutory cities to have seven member councils.

H. F. No. 481, relating to the city of Mora; authorizing the city to negotiate certain contracts without competitive bids.

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:

<i>S.F.</i>	<i>H.F.</i>	<i>Session Laws</i>	<i>Time and</i>	<i>Date Filed</i>
<i>No.</i>	<i>No.</i>	<i>Chapter No.</i>	<i>Date Approved</i>	<i>1989</i>
	106	29	17:57 - April 13	April 13
	508	30	17:56 - April 13	April 13
	481	33	17:54 - April 13	April 13

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
ST. PAUL 55155

April 14, 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. 937, relating to commerce; uniform commercial code; providing a 20-day notice period for certain fixture filings.

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:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i>	
			<i>Date Approved</i> 1989	<i>Date Filed</i> 1989
	937	31	15:11 - April 14	April 14
114		32	15:12 - April 14	April 14

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Sarna from the Committee on Commerce to which was referred:

H. F. No. 56, A bill for an act relating to watercraft; providing for titling and licensing of watercraft; providing procedures for notification of liens on watercraft; providing for enforcement of liens on watercraft; amending Minnesota Statutes 1988, sections 336.9-402; and 336.9-411; proposing coding for new law as Minnesota Statutes, chapter 361A; repealing Minnesota Statutes 1988, sections 361.03; and 579.01 to 579.08.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 336.9-302, is amended to read:

336.9-302 [WHEN FILING IS REQUIRED TO PERFECT SECUR-

RITY INTEREST; SECURITY INTERESTS TO WHICH FILING PROVISIONS OF THIS ARTICLE DO NOT APPLY.]

(1) A financing statement must be filed to perfect all security interest except the following:

(a) A security interest in collateral in possession of the secured party under section 336.9-305;

(b) A security interest temporarily perfected in instruments or documents without delivery under section 336.9-304 or in proceeds for a 20 day period under section 336.9-306;

(c) A security interest created by an assignment of a beneficial interest in a trust or a decedent's estate;

(d) A purchase money security interest in consumer goods; but filing is required for a motor vehicle required to be registered; and fixture filing is required for priority over conflicting interests in fixtures to the extent provided in section 336.9-313;

(e) An assignment of accounts which does not alone or in conjunction with other assignments to the same assignee transfer a significant part of the outstanding accounts of the assignor;

(f) A security interest of a collecting bank (section 336.4-208) or in securities (section 336.8-321) or arising under the article on sales (see section 336.9-113) or covered in subsection (3) of this section;

(g) An assignment for the benefit of all the creditors of the transferor, and subsequent transfers by the assignee thereunder.

(2) If a secured party assigns a perfected security interest, no filing under this article is required in order to continue the perfected status of the security interest against creditors of and transferees from the original debtor.

(3) The filing of a financing statement otherwise required by this article is not necessary or effective to perfect a security interest in property subject to the following statutes or treaties; except that to the extent such statutes or treaties are silent on a specific matter, the provisions of this article shall govern:

(a) a statute or treaty of the United States which provides for a national or international registration or a national or international certificate of title or which specifies a place of filing different from that specified in this article for filing of the security interest; or

(b) the following statutes of this state;

(i) Sections 168A.01 to 168A.31 and sections 2 to 22; but during any period in which collateral is inventory held for sale by a person who is in the business of selling goods of that kind, the filing provisions of this article (part 4) apply to a security interest in that collateral created by the person as a debtor; or

(ii) Sections 300.11 to 300.115.

(c) a certificate of title statute of another jurisdiction under the law of which indication of a security interest on the certificate is required as a condition of perfection (subsection (2) of section 336.9-103).

(4) Compliance with a statute or treaty described in subsection (3) is equivalent to the filing of a financing statement under this article, and a security interest in property subject to the statute or treaty can be perfected only by compliance therewith except as provided in section 336.9-103 on multiple state transactions. A security interest perfected by compliance with such a statute or treaty is governed by this article in all respects not inconsistent with the provisions of the statute or treaty under which it was perfected, provided that this article shall not be deemed inconsistent if it provides for a more extensive duration of effectiveness.

CHAPTER 361A

WATERCRAFT TITLING

Sec. 2. [361A.01] [DEFINITIONS.]

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

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

Subd. 3. [DEALER.] "Dealer" means a person who: (1) is in the business of manufacturing, distributing, selling, or purchasing new or used watercraft; (2) has an established place of business for the sale, trade, and display of watercraft; and (3) possesses watercraft for the purpose of sale or trade.

Subd. 4. [DEPARTMENT.] "Department" means the department of natural resources.

Subd. 5. [DEPUTY REGISTRAR.] "Deputy registrar" means a person appointed or hired by the commissioner of public safety under section 168.33.

Subd. 6. [MANUFACTURER.] "Manufacturer" means a person engaged in the business of constructing or assembling watercraft required to have a certificate of title.

Subd. 7. [MANUFACTURER'S OR IMPORTER'S CERTIFICATE OF ORIGIN.] "Manufacturer's or importer's certificate of origin" means a certificate with the authorized signature of the manufacturer or importer of a watercraft, describing and identifying the watercraft, giving the name and address of the person to whom the watercraft is first sold by the manufacturer or importer, and containing executed assignments of the watercraft to an applicant for a certificate of title on the watercraft in this state.

Subd. 8. [OWNER.] "Owner" means a person, other than a secured party, having the title to a watercraft. "Owner" includes a person entitled to use or possess the watercraft, subject to a security interest in another person, reserved or created by agreement and securing payment of performance of an obligation, but "owner" does not include a lessee under a lease not intended as security.

Subd. 9. [PERSON.] "Person" means an individual, firm, partnership, association, corporation, or governmental organization.

Subd. 10. [SECURED PARTY.] "Secured party" means a secured party as defined in section 336.9-105, subsection (1)(m), having a security interest in a watercraft and includes a lienholder.

Subd. 11. [SECURITY AGREEMENT.] "Security agreement" has the meaning given it in section 336.9-105, subsection (1)(l).

Subd. 12. [SECURITY INTEREST.] "Security interest" has the meaning given it in section 336.1-201, subsection (37), and includes statutory liens for which lien statements are filed.

Subd. 13. [TITLED WATERCRAFT.] "Titled watercraft" means a watercraft required to have a certificate of title under section 3, subdivision 1, or for which a certificate of title has been issued under section 3, subdivision 3.

Subd. 14. [WATERCRAFT.] "Watercraft" means a device used or designed for navigation on water that is greater than 14 feet in length, as defined in section 361.02, subdivision 14, but does not include:

(1) a row-type fishing boat of single hull construction, with oar locks and an outboard motor capacity rating of less than 40 horsepower;

(2) a canoe;

(3) a ship's lifeboat;

(4) a vessel of at least five net tons measured in Code of Federal Regulations, title 46, part 69, that is documented under Code of Federal Regulations, title 46, subpart 67.01; or

(5) a seaplane.

Subd. 15. [WATERS OF THIS STATE.] "Waters of this state" means waters capable of substantial public use and waters to which the public has access, that are within the territorial limits of this state, including boundary waters.

Sec. 3. [361A.02] [CERTIFICATE OF TITLE REQUIRED.]

Subdivision 1. [REQUIREMENT.] Except as provided in subdivision 2, a watercraft used on the waters of the state must have a certificate of title if:

(1) the watercraft is owned by a resident of this state and is kept in the state for more than 90 consecutive days; or

(2) the watercraft is kept in the state for more than 60 consecutive days and has not been issued a certificate of title or similar document from another jurisdiction.

Subd. 2. [EXEMPT WATERCRAFT.] A watercraft is not required to have a certificate of title if the watercraft is:

(1) owned by a manufacturer or dealer and held for sale;

(2) used by a manufacturer solely for testing;

(3) from a jurisdiction other than this state, temporarily using the waters of this state;

(4) owned by the United States, a state, this state, or a political subdivision;

(5) a duck boat used only during duck hunting season;

(6) a rice boat used only during the wild rice harvesting season;

(7) owned by a person, firm, or corporation operating a resort as defined in section 157.01, subdivision 1, or a recreational camping area as defined in section 327.14, subdivision 8, except with respect to a previously titled watercraft; or

(8) watercraft manufactured prior to August 1, 1979.

Subd. 3. [VOLUNTARY TITLING.] The owner of a device used or designed for navigation on water and used on the waters of this state may obtain a certificate of title for the device, even though it is not a watercraft as defined in section 2, subdivision 14, in the same manner and with the same effect as the owner of a watercraft required to be titled under this act. Once titled, the device is a titled watercraft as defined in section 2, subdivision 13, and is and remains subject to this act to the same extent as a watercraft required to be titled.

Subd. 4. [TITLE REQUIRED FOR TRANSFER.] A person may not sell or otherwise transfer a titled watercraft without delivering to the person acquiring the watercraft a certificate of title with an assignment on it to show title in the person acquiring the watercraft. A person may not acquire a watercraft required to have a certificate of title without obtaining a certificate of title for the watercraft in the person's name.

Subd. 5. [NO LEGAL TITLE WITHOUT CERTIFICATE.] A person acquiring a watercraft through a sale or gift does not acquire a right, title, claim, or interest in the watercraft until the person has been issued a certificate of title to the watercraft or has received a manufacturer's or importer's certificate. A waiver or estoppel does not operate in favor of that person against another person who has obtained possession of the certificate of title or manufacturer's or importer's certificate for the watercraft for valuable consideration.

Subd. 6. [WATERCRAFT LICENSE MAY NOT BE ISSUED WITHOUT TITLE.] The commissioner may not issue or renew a watercraft license to an owner of a titled watercraft unless the owner has been issued or has applied for a certificate of title for the watercraft.

Sec. 4. [361A.03] [APPLICATION AND ISSUANCE OF CERTIFICATE OF TITLE.]

Subdivision 1. [APPLICATION.] The owner of a titled watercraft must apply for the first certificate of title of a watercraft in this state to the commissioner or a deputy registrar on a form prescribed by the commissioner. The appropriate fee under section 12 must accompany the application. The application must be signed by the owner and contain:

(1) the full names, dates of birth, and addresses of owners who are natural persons and the full names and addresses of other owners;

(2) a description of the watercraft including its make, model, year, length, the principal material used in construction, the builder's hull identification number, and the manufacturer's inboard engine serial number;

(3) the date of purchase by the applicant, the name and address of the person from whom the watercraft was acquired;

(4) the name and address of the person who is to possess the title and any conditions of possession; and

(5) other information required by the commissioner to determine whether the owner is entitled to a certificate of title and whether security interests exist in the watercraft.

Subd. 2. [ISSUANCE.] (a) The commissioner shall issue a certificate of title for a watercraft upon verification that:

(1) the application is genuine;

(2) the applicant is the owner of the watercraft; and

(3) payment of the required fee.

(b) The original certificate of title must be mailed to the first secured party disclosed in the application or, if none, to the owner named in the application.

Subd. 3. [CONTENTS.] (a) A certificate of title issued by the commissioner must contain:

(1) the date issued;

(2) the full names, dates of birth, and addresses of owners who are natural persons and the full names and addresses of other owners;

(3) the names and addresses of secured parties;

(4) the title number assigned to the watercraft;

(5) a description of the watercraft including its make, model, year of manufacture, length, principal material used in construction, registration number, and manufacturer's hull identification number or, if none, the builder's hull identification number assigned to the watercraft by the commissioner;

(6) spaces for assignment of title by the owner or by the dealer and for warranting that the signer is the owner and that the watercraft is not subject to security interests, liens, or encumbrances except as noted on the face of the certificate of title;

(7) spaces on the certificate for application of title by a new owner subject to the security interests of secured parties named and for the assignment or release of the security interest of a secured party; and

(8) other information the commissioner may require.

(b) A certificate of title issued by the commissioner is prima facie evidence of the facts appearing on it.

Subd. 4. [ISSUANCE WITHOUT ABSOLUTE PROOF OF OWNERSHIP.] (a) If application is made for a certificate of title for a watercraft and the commissioner is not satisfied of the ownership of the watercraft or the existence of security interests in the watercraft, the watercraft may be assigned a title number but the commissioner must:

(1) withhold issuance of a certificate of title until the applicant presents documents that satisfy the commissioner of the applicant's ownership of the watercraft and of security interest in the watercraft; or

(2) require the applicant to file a bond in the form prescribed by the commissioner and executed by the applicant as a condition to issuing a certificate of title.

(b) A bond filed under this subdivision must be accompanied by the deposit of cash or executed by a surety company authorized to do business in this state. The bond must be in an amount equal to 1½ times the value of the watercraft as determined by the commissioner. The bond must be conditioned to indemnify prior owners, secured parties, and later purchasers of the watercraft or persons acquiring a security interest in the watercraft, or successors in interest of the persons, against expenses, losses, or damages, including reasonable attorney fees, by reason of the issuance of the certificate of title to the watercraft or on account of a defect in or undisclosed security interest upon the right, title, and interest of the applicant in the watercraft.

(c) An interested person has a right of action to recover on the bond for a breach of its conditions, but the aggregate liability of the surety to all persons may not exceed the amount of the bond.

(d) The commissioner shall return the bond and any deposit accompanying the bond if:

(1) the commissioner has not been notified of the pendency of an action to recover on the bond;

(2) questions of ownership and outstanding security interests have been resolved to the satisfaction of the commissioner;

(3) the bond has been posted for three years or the watercraft is not registered for license purposes in this state under section 361.03; and

(4) the currently valid certificate of title is surrendered.

Subd. 5. [RECORDS.] (a) The commissioner shall maintain records of certificates of title issued under this section according to one of the following systems:

(1) under a distinctive title number assigned to a watercraft;

(2) under the registration number awarded to a watercraft in accordance with the registration and numbering law of the state where it is registered;

(3) alphabetically, under the name of the owner; or

(4) under another system determined by the commissioner.

(b) Records relating to watercraft titling maintained by the commissioner are public records and are open to public inspection during regular office hours.

Subd. 6. [GROUNDS FOR REFUSAL TO ISSUE CERTIFICATE OF TITLE.] The commissioner may not issue a certificate of title if a required fee is not paid or the commissioner has reasonable grounds to believe that:

(1) the applicant is not the owner of the watercraft;

(2) the application contains a false statement; or

(3) the applicant failed to furnish required information or documents or additional information the commissioner reasonably requires.

Sec. 5. [361A.04] [DEALER ACQUISITION AND TRANSFER.]

Subdivision 1. [CERTIFICATE OF ORIGIN REQUIRED.] (a) A dealer may not purchase or acquire a new titled watercraft without obtaining a manufacturer's or importer's certificate of origin from the seller.

(b) A manufacturer, importer, dealer, or other person may not sell or otherwise dispose of a new titled watercraft to a dealer for purposes of display and resale without delivering to the dealer a manufacturer's or importer's certificate of origin.

Subd. 2. [CONTENTS OF CERTIFICATE.] The manufacturer's or importer's certificate of origin must be of a form prescribed by the commissioner and contain:

(1) a description of the watercraft, including its trade name, if any, year, series or model, hull material, length, and hull identification number;

(2) certification of the date of transfer of the watercraft and the name and address of the person to whom the watercraft was transferred;

(3) certification that the transfer of the watercraft was in ordinary trade and commerce;

(4) the signature and address of a representative of the person transferring the watercraft;

(5) an assignment form, including the name and address of the person the watercraft is to be transferred to, a certification that the watercraft is new, and a warranty that the title at the time of delivery is subject only to the security interests stated on the title; and

(6) other information required by the commissioner.

Subd. 3. [SALE OF NEW WATERCRAFT.] A dealer selling or exchanging a new titled watercraft, before delivering the watercraft to a purchaser, shall apply to the commissioner for a new title in the name of the purchaser. The application must contain the name and address of any secured party holding a security interest created or reserved at the time of sale and the date of the security agreement and must be accompanied by a manufacturer's or importer's certificate of origin. The application must be signed by the dealer and the owner, and the dealer shall promptly mail or deliver the application to the commissioner or a deputy registrar.

Subd. 4. [USED WATERCRAFT ACQUIRED FOR RESALE.] (a) If a dealer buys or acquires a used titled watercraft for resale, the dealer must apply to the commissioner or deputy registrar and obtain a title number before selling or exchanging the watercraft in the same manner as a new watercraft on forms the commissioner provides or apply for and obtain a certificate of title.

(b) If a dealer acquires a used titled watercraft for resale and the watercraft is covered by a certificate of title that is surrendered to the dealer by the owner at the time of delivery of the watercraft, the dealer need not send the certificate of title to the commissioner. Upon transferring the watercraft to another person, the dealer must promptly execute the assignment, showing the name and address of the person to whom the watercraft is transferred and forward the certificate to the commissioner or deputy registrar with the application for a new certificate of title.

Subd. 5. [WATERCRAFT WITH FOREIGN REGISTRATION.] (a) Except as provided in paragraph (b), an application for a certificate of title for a watercraft last registered in another state or foreign country must contain or be accompanied by:

(1) a certificate of title or registration issued by the other state or foreign country; and

(2) other information or documents the commissioner requires to establish the ownership of the watercraft and the existence or nonexistence of security interests.

(b) If the state or foreign country where the watercraft was last registered does not issue certificates of title, the application must contain or be accompanied by:

(1) a proper bill of sale or sworn statement of ownership, certificate of registration, or evidence of ownership as required by the law of the state or foreign country; and

(2) any other information or documents the commissioner requires to establish the ownership of the watercraft and the existence or nonexistence of security interests.

Sec. 6. [361A.05] [TRANSFER BY OWNER.]

Subdivision 1. [VOLUNTARY TRANSFER.] (a) An owner who transfers a titled watercraft must execute the assignment and warranty of title to the person to whom the watercraft is transferred in the space provided on the certificate of title where the watercraft is delivered.

(b) The person acquiring the watercraft must obtain a new certificate of title by applying to the commissioner or a deputy registrar on a form prescribed by the commissioner, and submitting the required fee. The application for certificate of title must be filed within 15 days after delivery of the watercraft to the person acquiring the watercraft.

(c) Upon request of the owner or the person who acquired the watercraft, a secured party in possession of the certificate of title must deliver the certificate to the person acquiring the watercraft, the commissioner, or a deputy registrar, unless the transfer is a breach of the security agreement. The delivery of the certificate does not affect the rights of the secured party under the security agreement.

(d) If a security interest or encumbrance is first created at the time of transfer of ownership, the certificate must be retained by or delivered to the secured party.

Subd. 2. [TRANSFER BY LAW.] (a) Except as otherwise provided in this chapter, if the ownership of a titled watercraft is transferred by operation of law, including inheritance or bequest, order in bankruptcy, insolvency, replevin, execution, sale, or satisfaction of mechanic's lien, or repossession upon default in performance of the terms of a security agreement, the person acquiring the watercraft by operation of law must promptly submit the last certificate of title, if available, or the manufacturer's or importer's certificate or other satisfactory proof of the transfer of ownership to the commissioner or deputy registrar with the application for a new certificate of title and the required fee.

(b) If a secured party acquires a titled watercraft under the terms of a security agreement or by operation of law, the secured party must promptly submit to the commissioner, a deputy registrar, or the person acquiring the watercraft from the secured party the last certificate of title, if available, an application for a new certificate of title with the required fee, and an affidavit by the secured party or an authorized representative stating the facts entitling the secured party to possession and ownership of the watercraft, including a copy of the journal entry, court order, or instrument upon which the claim of possession and ownership is founded. If the secured party cannot produce the required proof of ownership, the secured party may submit other evidence with the application and the commissioner may issue a new certificate of title if the evidence provides satisfactory proof of ownership.

Sec. 7. [361A.06] [TEMPORARY WATERCRAFT USE PERMITS.]

Subdivision 1. [ISSUANCE TO TITLE APPLICANT.] (a) The commissioner may issue a temporary watercraft use permit to a person applying for a certificate of title for a new or used watercraft to allow that person to operate the watercraft on the waters of this state pending completion of the titling and watercraft licensing process.

(b) The watercraft use permit must be carried aboard the watercraft to allow immediate inspection. The watercraft use permit must contain a description of the watercraft, including its trade name, if any, year, series or model, hull material, length, hull identification number, and other information prescribed by the commissioner. A permit is valid only for the watercraft for which it is issued.

Subd. 2. [DISTRIBUTION TO DEALERS.] The commissioner may distribute permits in booklet form to licensed dealers. If the dealer issues a permit, the dealer must submit a watercraft use permit information form to the commissioner. The commissioner must provide information forms that require the name of the person to whom the watercraft use permit was issued, the watercraft

description, dates of issue and expiration, and other information prescribed by the commissioner.

Sec. 8. [361A.07] [DUPLICATE CERTIFICATE.]

Subdivision 1. [FORM AND ISSUANCE.] (a) The commissioner may issue a duplicate certificate of title under this section. The duplicate certificate of title must be a certified copy plainly marked "duplicate" across its face and must contain the legend: "This duplicate certificate of title may be subject to the rights of a person under the original certificate." It must be mailed to the first secured party named in it or, if none, to the owner. The commissioner shall indicate in the department records that a duplicate has been issued.

(b) As a condition to issuing a duplicate certificate of title, the commissioner may require a bond from the applicant in the manner and form prescribed in section 4, subdivision 4, paragraph (b).

Subd. 2. [WAITING PERIOD TO ISSUE NEW CERTIFICATE OF TITLE.] The commissioner may not issue a new certificate of title to a person acquiring a watercraft under an application made on a duplicate certificate of title until at least 15 days after receiving the application.

Subd. 3. [DISAPPEARANCE OF ORIGINAL CERTIFICATE.] If a certificate of title is lost, stolen, or destroyed, the owner or legal representative of the owner named in the certificate may obtain a duplicate by applying to the commissioner, furnishing information the commissioner requires concerning the original certificate, and the circumstances of its loss or destruction.

Subd. 4. [MUTILATED OR ILLEGIBLE CERTIFICATE.] If an original certificate of title is mutilated or rendered illegible, the person in possession of the title must return it to the commissioner with the application for a duplicate.

Subd. 5. [RECOVERY OF LOST OR STOLEN CERTIFICATE.] If a lost or stolen certificate of title for which a duplicate has been issued is recovered, the lost or stolen certificate of title must be surrendered promptly to the commissioner for cancellation.

Sec. 9. [361A.08] [SUSPENSION OR REVOCATION OF CERTIFICATE.]

Subdivision 1. [SUSPENSION OR REVOCATION.] The commissioner shall suspend or revoke a certificate of title upon notice and reasonable opportunity to be heard if authorized by law or if the commissioner finds that:

(1) the certificate of title was fraudulently procured or erroneously issued; or

(2) the watercraft has been scrapped, dismantled, or destroyed.

Subd. 2. [DUTIES OF OWNER.] If the commissioner suspends or revokes a certificate of title, the owner or person in possession of the certificate of title, immediately upon receiving notice of the suspension or revocation, shall mail or deliver the certificate to the commissioner.

Subd. 3. [SEIZURE OR IMPOUNDMENT] The commissioner may seize and impound a certificate of title that has been suspended or revoked.

Subd. 4. [SUBSEQUENT GOOD FAITH PURCHASER.] Suspension or revocation of a certificate of title does not affect the validity of a subsequent transfer to a purchaser relying in good faith on the assignment of a suspended or revoked title if the certificate of title was not surrendered to or seized by the commissioner under subdivisions 2 and 3, and the commissioner shall issue a new certificate of title to an applicant who is a good faith purchaser for value in those circumstances.

Sec. 10. [361A.09] [RESPONSIBILITIES OF COMMISSIONER.]

The commissioner shall prescribe and provide suitable forms of applications, certificates of title, notices of security interests, and other notices and forms necessary to implement this chapter. In addition, the commissioner may:

(1) make necessary investigations to procure information required to implement this chapter;

(2) assign a new hull identification number to a watercraft if the watercraft does not have a number or the number is destroyed or obliterated; or

(3) adopt and enforce rules necessary to implement this chapter.

Sec. 11. [361A.10] [PENALTIES.]

Subdivision 1. [FELONY.] A person is guilty of a felony and punishable by imprisonment for a term of not more than four years, or payment of a fine of not more than \$5,000, or both, if the person with fraudulent intent:

(1) uses a false or fictitious name or address, makes a material false statement, fails to disclose a security interest, or conceals any other material fact in an application for a certificate of title; or

(2) submits a false, forged, or fictitious document in support of an application for a certificate of title.

Subd. 2. [MISDEMEANOR.] A person is guilty of a misdemeanor if that person:

(1) with fraudulent intent permits another to use or possess a certificate of title who is not entitled to use or possess the certificate of title;

(2) willfully fails to mail or deliver a certificate of title to the commissioner or a deputy registrar within ten days after the time required;

(3) willfully fails to deliver to a person acquiring a watercraft a certificate of title within ten days after the time required;

(4) commits a fraud in an application for a certificate of title; or

(5) fails to notify the commissioner of a fact as required by law.

Sec. 12. [361A.11] [TITLE FEES.]

Subdivision 1. [FEES.] (a) The fee to be paid to the commissioner:

(1) for issuing an original certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$10.50;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of an assignment of the security interest and its subsequent release or satisfaction, is \$7;

(3) for transferring the interest of an owner and issuing a new certificate of title, is \$7;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, is \$1; and

(5) for issuing a duplicate certificate of title, is \$4.

(b) In addition to other statutory fees and taxes, a filing fee of \$3.25 is imposed on every application. The filing fee must be shown as a separate item on title renewal notices sent by the commissioner.

Subd. 2. [CONCURRENT APPLICATIONS.] If a person applies for an original or a new certificate of title for a watercraft concurrently with an application for transfer of license of the watercraft to

the applicant, the fee prescribed in subdivision 1 is in lieu of the fee prescribed by section 361.03 for a transfer of ownership or license of the watercraft to the applicant.

Subd. 3. [FEES PAID BEFORE TITLE ISSUED.] Subject to subdivision 2, the commissioner may not issue a certificate of title for a watercraft until the fees prescribed by subdivision 1 and section 361.03 for a prior transfer of ownership or license of the watercraft have been paid.

Subd. 4. [DEPOSIT OF FEE.] Fees collected under this section must be deposited in the state treasury and credited to the water recreation account, except a deputy registrar who originates an application shall retain the filing fee under subdivision 1, paragraph (b).

Sec. 13. [361A.12] [INAPPLICABLE LIENS AND SECURITY INTERESTS.]

The requirements of this chapter relating to security interests and certificate of title do not apply to or affect:

(1) a lien given by statute or rule of law to a supplier of services or materials for the watercraft while the watercraft is in the possession of the lienholder;

(2) a lien given by statute to the United States, this state, or a political subdivision of this state; or

(3) a security interest in a watercraft created by a manufacturer or dealer who holds the watercraft for sale.

Sec. 14. [361A.13] [SECURITY INTERESTS.]

Subdivision 1. [VALIDITY.] Unless excepted by section 13, a security interest in a titled watercraft is not valid against creditors of the owner or subsequent transferees or secured parties of the watercraft unless perfected as provided in this chapter.

Subd. 2. [PERFECTION.] A security interest is perfected by the delivery to the commissioner of the existing certificate of title, if any, or an application for a certificate of title, containing the name and address of the secured party, the date of the security agreement, and the required fee. It is perfected as of the time of its creation if the delivery is completed within the following ten days. In other instances it is perfected as of the time of the delivery. The method provided in this chapter is exclusive.

Sec. 15. [361A.14] [OWNER-CREATED SECURITY INTEREST.]

Paragraphs (a) to (d) apply if an owner creates a security interest in a titled watercraft.

(a) The owner shall immediately execute the application in the space provided on the certificate of title or on a separate form prescribed by the commissioner, show the name and address of the secured party on the certificate, and have the certificate, application, and required fee delivered to the secured party.

(b) The secured party shall immediately have the certificate, application, and required fee mailed or delivered to the commissioner.

(c) Upon request of the owner or subordinate secured party, a secured party in possession of the certificate of title shall either (1) mail or deliver the certificate to the subordinate secured party for delivery to the commissioner, or (2) upon receiving from the subordinate secured party the owner's application and the required fee, mail or deliver them to the commissioner with the certificate. The delivery of the certificate does not affect the rights of the first secured party under the security agreement.

(d) Upon receiving the certificate of title, application, and required fee, the commissioner shall either endorse on the certificate or issue a new certificate containing the name and address of the new secured party, and mail or deliver the certificate to the first secured party named on it.

Sec. 16. [361A.15] [LICENSED WATERCRAFT PREVIOUSLY PERFECTED.]

If a security interest in a previously licensed watercraft is perfected under other applicable Minnesota law on January 1, 1991, the security interest continues perfected:

(1) until its perfection lapses under the law under which it was perfected or would lapse in the absence of a further filing; or

(2) until a certificate of title for the watercraft is issued and the security interest is perfected under section 14.

The assignment, release, or satisfaction of a security interest in a previously licensed watercraft is governed by the laws under which it was perfected.

Sec. 17. [361A.16] [SATISFACTION OF SECURITY INTEREST.]

Subdivision 1. [RELEASE.] Upon the satisfaction of a security interest in a watercraft for which the certificate of title is in the possession of the secured party, the secured party, within 15 days,

shall execute a release of the security interest in the space provided on the certificate or as prescribed by the commissioner, and mail or deliver the certificate and release to the next secured party named or, if none, to the owner or a person who delivers to the secured party an authorization from the owner to receive the certificate. The owner, other than a dealer holding the watercraft for resale, shall promptly have the certificate, the release, and the required fee mailed or delivered to the commissioner, who shall release the secured party's rights on the certificate or issue a new certificate.

Subd. 2. [RELEASE OF SUBORDINATE SECURITY INTEREST.] Upon the satisfaction of a security interest in a watercraft for which the certificate of title is in the possession of a prior secured party, the secured party whose security interest is satisfied shall execute a release in the form prescribed by the commissioner and, within 15 days after satisfaction, deliver the release to the owner or a person who delivers to the secured party.

Sec. 18. [361A.17] [DISCLOSURE OF SECURITY AGREEMENT.]

A secured party named in a certificate of title, upon written request of the owner or other secured party named on the certificate, must disclose pertinent information about the security agreement and the indebtedness secured by it.

Sec. 19. [361A.18] [EFFECT OF SUSPENSION OR REVOCATION ON SECURITY INTEREST.]

Suspension or revocation of a certificate of title does not, in itself, affect the validity of a security interest noted on it.

Sec. 20. [361A.19] [PREVIOUSLY LICENSED WATERCRAFT UNDISCLOSED SECURITY INTERESTS.]

If the commissioner is not satisfied that there are no undisclosed security interests created before the watercraft is initially titled, the commissioner may, in addition to its options under section 4, subdivision 4, issue a distinctive certificate of title for the watercraft containing the legend: "This watercraft may be subject to an undisclosed lien," and any other information the commissioner prescribes.

Sec. 21. [361A.20] [LIENS ATTACHING TO WATERCRAFT.]

(a) A nonpossessory lien on a titled watercraft is not perfected unless a lien statement is filed with the commissioner.

(b) The lien statement must include:

- (1) the watercraft owner's name and address;
- (2) the statute under which the lien is taken;
- (3) the name and address of the lienholder; and
- (4) the title number of the watercraft.

(c) The commissioner shall note the time and date of filing the lien statement.

Sec. 22. [361A.21] [STOLEN WATERCRAFT.]

Subdivision 1. [DUTY OF PEACE OFFICERS.] A peace officer aware of a stolen or converted watercraft shall immediately furnish the commissioner with information concerning the theft or conversion.

Subd. 2. [DUTY OF COMMISSIONER.] The commissioner, upon receiving a report of the theft or conversion of a watercraft, shall record the report information, including the make of the stolen or converted watercraft and its builder's hull identification number, if any. The commissioner shall prepare a list of watercraft reported stolen and those recovered as disclosed by the reports submitted. The report may be distributed as the commissioner deems advisable.

Subd. 3. [DUTY OF OWNER.] If a stolen or converted watercraft is recovered, the owner shall immediately notify the commissioner.

Sec. 23. [EFFECTIVE DATE.]

Subdivision 1. [GENERALLY.] Except as provided in subdivision 2, sections 1 to 22 are effective January 1, 1991.

Subd. 2. [PHASE-IN PROVISIONS.] A watercraft that is owned and licensed under section 361.03 before January 1, 1991, is not required to have a certificate of title under this act until the owner transfers part of an interest in the watercraft, grants a security interest in the watercraft, or renews the license.

Sec. 24. [INSTRUCTION TO REVISOR.]

If legislation is enacted in the 1989 legislature to change section numbers of provisions governing watercraft licensing or to recodify those provisions into chapter 361A, the revisor of statutes shall correct cross-references to those provisions in this act and renumber the sections of Minnesota Statutes in this act consistent with those changes."

Delete the title and insert:

"A bill for an act relating to watercraft; providing for titling of watercraft; providing for perfection of security interests in watercraft; providing penalties; amending Minnesota Statutes 1988, section 336.9-302; proposing coding for new law as Minnesota Statutes, chapter 361A."

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 173, A bill for an act relating to agriculture; requiring consumers to be informed concerning the point of origin of certain food ingredients; proposing coding for new law in Minnesota Statutes, chapter 31.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [31.105] [ARTIFICIAL CHEESE DISCLOSURE.]

Subdivision 1. [CHEESE ADDITIVES AND CHEESE SUBSTITUTES.] A restaurant or retailer of prepared foods must comply with the disclosure requirements of subdivision 2 if:

(1) the restaurant or retailer uses cheese substitutes such as casein in food products that traditionally contain cheese; or

(2) the restaurant or retailer use nondairy additives or extenders in food products that traditionally contain cheese.

Subd. 2. [DISCLOSURE.] A restaurant or retailer required to disclose under subdivision 1 must:

(1) post in a clearly visible manner on or near each customer entrance to the premises a notice substantially as follows: "NOTICE: ONE OR MORE OF THE PRODUCTS SERVED OR SOLD BY THIS ESTABLISHMENT CONTAIN CHEESE SUBSTITUTES OR NONDAIRY CHEESE ADDITIVES"; or

(2) print on or affix to the menu or menu board a notice stating that one or more of the products listed in the menu or on the menu board contain cheese substitutes or nondairy cheese additives.

Subd. 3. [EXCEPTIONS.] (a) A restaurant or retailer of prepared foods that serves only cheese free from cheese substitutes or non-

dairy additives or extenders is exempt from the disclosure requirements of subdivision 2.

(b) A restaurant or retailer of prepared foods that uses only minor quantities of cheese substitutes or nondairy additives or extenders primarily for cosmetic purposes, but does not use cheese substitutes, additives, or extenders as a substantial ingredient in meals or prepared foods is exempt from the disclosure requirements of subdivision 2.

Sec. 2. [31.106] [SMALLER RESTAURANTS AND RETAILERS EXEMPTED.]

Notwithstanding sections 31.002 and 31.101, subdivision 7, and any other law to the contrary, section 1 applies to restaurants and retailers of prepared foods except those that operate six or fewer outlets or restaurants in Minnesota or have gross annual sales of meals and prepared foods in Minnesota of \$500,000 or less in all retail outlets or restaurants in Minnesota. For purposes of this section, a franchisor is considered to be operating retail outlets and restaurants in this state that may actually be owned and operated by a franchisee.

Sec. 3. [31.107] [RULES.]

The commissioner may adopt rules, including emergency rules, necessary to administer sections 1 and 2. The rules may include provisions governing the size, location, and wording of disclosure notices."

Delete the title and insert:

"A bill for an act relating to agriculture; requiring certain restaurants and retailers of prepared foods to disclose the use of cheese substitutes; exempting certain restaurants and retailers; proposing coding for new law in Minnesota Statutes, chapter 31."

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. 241, A bill for an act relating to housing; requiring housing impact statements before displacement of certain low-income housing; requiring state government units to replace certain displaced low-income housing; providing for enforcement; proposing coding for new law in Minnesota Statutes, chapter 504.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [504.30] [DEFINITIONS.]

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

Subd. 2. [CITY.] “City” means any statutory or home rule charter city. The term “city” also includes a port authority, economic development authority, a housing and redevelopment authority, or any development agency established under chapter 469 which share common boundaries with the city.

Subd. 3. [DISPLACE.] “Displace” means to demolish, acquire for or convert to a use other than housing, or increase rents for rental housing by greater than 25 percent of the current rent; or provide or expend funds that directly result in demolition, acquisition for or conversion to a use other than housing, or increased rents for rental housing by more than 25 percent of the current rate.

“Displace” does not include (1) providing or expending funds that directly result in improvement of owner-occupied housing, or (2) providing or expending funds that directly result in, and are limited to, those improvements of housing which are made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit, or to make the housing more accessible to any handicapped person.

Subd. 4. [GOVERNMENT UNIT.] “Government unit” means any state agency; any public or private agency, corporation, or entity receiving a direct appropriation from the state for the purpose of a project that would displace low-income housing; or any general or special purpose unit of government in the state, including, but not limited to, any city, county, county housing and redevelopment authority, town, and regional development commission.

Subd. 5. [HOUSING.] “Housing” means residential owner occupied or rental housing. “Housing” does not include community-based residential facilities.

Subd. 6. [LOW-INCOME HOUSING.] “Low-income housing” means rental housing with a rent less than or equal to 30 percent of 60 percent of the median income for the county in which the rental housing is located, adjusted by size; or owner-occupied housing with an estimated market value less than one-half of the median estimated market value for owner-occupied housing for the county in which the owner-occupied housing is located. “Low-income housing” also includes housing that has been vacant for less than two years,

that was low-income housing when it was last occupied, and that is not condemned as being unfit for human habitation by the applicable government unit.

Subd. 7. [RENTAL HOUSING.] "Rental housing" includes, but is not limited to, rental apartments, rooms, and housing; board and lodging units; rooms in single-occupancy buildings and hotels that offer to be used as the sole residence of the occupant; transitional housing; and shelters. Rental housing does not include transitional housing located within a floodplain.

Subd. 8. [REPLACEMENT HOUSING.] "Replacement housing" means housing that shall:

(1) be the lesser of (i) the number and size of units to house at least the number of occupants that could have been housed in the low-income units displaced, or (ii) be sufficient in number and size to meet the demand for all sizes of low-income housing by housing, by size, and by rent in the city or town;

(2) have rents, mortgage, or contract for deed payments not greater than 125 percent of the rents or payments of the displaced housing, adjusted by housing size;

(3) be low-income housing for the greater of 15 years or the compliance period of the federal low-income housing tax credit under United States Code, title 26, section 42(i)(1), as amended. This section does not prohibit increases in rent to cover operating expenses;

(4) be in at least standard condition; and

(5) be located in the city or town or within five miles of the displaced units, at a site generally not less convenient to employment centers and public facilities in the community.

Replacement housing may be provided as, but not limited to, newly constructed housing, rehabilitated existing housing or structures, or rent-subsidized existing housing.

Subd. 9. [SIZE.] "Size" means the number of bedrooms in a housing unit.

Sec. 2. [504.31] [ANNUAL HOUSING IMPACT REPORT.]

Subdivision 1. [ANNUAL REPORT REQUIRED.] A government unit shall prepare an annual housing impact report for each year in which the government unit displaces five or more units of low-income housing.

Subd. 2. [DRAFT ANNUAL HOUSING IMPACT REPORT.] A government unit subject to this section must prepare a draft annual housing impact report for review and comment by interested persons. The draft report must be completed by January 31 of the year immediately following a year in which the government unit has displaced five or more units of low-income housing.

Subd. 3. [CONTENTS:] The draft and final annual housing impact reports must include:

(1) identification of each low-income housing unit that was displaced in the previous year in the city or town where housing was displaced by the government unit, including the unit's address, size, and rent; the number of persons who could have occupied the unit; the condition the unit was in, and whether it was habitable at the time of displacement; the owner of the unit; whether it was owner occupied; and how and when it was displaced;

(2) identification of each unit of replacement housing provided in the previous year in the city or town, including the unit's address, size, and rent; the number of persons who could occupy the unit; the owner of the unit; whether it is owner occupied; and an identification of the displaced low-income housing unit that was replaced by the unit of replacement housing;

(3) analysis of the supply of and demand for all sizes of low-income housing units, by size and rent, in the city or town;

(4) determination of whether there is an adequate supply of available and unoccupied low-income housing units to meet the demand for all sizes of low-income housing, by size and rent, in the city or town where housing has been displaced by the government unit;

(5) estimation of the cost of providing replacement housing for low-income housing not in adequate supply to meet the demand for all sizes of low-income housing, by size and rent, in the city or town where housing has been displaced by the government unit; and

(6) analysis of the government unit's compliance with the replacement plans of previous housing annual impact reports and project housing impact statements.

Subd. 4. [REPLACEMENT PLAN.] If there is an inadequate supply of available and unoccupied low-income housing units to meet the demand for the replacement housing in the city or town where housing has been displaced by the government unit, the draft and final annual housing impact reports shall include a plan for providing the replacement housing within 36 months following the date of the final annual housing impact report.

Subd. 5. [NOTICE; REQUEST FOR COMMENTS.] A government unit subject to this section must provide for public input in preparing the annual housing impact report, including a public comment period and a public hearing. The government unit must publish notice of its draft annual housing impact report in a newspaper of general circulation in the city or town by the deadline for completion of the draft annual housing impact report. The notice must include a request for comments on the draft annual housing impact report within the 30 days following the notice, and notice of the date, time, and location of a public hearing on the draft annual housing impact report to be held within 15 to 30 days following the date of notice. Copies of the notice must be sent to the neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city or town where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to the state planning agency and the Minnesota housing finance agency.

Subd. 6. [FINAL ANNUAL HOUSING IMPACT REPORT.] In preparing and approving a final annual housing impact report, a government unit subject to this section must consider comments received during the comment period and at the public hearing on the draft report. The final report shall be prepared within 30 days following the deadline for receipt of comments on the draft annual housing impact report. The government unit shall publish notice of the final annual housing impact report in a newspaper of general circulation in the city or town. Copies of the notice must be sent to neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city or town where the displaced low-income housing was located. Copies of the notice and the draft annual housing impact report must be submitted to the state planning agency and the Minnesota housing finance agency.

Sec. 3. [504.32] [REPLACEMENT HOUSING REQUIRED.]

A government unit subject to section 2 must provide the replacement housing within 36 months following the date of the final annual housing impact report, unless there is an adequate supply of available and unoccupied low-income housing units to meet the demand for the replacement housing in the city or town where housing has been displaced by the government unit.

Sec. 4. [504.33] [PROJECT HOUSING IMPACT STATEMENT.]

Subdivision 1. [STATEMENT.] A government unit may not displace 70 or more units of low-income housing in any project, unless it prepares a project housing impact statement required under this section.

Subd. 2. [DRAFT PROJECT HOUSING IMPACT STATEMENT.] A government unit subject to this section must prepare a draft project housing impact statement for review and comment by interested persons.

Subd. 3. [CONTENTS.] The draft and final project housing impact statement must include:

(1) identification of each low-income housing unit to be displaced, including the unit's address, size, and rent; the number of persons who could have occupied the unit; the condition the unit is in, and whether it is habitable at the time of displacement; the owner of the unit; and whether it is owner occupied;

(2) analysis of the supply of and demand for all sizes of low-income housing units, by size and rent, within the city or town where housing has been displaced by the government unit;

(3) determination of whether there is an adequate supply of available and unoccupied low-income housing units to meet the demand for all sizes of low-income housing, by size and rent, in the city or town where housing has been displaced by the government unit;

(4) estimation of the cost of providing replacement housing for low-income housing not in adequate supply to meet the demand for all sizes of low-income housing, by size and rent, in the city or town where housing has been displaced by the government unit; and

(5) analysis of the government unit's compliance with the replacement plans of previous housing annual impact reports and project housing impact statements.

Subd. 4. [REPLACEMENT PLAN.] If there is an inadequate supply of available and unoccupied low-income housing units to meet the demand for the replacement housing in the city or town where housing has been displaced by the government unit, the draft and final project housing impact statements shall include a plan for providing the replacement units within 36 months after the government unit displaces the housing.

Subd. 5. [NOTICE; REQUEST FOR COMMENTS.] A government unit subject to this section must provide for public input in preparing the project housing impact statement, including a public comment period and a public hearing. The government unit must publish notice of its intent to displace low-income housing and a copy of its draft project housing impact statement in a newspaper of general circulation in the city or town where the housing to be displaced is located. The notice must include a request for comments on the statement within the 30 days following the notice, and notice

of the date, time, and location of a public hearing on the draft project housing impact statement to be held at least 15 days following the date of the notice. Copies of the notice required in this subdivision must be sent to the owners and occupants of the low-income units to be displaced, neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city or town where the housing to be displaced is located. Copies of the notice and the draft project housing impact report must be sent to the state planning agency and the Minnesota housing finance agency.

Subd. 6. [FINAL PROJECT HOUSING IMPACT STATEMENT.] In preparing and approving a final project housing impact statement, a government unit subject to this section must consider comments received during the comment period and at the public hearing on the draft statement. When the final project housing impact statement is completed, the government unit immediately shall publish notice of the final project housing impact statement in a newspaper of general circulation in the affected communities. Copies of the notice must be sent to owners and occupants of the low-income units to be displaced, neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, and legal aid offices in the city or town where the housing to be displaced is located. Copies of the notice and the final project housing impact report must be sent to the state planning agency and the Minnesota housing finance agency.

Sec. 5. [504.34] [REPLACEMENT HOUSING REQUIRED.]

A government unit subject to section 4 must provide the replacement housing within 36 months after the government unit displaces the low-income housing, unless there is an adequate supply of available and unoccupied low-income housing units to meet the demand for the replacement housing in the city or town where housing has been displaced by the government unit."

Delete the title and insert:

"A bill for an act relating to housing; requiring annual housing impact reports; requiring housing impact statements before displacement of certain low-income housing; requiring government units to replace certain displaced low-income housing; proposing coding for new law in Minnesota Statutes, chapter 504."

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. 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 9, line 18, delete "A person in" and insert "(a) Any person who:

(1) is required to report the release of a hazardous substance under United States Code, title 42, section 9603, or the release of an extremely hazardous substance under United States Code, title 42, section 11004; and

(2) knows or has reason to know that a hazardous substance or an extremely hazardous substance has been released; and

(3) fails to provide immediate notification of the release of a reportable quantity of a hazardous substance or an extremely hazardous substance to the state emergency response center, or a firefighting or law enforcement organization, is, upon conviction, subject to a fine of up to \$25,000 or imprisonment for up to two years, or both. For a second or subsequent conviction under this section, the violator is subject to a fine of up to \$50,000 or imprisonment for not more than five years, or both.

(b) For purposes of this subdivision, a "hazardous substance" means a substance on the list established under United States Code, title 42, section 9602.

(c) For purposes of this subdivision, an "extremely hazardous substance" means a substance on the list established under United States Code, title 42, section 11002.

(d) For purposes of this subdivision, a "reportable quantity" means a quantity that must be reported under United States Code, title 42, section 9602 or 11002."

Page 9, delete lines 19 to 27

Page 10, after line 4, insert:

"Sec. 17. [EFFECTIVE DATE.]

Section 14 is effective August 1, 1989, and applies to crimes committed on or after that date."

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. 427, A bill for an act relating to crime; requiring county attorneys to develop written plea negotiation and charging policies; proposing coding for new law in Minnesota Statutes, chapter 388.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [241.0221] [GRANT PROGRAM; ALTERNATIVE LOCAL SANCTIONS.]

The commissioner of corrections is authorized to make grants to counties and groups of counties for the purpose of assisting the counties in alleviating crowded conditions in their detention and corrections facilities. In particular, grants may be awarded for the following purposes:

(1) to develop and expand pretrial programs and sentencing sanctions that are alternatives to incarceration, including but not limited to house arrest, electronic monitoring, community work service, and intensive probation;

(2) to develop a court management plan that permits more orderly and efficient processing of criminal cases by the trial courts;

(3) to develop treatment programs for sexual assault offenders and for chemically dependent offenders; and

(4) to conduct feasibility planning for the construction or renovation of regional detention and corrections facilities.

The grants available to counties under this section are in addition to grants available to participating counties under chapter 401.

Sec. 2. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of corrections for the grant program established in section 1."

Delete the title and insert:

"A bill for an act relating to corrections; authorizing the commissioner of corrections to award grants to counties for the purpose of developing nonincarceration sanctions, treatment programs and other alternative sanctions for criminal defendants and sentenced offenders, and for conducting feasibility planning for regional detention and corrections facility construction or renovation; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 241."

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

The report was adopted.

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

H. F. No. 629, A bill for an act relating to elections; providing a public subsidy for legislative candidates in special elections; amending Minnesota Statutes 1988, sections 10A.31, subdivision 5, and by adding a subdivision; and 10A.33.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 10A.04, subdivision 2, is amended to read:

Subd. 2. Each report shall cover the time from the last day of the period covered by the last report to 15 days prior to the current filing date. The reports shall be filed with the board by the following dates:

- (a) January 15;
- (b) April 15; and
- (c) July 15; and
- (d) October 15.

Sec. 2. [10A.065] [CONTRIBUTIONS AND SOLICITATIONS DURING LEGISLATIVE SESSION.]

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; LEGISLATIVE SESSION.] A candidate for the legislature, the candidate's principal campaign committee, or any other political

committee with the candidate's name or title shall not solicit or accept a contribution from a registered lobbyist, political committee, or political fund during a regular session of the legislature.

Subd. 2. [DEFINITION.] For purposes of this section, "regular session" does not include a special session or the interim between the two annual sessions of a biennium. This section does not prohibit a contribution to a candidate or committee made at a fundraising event scheduled in advance to take place after the time for adjournment of a legislative session announced by the speaker of the house of representatives and the majority leader of the senate.

Subd. 3. [CIVIL PENALTY.] A candidate, political committee, or political fund that violates this section is subject to a civil fine of up to \$500. If the state ethical practices board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county, to impose a civil fine as prescribed by the board. Fines paid under this section must be deposited in the general fund in the state treasury.

Subd. 4. [SPECIAL ELECTION.] This section does not apply to a candidate or a candidate's principal campaign committee in a legislative special election.

Subd. 5. [POLITICAL COMMITTEE.] This section does not apply to a political committee established by a political party as defined in section 10A.27, subdivision 4.

Sec. 3. Minnesota Statutes 1988, section 10A.20, subdivision 3, is amended to read:

Subd. 3. Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$100 for legislative or statewide candidates or ballot questions, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in

the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The name and address of each individual or association to whom aggregate transfers or disbursements have been made by or on behalf of a political fund or political committee, other than a major political party, minor political party, or principal campaign committee, within the year in excess of \$100, together with the amount, date, purpose of each transfer, or disbursement.

(i) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(⊕) (j) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) (k) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) (l) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period;

(l) (m) For principal campaign committees only, the sum of noncampaign disbursements made in each category listed in section 10A.01, subdivision 10c, during the reporting period; and

(m) (n) The sum of all noncampaign disbursements made by the political committee, political fund, or principal campaign committee during the reporting period.

Sec. 4. Minnesota Statutes 1988, section 10A.27, subdivision 4, is amended to read:

Subd. 4. For the purposes of this section, a political party means the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts, and all or part of the party organization within either house of the legislature, except for individual members.

Sec. 5. [10A.271] [CONTRIBUTION LIMIT ADJUSTMENT.]

Subdivision 1. [METHOD OF CALCULATION.] The dollar amounts in section 10A.27, subdivision 1, must be adjusted for 1990 and subsequent calendar years as provided in this section. By June 1 of each year, the executive director of the board shall determine the percentage increase in the consumer price index from December of the year in which the last determination was made to December of the year preceding the current year. The dollar amounts used for the current year must be multiplied by that percentage. The product of the calculation must be added to each dollar amount to produce the dollar limitations to be in effect for the next calendar year. The product must be rounded up to the next highest number of dollars evenly divisible by 25. The index used must be the revised consumer price index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor with 1982 as a base year.

Subd. 2. [TRANSITIONAL PERIOD.] The dollar amounts in section 10A.27, subdivision 1, must be adjusted for 1989 in the manner provided in subdivision 1, except that the percentage increase in the consumer price index shall be determined from

April, 1974 to December, 1987, the product shall be rounded to the next highest dollar for each year prior to 1989, and the adjustment must be calculated by the executive director by June 1, 1989. Notwithstanding subdivision 1, the base year of 1967 must be used for the period of April, 1974 to December, 1987.

Sec. 6. Minnesota Statutes 1988, section 10A.275, is amended to read:

10A.275 [MULTICANDIDATE POLITICAL PARTY EXPENDITURES.]

Subdivision 1. [EXCEPTIONS.] Notwithstanding any other provisions of this chapter, the following expenditures by a state political party or, a substate unit of a state political party as described in section 10A.27, subdivision 4, or two or more substate units of a state political party acting together shall not be considered contributions to or expenditures on behalf of any candidate for the purposes of section 10A.25 or 10A.27, and shall not be allocated to any candidates pursuant to section 10A.22, subdivision 5:

(a) expenditures on behalf of candidates of that party generally without referring to any of them specifically in any advertisement published, posted or broadcast;

(b) expenditures for the preparation, display, mailing or other distribution of an official party sample ballot listing the names of three or more individuals whose names are to appear on the ballot;

(c) expenditures for any telephone conversation including the names of three or more individuals whose names are to appear on the ballot; or

(d) expenditures for any political party fundraising effort on behalf of three or more candidates; or

(e) expenditures for party committee staff member services that benefit three or more candidates. This paragraph applies only to staff members paid from the political committee of a political party as defined in section 10A.27, subdivision 4.

Subd. 2. [SUBSTATE UNIT OF STATE POLITICAL PARTY.] For purposes of this section, "substate unit of a state political party" means the party organization within each house of the legislature; the state party organization; or the party organization within congressional districts, counties, legislative districts, municipalities, or precincts.

Sec. 7. Minnesota Statutes 1988, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the money in the general account shall be allocated to candidates as follows:

(1) 21 percent for the offices of governor and lieutenant governor together;

(2) 3.6 percent for the office of attorney general;

(3) 1.8 percent each for the offices of secretary of state, state auditor, and state treasurer;

(4) In each calendar year during the period in which state senators serve a four-year term, 23 $\frac{1}{3}$ percent for the office of state senator and 46 $\frac{2}{3}$ percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

In each calendar year the money in each party account shall be allocated as follows:

(1) 14 percent for the offices of governor and lieutenant governor together;

(2) 2.4 percent for the office of attorney general;

(3) 1.2 percent each for the offices of secretary of state, state auditor, and state treasurer;

(4) In each calendar year during the period in which state senators serve a four-year term, 23 $\frac{1}{3}$ percent for the office of state senator and 46 $\frac{2}{3}$ percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative;

(6) ten percent for the state committee of a political party; money allocated to each state committee under this clause must be deposited in a separate account and must be spent for legitimate political party operations, including voter education; the sample ballot; operations of precinct caucuses, county unit conventions, and state conventions; and the maintenance and programming of computers used to provide lists of voters, party workers, party officers, patterns of voting, and other data for use in political party activities only those items enumerated in section 10A.275; money allocated to a state committee under this clause must be paid to the committee as it is received in the account, on a monthly or other basis agreed to between the committee and the board, with payment on the 15th

day of the calendar month following the month in which the tax returns were received, provided that these distributions would be equal to the amount of money indicated in the department of revenue's weekly unedited reports of income tax returns for that month, subject to final annual adjustment and settlement as indicated according to the certification by the commissioner of revenue under subdivision 6.

To assure that moneys will be returned to the counties from which they were collected, and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula;

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general

election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in clauses (a) and (b) before the calculation is made for all districts in the county.

Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) in the following year. Money from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

Sec. 8. Minnesota Statutes 1988, section 10A.31, is amended by adding a subdivision to read:

Subd. 12. [SPECIAL ELECTION ACCOUNT.] The special election account is established as a separate account in the state election campaign fund. Each eligible candidate for a legislative office in a special election shall receive from the special election account an amount equal to the sum of:

(a) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and

(b) the general account money paid to candidates for the same office at the last general election.

If the filing period for the special election does not coincide with the filing period for the general election, a candidate who wishes to receive money from the special election account must submit a signed agreement under section 10A.32, subdivision 3, to the board not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office. Money from the special election account must be distributed in the same manner as provided for the distribution of general account money to legislative candidates in a general election.

Sec. 9. Minnesota Statutes 1988, section 10A.32, is amended by adding a subdivision to read:

Subd. 2a. [MATCHING FUNDS.] In addition to the requirements of subdivision 3, to be eligible to receive any money from the state elections campaign fund, a candidate shall file an affidavit with the board stating that the candidate has received contributions or has made contributions to self, in an amount equal to or greater than 50 percent of the minimum amount that the board estimates, on August 15 of the general election year, would be received by the candidate from the state campaign fund. The candidate shall submit the affidavit required by this subdivision to the board in writing on or before September 1 of the general election year.

Sec. 10. Minnesota Statutes 1988, section 10A.32, subdivision 3, is amended to read:

Subd. 3. As a condition of receiving any money from the state elections campaign fund, a candidate shall agree by stating in writing to the board that (a) the candidate's expenditures and approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25, except as otherwise provided by section 10A.25, subdivision 10, and that (b) except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, the candidate shall not accept contributions or allow approved expenditures to be made on the candidate's behalf for the period beginning with January 1 of the election year or with the registration of the candidate's principal campaign committee, whichever occurs later, and ending December 31 of the election year, which aggregate contributions and approved expenditures exceed the difference between the amount which may legally be expended by or for the candidate, and the amount which the candidate receives from the state elections campaign fund. The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filings for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first. Money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year for the purposes of this

subdivision. That amount of all contributions accepted by a candidate in an election year which equals the amount of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question which are made by that candidate in that year shall not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision. Except for an amount equal to 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000, any amount by which the aggregate contributions and approved expenditures agreed to under clause (b) exceed the difference shall be returned to the state treasurer in the manner provided in subdivision 2. In no case shall the amount returned exceed the amount received from the state elections campaign fund.

The candidate may submit the signed agreement to the filing officer on the day of filing the affidavit of candidacy or petition to appear on the ballot, or to the board no later than September 1.

The board prior to the first day of filing for office shall forward forms for the agreement to all filing officers. The filing officer shall without delay forward signed agreements to the board. An agreement may not be rescinded after September 1.

Before the first day of filing for office, the board shall also forward a copy of section 10A.25, subdivision 3, to all filing officers. Before September 1, the filing officer shall provide a copy of section 10A.25, subdivision 3, to each candidate who files an affidavit of candidacy or whose name is to appear on the ballot by petition.

For the purposes of this subdivision only, the total amount to be distributed to each candidate is calculated to be the candidate's share of the total estimated funds in the candidate's party account as provided in subdivision 3a, plus the total amount estimated as provided in subdivision 3a to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater than the candidate's share of the estimate, and the contributions thereby exceed the difference, the agreement shall not be considered violated.

Sec. 11. Minnesota Statutes 1988, section 10A.32, is amended by adding a subdivision to read:

Subd. 3c. [TAX CREDIT; PENALTY.] As a condition of receiving a public subsidy for the candidate's election campaign in the form of tax credits against the tax due from individuals who contribute to the candidate's principal campaign committee, a candidate shall agree by stating in writing to the board at any time, beginning with the registration of the candidate's principal campaign committee, that the candidate's expenditures and approved expenditures shall

not exceed the expenditure limits in section 10A.25, except as otherwise provided by section 10A.25, subdivision 10. The agreement shall remain effective until the dissolution of the principal campaign committee of the candidate or the opening of filing for the next election for the office held or sought at the time of agreement, whichever occurs first.

The commissioner of revenue shall not allow any credit under section 290.06, subdivision 23, for any contribution to a candidate for legislative or statewide office who has not signed an agreement under this subdivision. Nothing in this subdivision shall be construed to limit the campaign expenditure of any candidate who does not sign an agreement under this subdivision but accepts a contribution for which the contributor claims a credit against tax due. The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

The board shall make available to any candidate signing an agreement a supply of official tax credit receipt forms which state in boldface type that (a) a contributor who is given a receipt form is eligible to receive a credit against tax due in an amount equal to the amount of the contributions, but not more than \$100 for an individual or not more than \$200 for a married couple filing jointly, and (b) the candidate to whom the contribution was made has voluntarily agreed to abide by campaign expenditure limits. A candidate who does not sign an agreement under this subdivision may not issue an official tax credit receipt form or any facsimile of one to any of the candidate's contributors.

Any candidate who does not voluntarily agree to abide by the expenditure limits imposed in section 10A.25 and who willfully issues official tax credit receipt forms or any facsimiles thereof to any contributor is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 1988, section 10A.33, is amended to read:

10A.33 [APPLICATION.]

Except as otherwise provided in section 8, the provisions of sections 10A.30 to 10A.32 shall apply only in general elections and primaries preceding general elections and shall do not apply to special elections or special primaries.

Sec. 13. Minnesota Statutes 1988, section 97A.485, is amended by adding a subdivision to read:

Subd. 1a. [DEER LICENSE; ABSENTEE BALLOT APPLICATION.] The commissioner shall include with every license to take deer with firearms or by archery, sold or issued during a general

election year, an application for absentee ballots. The commissioner shall obtain absentee ballot application forms from the secretary of state.

Sec. 14. Minnesota Statutes 1988, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. [CANDIDATES IN STATE AND COUNTY GENERAL ELECTIONS.] Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state and federal offices filed at the state general election shall be filed not more than 70 days nor less than 56 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period. Candidates for presidential electors may file petitions on or before the state primary day. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing. Affidavits and petitions for offices to be voted on in only one county shall be filed with the county auditor of that county. Affidavits and petitions for offices to be voted on in more than one county shall be filed with the secretary of state.

Sec. 15. [204D.165] [SAMPLE BALLOTS TO SCHOOLS.]

Notwithstanding any contrary provisions in section 204D.09 or 204D.16, the county auditor, two weeks before the applicable primary or general election, shall provide one copy of the sample partisan primary, nonpartisan primary, canary, white, or pink ballot to a school district upon request. The school district may have the sample ballots reproduced at its expense for classroom educational purposes.

Sec. 16. Minnesota Statutes 1988, section 290.06, is amended by adding a subdivision to read:

Subd. 23. [CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] A taxpayer may take a credit against the tax due under this chapter equal to the amount of the taxpayer's contributions to candidates for elective state public office and to any political party. The maximum credit for an individual shall not exceed \$100 and, for a married couple filing jointly, shall not exceed \$200. No credit is allowed under this subdivision for a contribution to any candidate, other than a candidate for elective judicial office, who has not signed an agreement to limit campaign expenditures as provided in section 10A.32. This credit shall be allowed only if the contribution is verified in the manner the commissioner of revenue prescribes.

For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor

political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a. A "major or minor party" includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts.

Sec. 17. Minnesota Statutes 1988, section 383B.055, subdivision 1, is amended to read:

Subdivision 1. The state ethical practices board shall:

(a) ~~Develop forms for all statements and reports required to be filed under sections 383B.041 to 383B.054 and furnish the forms to the county filing officer in Hennepin county;~~

(b) (1) issue and publish advisory opinions concerning the requirements of sections 383B.041 to 383B.057 upon application in writing by the county filing officer of Hennepin county or any individual or association who wishes to use the opinion to guide the applicant's own conduct; and

(c) (2) exempt any individual or association required to disclose information under sections 383B.046 to 383B.05 from any requirement of those sections in the same manner as it exempts any individual or association from disclosure requirements under chapter 10A. An individual or association exempted from the disclosure provisions of chapter 10A, shall also be exempt from the disclosure provisions of sections 383B.046 to 383B.05.

Sec. 18. Minnesota Statutes 1988, section 383B.055, subdivision 2, is amended to read:

Subd. 2. The county filing officer of Hennepin county shall develop forms for all statements and reports required to be filed under sections 383B.041 to 383B.054. The filing officer shall furnish sufficient copies of the forms provided by the ethical practices board to all officers with whom candidates file affidavits or applications of candidacy and nominating petitions.

Sec. 19. [APPROPRIATION.]

The amount necessary for the purposes of section 8 is appropriated annually from the general fund to the ethical practices board.

Sec. 20. [REPEALER.]

Minnesota Statutes 1988, section 211B.11, subdivision 2, is repealed.

Sec. 21. [EFFECTIVE DATE.]

Section 5 is effective the day after final enactment. Section 7 is effective for tax returns received by the department of revenue after March 31, 1989. Section 16 is effective for taxable years beginning after December 31, 1988."

Delete the title and insert:

"A bill for an act relating to elections; ethics in government; clarifying and modifying certain exceptions to multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board responsibility for developing and furnishing certain forms; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; providing an income tax credit for contributions to state candidates and political parties; requiring candidates to match funds received from the state elections campaign fund; providing a schedule for distribution of political campaign checkoff money to political parties; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.04, subdivision 2; 10A.20, subdivision 3; 10A.27, subdivision 4; 10A.275; 10A.31, subdivision 5, and by adding a subdivision; 10A.32, subdivision 3, and by adding subdivisions; 10A.33; 97A.485, by adding a subdivision; 204B.09, subdivision 1; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 10A and 204D; repealing Minnesota Statutes, section 211B.11, subdivision 2."

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

The report was adopted.

Simoneau from the Committee on Governmental Operations 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 17, line 2, after the period insert "In cases where the operations of the establishment have been terminated or significantly affected by a fire, flood, or other unexpected natural disaster and the result is a plant closing or mass layoff, the employer is not required to appeal 30 days before the plant closing or mass layoff. The employer may appeal under this subdivision but is not required to make payments to the community or affected employees until the appeals decision is rendered by the appeals panel."

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. 647, A bill for an act relating to crimes; prohibiting the intentional distribution of computer programs that are designed to destroy or modify computer software, computer data, or other property; imposing penalties; amending Minnesota Statutes 1988, sections 609.87, by adding subdivisions; and 609.88, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.87, is amended by adding a subdivision to read:

Subd. 11. [DESTRUCTIVE COMPUTER PROGRAM.] "De-structive computer program" means a computer program that performs a destructive function or produces a destructive product. A program performs a destructive function if it degrades performance of the affected computer, associated peripherals or a computer program; disables the computer, associated peripherals or a computer program; or destroys or alters computer programs or data. A program produces a destructive product if it produces unauthorized data, including data that make computer memory space unavailable; results in the unauthorized alteration of data or computer programs; or produces a destructive computer program, including a self-replicating computer program.

Sec. 2. Minnesota Statutes 1988, section 609.88, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] Whoever does any of the following is guilty

of computer damage and may be sentenced as provided in subdivision 2:

(a) Intentionally and without authorization damages or destroys any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6; or

(b) Intentionally and without authorization and with intent to injure or defraud alters any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6; or

(c) Distributes a destructive computer program with intent to damage or destroy any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6.

Sec. 3. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to crimes; prohibiting the intentional distribution of destructive computer programs; imposing penalties; amending Minnesota Statutes 1988, sections 609.87, by adding a subdivision; and 609.88, subdivision 1."

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. 670, A bill for an act relating to public defender system; updating law governing public defenders; repealing obsolete law governing public defenders; requiring a person requesting appointment of a public defender to submit a financial statement to the court; raising the limits for payment for expert services; amending Minnesota Statutes 1988, sections 611.17; 611.21; and 611.215, subdivision 2; repealing Minnesota Statutes 1988, sections 611.07; 611.071; and 611.25, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 35, after "judge" insert "who is not presiding over the case"

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. 729, A bill for an act relating to marriage dissolution; including the primary caretaker standard as a factor to be considered in custody decisions; providing that the court may not use one factor as controlling in determining custody; requiring courts to consider the existence of domestic abuse in determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve on-going visitation disputes; providing for visitation by persons who have resided with a child; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 518.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 257.022, is amended by adding a subdivision to read:

Subd. 2b. [WHEN CHILD HAS RESIDED WITH OTHER PERSON.] If an unmarried minor has resided in a household with a person, other than a foster parent, for two years or more and no longer resides with the person, the person may petition the district court for an order granting the person reasonable visitation rights to the child during the child's minority. The court shall grant the petition if it finds that:

- (1) visitation rights would be in the best interests of the child;
- (2) the petitioner and child had established emotional ties creating a parent and child relationship; and
- (3) visitation rights would not interfere with the relationship between the custodial parent and the child.

The court shall consider the reasonable preference of the child, if the court considers the child to be of sufficient age to express a preference.

Sec. 2. Minnesota Statutes 1988, section 518.17, subdivision 2, is amended to read:

Subd. 2. [FACTORS WHEN JOINT CUSTODY IS SOUGHT.] In addition to the factors listed in subdivision 1, where either joint legal or joint physical custody is contemplated or sought, the court shall consider the following relevant factors:

(a) The ability of parents to cooperate in the rearing of their children;

(b) Methods for resolving disputes regarding any major decision concerning the life of the child, and the parents' willingness to use those methods; and

(c) Whether it would be detrimental to the child if one parent were to have sole authority over the child's upbringing; and

(d) Whether domestic abuse, as defined in section 518B.01, has occurred between the parents.

The court shall use a rebuttable presumption that upon request of either or both parties, joint legal custody is in the best interests of the child.

Sec. 3. Minnesota Statutes 1988, section 518.175, subdivision 1, is amended to read:

Subdivision 1. In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of the ~~noncustodial~~ either parent, grant such rights of visitation on behalf of the child and noncustodial parent as will enable the child and the noncustodial parent to maintain a child to parent relationship that will be in the best interests of the child. If the court finds, after a hearing, that visitation is likely to endanger the child's physical or emotional health or impair the child's emotional development, the court ~~may~~ shall restrict visitation by the noncustodial parent as to time, place, duration, or supervision and may deny visitation entirely, as the circumstances warrant. The court shall consider the age of the child and the child's relationship with the noncustodial parent prior to the commencement of the proceeding. A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of visitation.

Sec. 4. Minnesota Statutes 1988, section 518.175, subdivision 5, is amended to read:

Subd. 5. The court ~~may~~ shall modify an order granting or denying visitation rights whenever modification would serve the best interests of the child, but the court shall not restrict a parent's visitation rights unless it finds that:

(1) the visitation is likely to endanger the child's physical or emotional health or impair the child's emotional development; or

(2) the noncustodial parent has chronically and unreasonably failed to comply with court-ordered visitation.

If the custodial parent makes specific allegations that visitation places the custodial parent in danger of harm, the court shall hold a hearing at the earliest possible time to determine the need to modify the order granting visitation rights. The court may require a third party, including the county welfare board, to supervise the visitation or may restrict a parent's visitation rights if necessary to protect the custodial parent from harm.

Sec. 5. [518.1751] [VISITATION DISPUTE RESOLUTION.]

Subdivision 1. [VISITATION EXPEDITOR.] (a) Upon agreement of all parties, the court may appoint a visitation expeditor to resolve visitation disputes that occur under a visitation order while a matter is pending under this chapter, chapter 257 or 518A, or after a decree is entered. Prior to appointing the visitation expeditor, the court shall give the parties notice that the costs of the visitation expeditor will be apportioned among the parties and that if the parties do not reach an agreement, the visitation expeditor will make a nonbinding decision resolving the dispute.

(b) For purposes of this section, "visitation dispute" means a disagreement among parties about visitation with a child. "Visitation dispute" includes a claim by a custodial parent that a noncustodial parent is not visiting a child as well as a claim by a noncustodial parent that a custodial parent is denying or interfering with visitation.

Subd. 2. [APPOINTMENT; COSTS.] The court shall appoint the visitation expeditor. If the parties cannot agree on a visitation expeditor, the court shall present a list of candidates with one more candidate than there are parties to the dispute. In developing the list of candidates, the court must give preference to persons who agree to volunteer their services. Each party shall strike one name and the court shall appoint the remaining individual as the visitation expeditor. In its order appointing the visitation expeditor, the court shall apportion the costs of the visitation expeditor among the parties, with each party bearing the portion of costs that the court determines is just and equitable under the circumstances.

Subd. 3. [AGREEMENT OR DECISION.] (a) The visitation expeditor shall meet with the parties within five days after appointment and make a diligent effort to facilitate an agreement to resolve the visitation dispute.

(b) If the parties do not reach an agreement, the expeditor shall make a decision resolving the dispute as soon as possible. If a party does not comply with an agreement of the parties or a decision of the expeditor, any party may bring a motion with the court to resolve the dispute. The court may consider the agreement of the parties or the decision of the expeditor, but neither is binding on the court.

Subd. 4. [OTHER AGREEMENTS.] This section does not preclude the parties from voluntarily agreeing to submit their visitation dispute to a neutral third party.

Sec. 6. Minnesota Statutes 1988, section 518.552, is amended by adding a subdivision to read:

Subd. 5. [PRIVATE AGREEMENTS.] The parties may expressly preclude or limit modification of maintenance through a stipulation, if the court makes specific findings that the stipulation is fair and equitable, is supported by consideration described in the findings, and that full disclosure of each party's financial circumstances has occurred. The stipulation must be made a part of the judgment and decree.

Sec. 7. Minnesota Statutes 1988, section 518.58, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Upon a dissolution of a marriage, an annulment, or in a proceeding for disposition of property following a dissolution of marriage by a court which lacked personal jurisdiction over the absent spouse or lacked jurisdiction to dispose of the property and which has since acquired jurisdiction, the court shall make a just and equitable division of the marital property of the parties without regard to marital misconduct, after making findings regarding the division of the property. The court shall base its findings on all relevant factors including the length of the marriage, any prior marriage of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, opportunity for future acquisition of capital assets, and income of each party. The court shall also consider the contribution of each in the acquisition, preservation, depreciation or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker. It shall be conclusively presumed that each spouse made a substantial contribution to the acquisition of income and property while they were living together as husband and wife. The court may also award to either spouse the household goods and furniture of the parties, whether or not acquired during the marriage. The court shall value marital assets for purposes of division between the parties as of the day of the proceeding for dissolution or annulment is commenced initially scheduled prehearing settlement conference, unless a different date is agreed upon by the parties, or unless the court finds makes specific findings that the parties subsequently made a good

faith reconciliation, in which case the court may establish the valuation date as of the date the reconciliation ended. Within 60 days after a proceeding for dissolution or annulment is commenced, unless the time is extended either by agreement of the parties or by order of the court for good cause shown, each party shall serve and file a verified statement identifying all assets, marital and nonmarital, the values of the assets and the basis for the values, and disclosing all liabilities of the parties another date of valuation is fair and equitable. If there is a substantial change in value of an asset between the date of valuation and the final distribution, the court may adjust the valuation of that asset as necessary to effect an equitable distribution. During the pendency of a marriage dissolution or annulment proceeding, each party owes a fiduciary duty to the other for any profit or loss derived by the party, without consent of the other, from a transaction or from any use by the party of the marital assets.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to marriage dissolution; requiring courts to consider the existence of domestic abuse in determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve ongoing visitation disputes; providing for visitation by persons who have resided with a child; providing that either parent may request visitation rights on behalf of the child; requiring the court to restrict or modify visitation under certain circumstances; permitting agreements about modification of maintenance; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivision 2; 518.175, subdivisions 1 and 5; 518.552, by adding a subdivision; and 518.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518."

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. 833, A bill for an act relating to public safety; increasing membership on advisory council for the children's trust fund; amending Minnesota Statutes 1988, section 299A.23, subdivision 2.

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 984, A bill for an act relating to agriculture; adopting a state packers and stockyards act; imposing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 31B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [31B.01] [CITATION.]

This chapter is known and may be cited as the "Minnesota packers and stockyards act."

Sec. 2. [31B.02] [DEFINITIONS.]

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

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

Subd. 3. [DEALER.] "Dealer" means a person, other than a market agency in the business of buying or selling livestock, either on the person's own account or as the employee or agent of the vendor or purchaser.

Subd. 4. [LIVESTOCK.] "Livestock" means live or dead cattle, sheep, swine, horses, mules, or goats.

Subd. 5. [LIVESTOCK PRODUCTS.] "Livestock products" means products and by-products other than meats and meat food products of the slaughtering and meat-packing industry derived in whole or in part from livestock.

Subd. 6. [MARKET AGENCY.] "Market agency" means a person engaged in the business of (1) buying or selling livestock on a commission basis, or (2) furnishing stockyard services and includes

a person who sells or offers for sale livestock located in this state by satellite video auction.

Subd. 7. [MEAT FOOD PRODUCTS.] “Meat food products” means edible products and by-products of the slaughtering and meat-packing industry.

Subd. 8. [PACKER.] “Packer” means a person in the business of (1) buying livestock for purposes of slaughter, (2) manufacturing or preparing meats or meat food products for sale or shipment, or (3) marketing meats, meat food products, or livestock products in an unmanufactured form acting as a wholesale broker, dealer, or distributor.

Subd. 9. [STOCKYARD.] “Stockyard” means a place, establishment, or facility commonly known as a stockyard conducted, operated, or managed for profit or nonprofit as a public market for livestock producers, feeders, market agencies, and buyers, consisting of pens, or other enclosures, and their appurtenances, in which live cattle, sheep, swine, horses, mules, or goats are received, held, or kept for sale or shipment.

Subd. 10. [STOCKYARD OWNER.] “Stockyard owner” means a person in the business of conducting or operating a stockyard.

Subd. 11. [STOCKYARD SERVICES.] “Stockyard services” means services or facilities furnished at a stockyard in connection with the receiving, buying, or selling on a commission basis or otherwise, marketing, feeding, watering, holding, delivery, shipment, weighing, or handling of livestock.

Sec. 3. [31B.03] [REPORTING REQUIREMENTS.]

A packer, stockyard owner, market agency, and dealer shall file annually with the commissioner a copy of the annual report prescribed in section 201.97 of the federal packers and stockyards regulations filed with the federal packers and stockyards administration and any additional information that may be required on a form prescribed by the commissioner. The report and any additional information must be filed with the commissioner not later than April 15 following the end of the calendar year or, if the records are kept on a fiscal year basis, not later than 90 days after the close of the fiscal year.

The commissioner shall require: (1) a packer to annually complete a form showing the maximum capacity of each of the packer's packing plants; and (2) a copy of each contract a packer has entered into with a livestock producer and each agreement that will become part of the contract that a packer has with a livestock producer for the purchase or contracting of livestock.

Sec. 4. [31B.04] [PROMPT PAYMENT FOR PURCHASE OF LIVESTOCK.]

Subdivision 1. [KIND OF PAYMENT; TIME REQUIRED.] A packer, market agency, or dealer purchasing livestock shall, before the close of the next business day following the purchase of livestock and transfer of its possession, deliver to the seller or the seller's authorized representative the full amount of the purchase price. If a packer, market agency, or dealer is purchasing livestock for slaughter, that person shall, before the close of the next business day following purchase of livestock and transfer of its possession, actually deliver at the point of transfer of possession to the seller or the seller's authorized representative a check or shall wire transfer funds to the seller's account for the full amount of the purchase price; or, in the case of a purchase on a carcass or "grade and yield" basis, the purchaser shall make payment by check at the point of transfer of possession or shall wire transfer funds to the seller's account for the full amount of the purchase price not later than the close of the first business day following determination of the purchase price. If the seller or a duly authorized representative is not present to receive payment at the point of transfer of possession, the packer, market agency, or dealer shall wire funds or place a check in the United States mail for the full amount of the purchase price properly addressed to the seller within the time limits specified in this section, and that action complies with the requirement for prompt payment.

Subd. 2. [WAIVER.] Notwithstanding subdivision 1 and subject to terms and conditions the commissioner may prescribe, the parties to the purchase and sale of livestock may expressly agree in writing, before the purchase or sale, to effect payment in a manner other than that required in subdivision 1. The agreement must be disclosed in the records of the market agency or dealer selling the livestock, and in the purchaser's records and on the accounts or other documents issued by the purchaser relating to the transaction.

Subd. 3. [DELAY IN PAYMENT OR ATTEMPT TO DELAY.] Any delay or attempt to delay by a market agency, dealer, or packer purchasing livestock, the collection of funds under this section, or otherwise for the purpose of or resulting in extending the normal period of payment for the livestock is an "unfair practice" in violation of this chapter.

Sec. 5. [31B.05] [UNFULFILLED CONTRACT TO BUY LIVESTOCK.]

A packer who has committed either orally or in writing to buy more livestock than the packer's plant can process and who cannot fulfill the commitment to the producer within 30 days of the delivery date of the contract is subject to denial, suspension, or revocation of the packer's license.

Sec. 6. [31B.06] [PACKER AND PROCESSOR LIMITATIONS.]

Hog, cattle, sheep, and dairy processors with annual sales greater than \$10,000,000 are prohibited from owning and feeding their own livestock.

Grain and feed businesses with annual sales greater than \$30,000,000 are prohibited from owning or contract feeding of hogs, cattle, sheep, or dairy cows except through a marketing agency.

ARTICLE 2

Section 1. Minnesota Statutes 1988, section 17A.03, subdivision 7, is amended to read:

Subd. 7. [LIVESTOCK DEALER.] "Livestock dealer" means any person, including a packing company, engaged in the business of buying or selling livestock for the person's own account or for the account of others.

"Livestock dealer" does not include:

(a) Persons licensed under section 28A.04 who are primarily engaged in the sale of meats at retail and persons operating as frozen food processing plants as defined in section 31.185; and

(b) Persons engaged in the business of farming, when purchasing livestock for breeding or herd replacement purposes or feeding programs, and when selling the livestock they have owned and raised, fed out or fattened for slaughter in their specific farming program.

"Livestock dealer" includes a person who operates a facility for profit as a public market where livestock located in this state are sold or offered for sale at a public auction at another facility in Minnesota or elsewhere through the use of a satellite video.

Sec. 2. [17A.035] [INSPECTION OF LIVESTOCK.]

Before any livestock sold at a satellite video public auction are delivered, whether interstate or intrastate, the livestock must be inspected for health by a veterinarian licensed in this state and approved by the board of animal health and, in the case of cattle, for brands by a trained brand inspector acting under rules adopted by the commissioner and the board of animal health. The inspection must take place at the time of the initial delivery of the livestock. If livestock is destined to be shipped interstate, the authorized veterinarian shall furnish to each purchaser a certificate showing that

the inspection has been made and treatment administered in accordance with the veterinary inspection.

All fees for veterinary inspection, treatment, and services must be collected by the livestock dealer and paid to the inspector.

Sec. 3. [17A.036] [CUSTODIAL ACCOUNT FOR SHIPPER PROCEEDS.]

Every market agency engaged in selling livestock on a commission or agency basis in this state shall establish and maintain a separate bank account designated as "custodial account for shippers proceeds" in this state.

Sec. 4. [17A.037] [SALE OF LIVESTOCK BY WEIGHT.]

All livestock sold by weight through a satellite video livestock auction market must be sold based on the weight of the livestock on the day of delivery. All livestock sold by weight must be weighed on scales that have been tested and inspected by the department of agriculture in the manner provided by law.

ARTICLE 3

EFFECTIVE DATE

Section 1. [EFFECTIVE DATE.]

Articles 1 and 2 are effective July 1, 1990."

Delete the title and insert:

"A bill for an act relating to agriculture; regulating certain livestock transactions; amending Minnesota Statutes 1988, section 17A.03, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 17A; proposing coding for new law as Minnesota Statutes, chapter 31B."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1023, A bill for an act relating to agriculture; changing the agricultural land preservation law; amending Minnesota Statutes 1988, sections 40A.02, subdivision 10; 40A.04, subdivision 1;

40A.10; 40A.11, subdivision 4; 40A.17; and 273.119; proposing coding for new law in Minnesota Statutes, chapter 40A; repealing Minnesota Statutes 1988, section 40A.123, subdivision 3.

Reported the same back with the following amendments:

Page 7, after line 11, insert:

“Sec. 9. Minnesota Statutes 1988, section 473H.03, is amended by adding a subdivision to read:

Subd. 6. Contiguous long-term agricultural land not meeting the total acreage requirements of this section but under the same ownership as an agricultural preserve adjoining it on at least one side shall be eligible for designation as an agricultural preserve.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete “and” and after the semicolon insert “and 473H.03, by adding a subdivision;”

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1037, A bill for an act relating to animals; regulating use of certain prescription veterinary drugs; changing certain procedures for licensing veterinarians; amending Minnesota Statutes 1988, section 156.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 156.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 156.02, subdivision 1, is amended to read:

Subdivision 1. Application for a license to practice veterinary medicine in this state shall be made in writing to the board of veterinary medicine upon a form furnished by the board, accompanied by satisfactory evidence that the applicant is at least 18 years of age, is of good moral character, and has one of the following:

(1) a diploma conferring the degree of doctor of veterinary medi-

cine, or an equivalent degree, from an accredited or approved college of veterinary medicine;

(2) an ECFVG certificate; or

(3) a certificate from the dean of an accredited or approved college of veterinary medicine stating that the applicant is a student in good standing expecting to be graduated at the completion of the next current academic term year of the college in which the applicant is enrolled. The application shall contain the information and material required by subdivision 2 and any other information that the board may, in its sound judgment, require. The application shall be filed with the secretary of the board at least 30 45 days before the date of the examination. If the board deems it advisable, it may require that such application be verified by the oath of the applicant.

Sec. 2. [156.15] [PURPOSE.]

The purpose of sections 3 to 7 is to ensure proper dispensing of veterinary drugs to animals and proper record keeping, to prevent adulteration of the food supply with illegal drug residues through misuse of drugs on food-producing animals, and to promote the health of all treated animals.

Sec. 3. [156.16] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 3 to 7.

Subd. 2. [CLIENT.] "Client" means the owner or caretaker of an animal who arranges for the animal's veterinary care.

Subd. 3. [DISPENSING.] "Dispensing" means distribution of veterinary prescription drugs or over-the-counter drugs for extra-label use by a person registered by the board of pharmacy to dispense or a person licensed by the board of veterinary medicine.

Subd. 4. [EXTRA-LABEL USE.] "Extra-label use" means the actual or intended use of a human or veterinary drug in an animal in a manner that is not in accordance with the drug's labeling.

Subd. 5. [FOOD-PRODUCING ANIMAL.] "Food-producing animal" means an animal, fowl, or fish raised commercially for human consumption.

Subd. 6. [OVER-THE-COUNTER DRUG.] "Over-the-counter drug" means a veterinary drug labeled "for veterinary use only" or

“for animal use only” that does not require a prescription or is not required to have the restrictive legend: “Caution: federal law restricts this drug to use by or on the order of a licensed veterinarian.”

Subd. 7. [PATIENT.] “Patient” means an animal in which a veterinary prescription drug is used or intended to be used.

Subd. 8. [PERSON.] “Person” means an individual, or a firm, partnership, company, corporation, trustee, association, agency, or other public or private entity.

Subd. 9. [PHARMACIST.] “Pharmacist” means an individual with a valid Minnesota license to practice pharmacy.

Subd. 10. [PRESCRIPTION.] “Prescription” means an order from a veterinarian to a pharmacist or another veterinarian authorizing the dispensing of a veterinary prescription drug to a client for use on or in a patient.

Subd. 11. [VETERINARY PRESCRIPTION DRUG.] “Veterinary prescription drug” means:

(1) a drug that is not safe for animal use except under the supervision of a veterinarian, and that is required by federal law to bear the following statement: “Caution: federal law restricts this drug to use by or on the order of a licensed veterinarian”;

(2) a drug that is required by state law to be dispensed only on order or prescription of a licensed veterinarian; and

(3) the extra-label use of an over-the-counter drug.

Subd. 12. [VETERINARIAN.] “Veterinarian” means an individual with a valid Minnesota license to practice veterinary medicine.

Subd. 13. [VETERINARIAN-CLIENT-PATIENT RELATIONSHIP.] “Veterinarian-client-patient relationship” means a relationship in which the conditions in paragraphs (a) to (d) have been met.

(a) The veterinarian has assumed the responsibility for making medical judgments regarding the health of the animal and the need for medical treatment, and the client has agreed to follow the instructions of the veterinarian.

(b) The veterinarian has sufficient knowledge of the animal to initiate at least a general, preliminary, or tentative diagnosis of the medical condition of the animal. The veterinarian must be acquainted with the keeping and care of the animal by virtue of an

examination of the animal or medically appropriate and timely visits to the premises where the animal is kept.

(c) The veterinarian is available for consultation in case of adverse reactions or failure of the regimen of therapy.

(d) The veterinarian maintains records documenting patient visits, diagnosis, treatments, and drugs prescribed, dispensed, or administered, and other relevant information.

Subd. 14. [VETERINARY DRUG.] "Veterinary drug" means:

(1) a drug for animal use recognized in the official United States Pharmacopoeia or National Formulary of the United States;

(2) a drug intended for use in the diagnosis, cure, mitigation, treatment, or prevention of disease in animals;

(3) a drug, other than feed, medicated feed, or a growth promoting implant intended to affect the structure or function of the body of an animal; or

(4) a drug intended for use as a component of a drug in clause (1), (2), or (3).

Sec. 4. [156.17] [POSSESSION PROHIBITED.]

A person may not possess a veterinary prescription drug unless the person is a licensed veterinarian or pharmacist, a client holding a veterinary prescription drug by or on the order of a veterinarian, a manufacturer or wholesaler of veterinary drugs, a valid researcher, or a person performing official state or federal regulatory duties.

Sec. 5. [156.18] [PRESCRIPTION; LABELS; RECORDS.]

Subdivision 1. [PRESCRIPTION.] (a) A person may not dispense a veterinary prescription drug to a client without a prescription or other veterinary authorization. A client may not make extra-label use of a veterinary drug without a prescription from a veterinarian. A veterinarian or the veterinarian's authorized agent may dispense a veterinary prescription drug to a client or oversee the extra-label use of a veterinary drug directly by a client without a separate written prescription.

(b) A veterinarian may sell prescription veterinary drugs and prescribe extra label use drugs to a client without personally examining the animal if a veterinarian-client-patient relationship exists and in the judgment of the veterinarian the client has sufficient knowledge to use the drugs properly.

(c) A veterinarian may issue a prescription or other veterinary authorization by oral or written communication to the dispenser, or by computer connection. If the communication is oral, the veterinarian must enter it into the patient's record. The dispenser must record the veterinarian's prescription or other veterinary authorization within 72 hours.

(d) A prescription or other veterinary authorization must include: the name, address, and, if written, the signature of the prescriber; the name and address of the client; identification of the species for which the drug is prescribed or ordered; the name, strength, and quantity of the drug; the date of issue; directions for use; withdrawal time; and cautionary statements.

Subd. 2. [LABEL OF DISPENSED VETERINARY DRUGS.] A veterinarian or the veterinarian's authorized agent dispensing a veterinary prescription drug or prescribing the extra-label use of an over-the-counter drug must affix a label to the container containing the name and address of the veterinarian, date of filling, species of patient, name or names of drug, directions for use, withdrawal time, and cautionary statements, if any, appropriate for the drug.

Subd. 3. [RECORDS ON VETERINARY DRUG TRANSACTIONS.] A veterinarian must maintain complete records of receipt and distribution of each prescription veterinary drug. The records may be kept in the form of sales invoices, shipping records, prescription files, or a record or log established solely to satisfy the requirements of this subdivision. Records must include all of the following information:

(1) the name of the drug, including dosage form and strength;

(2) the name and address of the person from whom the drug was received and the date and quantity received; and

(3) the name and address of the person to whom the drug was distributed and the date and quantity shipped or otherwise distributed.

Subd. 4. [RECORD KEEPING.] Records required by this section must be kept for at least two years after dispensing of the drug has been completed.

Sec. 6. [156.19] [INSPECTIONS AND SAMPLES.]

To enforce sections 2 to 6, a veterinarian must permit authorized representatives of the board of veterinary medicine, upon receipt of allegations of a violation of sections 2 to 6 and upon presenting appropriate credentials to the veterinarian in charge, to (1) enter, at reasonable times, within reasonable limits, and in a reasonable

manner, premises and all pertinent records, equipment, materials, containers, and facilities bearing on whether veterinary drugs are in compliance with sections 2 to 6; and (2) collect samples. No inspection authorized by this section may extend to financial information, pricing information, personnel information, or sales information other than shipment information. Inspection must be started and completed with reasonable promptness.

Sec. 7. [156.20] [EXTRA-LABEL USE.]

A person, other than a veterinarian or a person working under the control of a veterinarian, must not make extra-label use of a veterinary drug in or on a food-producing animal, unless permitted by the prescription of a veterinarian. A veterinarian may prescribe the extra-label use of a veterinary drug if:

(1) the veterinarian makes a careful medical diagnosis within the context of a valid veterinarian-client-patient relationship;

(2) the veterinarian determines that there is no marketed drug specifically labeled to treat the condition diagnosed, or that drug therapy as recommended by the labeling has, in the judgment of the attending veterinarian, been found to be clinically ineffective;

(3) the veterinarian recommends procedures to ensure that the identity of the treated animal will be carefully maintained; and

(4) the veterinarian prescribes a significantly extended time period for drug withdrawal before marketing meat, milk, or eggs."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1093, A bill for an act relating to education; appropriating money to the University of Minnesota for a certain kind of crop management specialist and for support of the specialist.

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. 1168, A bill for an act relating to retirement; public pension plans; establishing, codifying, clarifying, and revising the obligations, responsibilities, and liabilities of public pension plan fiduciaries; amending Minnesota Statutes 1988, sections 11A.01; 11A.04; 11A.07, subdivision 4; 11A.09; 11A.13, subdivision 1; 69.77, subdivision 2g; 69.775; 136.84; 352.03, subdivision 7; 352.92, by adding a subdivision; 352.96, subdivision 3; 352B.03, subdivision 1; 352C.091, subdivision 1; 352D.09, subdivision 1; 353.03, subdivision 1; 354.06, subdivision 1; 354A.021, subdivision 6; 422A.05, subdivisions 2a and 2d; 423.374; 423.45; 423.805; 423A.21, subdivision 4; 424.06; 424A.001, subdivision 7; 424A.04, subdivision 2; and 490.122; proposing coding for new law in Minnesota Statutes, chapters 3A and 490; proposing coding for new law as Minnesota Statutes, chapter 356A.

Reported the same back with the following amendments:

Page 6, line 10, delete "(a)"

Page 6, line 15, delete the period

Page 6, delete lines 16 and 17

Page 6, line 18, delete "purpose of investment"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1175, A bill for an act relating to agriculture; regulating the manufacture of cultured dairy food; requiring pasteurization for certain dairy products; amending Minnesota Statutes 1988, section 32.486, subdivision 1, and by adding a subdivision.

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1234, A bill for an act relating to consumer protection; regulating certain rental-purchase agreements; prescribing the

rights and duties of all parties; requiring disclosures; regulating advertising; providing remedies; amending Minnesota Statutes 1988, sections 325G.06, subdivision 2; 325G.12, subdivision 2; and 325G.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [325F.90] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] As used in sections 325F.90 to 325F.99, the following terms have the meanings given them.

Subd. 2. [ADVERTISEMENT.] "Advertisement" means a commercial message in any medium, including signs, window displays, and price tags, that promote, directly or indirectly, a rental-purchase agreement.

Subd. 3. [CASH PRICE.] "Cash price" means the price at which the lessor in the ordinary course of business would offer to sell the personal property to the lessee for cash on the date of the rental-purchase agreement.

Subd. 4. [CONSUMMATION.] "Consummation" means the time at which the lessee enters into a rental-purchase agreement.

Subd. 5. [LESSEE.] "Lessee" means a natural person who rents personal property under a rental-purchase agreement for personal, family, or household use.

Subd. 6. [LESSOR.] "Lessor" means a person who, in the ordinary course of business, regularly leases, offers to lease, or arranges for the leasing of property under a rental-purchase agreement.

Subd. 7. [PERSONAL PROPERTY.] "Personal property" means property that is not real property under the laws of this state when it is made available for a rental-purchase agreement.

Subd. 8. [RENTAL-PURCHASE AGREEMENT.] "Rental-purchase agreement" means an agreement for the use of personal property in which all of the following apply:

(1) the lessor is regularly engaged in the rental-purchase business;

(2) the agreement is for an initial period of four months or less, whether or not there is any obligation beyond the initial period, that

is automatically renewable with each payment and that permits the lessee to become the owner of the property;

(3) the lessee is a person other than an organization; and

(4) the lessee takes under the rental-purchase agreement primarily for a personal, family, or household purpose.

Sec. 2. [325F.91] [APPLICATION OF OTHER LAW.]

An agreement that complies with sections 325F.90 to 325F.99 shall not be construed as, nor be governed by, the laws relating to:

(1) a "consumer credit sale" as defined in section 325G.15, subdivision 2;

(2) a "security interest" as defined in section 336.1-201, clause (37); or

(3) a "sale of goods" as defined in section 325G.15, subdivision 5.

Sec. 3. [325F.92] [DISCLOSURES.]

Subdivision 1. [REQUIREMENT.] In a rental-purchase agreement, the lessor shall disclose the following items, as applicable:

(a) The total of payments necessary to acquire ownership of the property accompanied by an explanation that this term means the "total dollar amount of payments you will have to make to acquire ownership."

(b) The total number, amounts, and timing of all payments and other charges including taxes or official fees paid to or through the lessor that are necessary to acquire ownership of the property.

(c) Any initial or advance payment such as a delivery charge, security deposit, or trade-in allowance.

(d) A statement that the lessee will not own the property until the lessee has made the total of payments necessary to acquire ownership of the property.

(e) A statement that the total of payments does not include additional charges such as late payment charges, and a separate listing and explanation of these charges as applicable.

(f) Whether the lessee is liable for loss or damage to the property and, if so, the maximum amount for which the lessee is liable, which in the case of loss shall in no event be greater than the price the

lessee would have paid to exercise an early purchase option. In the case of damage to the property other than normal wear and tear, the lessee shall be liable for the lesser of the price the lessee would have paid to exercise an early purchase option or the cost of repair as reasonably determined by the lessor.

(g) A description of the goods or merchandise including model numbers as applicable and a statement indicating whether the property is new or used. It is not a violation of this subdivision to indicate that the property is used if it is actually new.

(h) A statement that the lessee has the option to purchase the leased property during the terms of the rental-purchase agreement and at what price, formula, or by what method the price is to be determined.

(i) The cash price of the merchandise.

Subd. 2. [ALTERNATIVE COMPLIANCE.] With respect to matters specifically governed by the federal Consumer Credit Protection Act, compliance with that act satisfies the requirements of this section.

Sec. 4. [325F.93] [FORM REQUIREMENTS.]

Subdivision 1. [GENERALLY.] The disclosure information required by section 325F.92 must be disclosed in a rental-purchase agreement, and must:

(1) be made clearly and conspicuously with items appearing in logical order and segregated as appropriate for readability and clarity;

(2) be made in writing;

(3) need not be contained in a single writing or made in the order set forth in section 325F.92; and

(4) may be supplemented by additional information or explanations supplied by the lessor, but none shall be stated, used, or placed so as to mislead or confuse the lessee, or to contradict, obscure, or detract attention from the information required by section 325F.92, and so long as the additional information or explanations do not have the effect of circumventing, evading, or unduly complicating the information required to be disclosed by section 325F.92.

Subd. 2. [TIMING.] The lessor shall disclose all information required by section 325F.92 before the rental-purchase agreement is executed. These disclosures must be made on the face of the writing evidencing the rental-purchase agreement.

Subd. 3. [COPY TO LESSEE.] Before any payment is due, the lessor shall furnish the lessee with an exact copy of each rental-purchase agreement. The agreement shall be signed by the lessee and is evidence of the lessee's agreement. If there is more than one lessee in a rental-purchase agreement, delivery of a copy of the rental-purchase agreement to one of the lessees constitutes compliance with this subdivision; however, a lessee not signing the agreement is not liable under it.

Subd. 4. [TYPE SIZE.] The terms of the rental-purchase agreement, except as otherwise provided in this section, must be set forth in not less than eight-point standard type.

Sec. 5. [325F.94] [ADVERTISING.]

Subdivision 1. [PROHIBITION.] An advertisement for a rental-purchase agreement does not state or imply that a specific item is available at specific amounts or terms unless the lessor usually and customarily offers or will offer that item at those amounts or terms.

Subd. 2. [DISCLOSURES.] (a) If an advertisement for a rental-purchase agreement refers to or states the amount of any payment, or the right to acquire ownership, for a specific item, the advertisement must also clearly and conspicuously state the following terms as applicable:

(1) that the transaction advertised is a rental-purchase agreement;

(2) the total of payments necessary to acquire ownership; and

(3) that the lessee will not own the property until the total amount necessary to acquire ownership is paid in full or by prepayment as provided for by law.

(b) Every item displayed or offered under a rental-purchase agreement shall have clearly and conspicuously indicated in Arabic numerals, so as to be readable and understandable by visual inspection, each of the following affixed to the item:

(1) the cash price of the item; and

(2) the amount of the lease payment and the total of lease payments required for ownership.

Subd. 3. [ALTERNATIVE COMPLIANCE.] With respect to any matters specifically governed by the advertising provisions of the federal Consumer Credit Protection Act, compliance with that act satisfies the requirements of this section.

Subd. 4. [NONAPPLICATION.] This section does not apply to the owner or personnel, as such, of any medium in which an advertisement appears or through which it is disseminated.

Sec. 6. [325F.95] [LESSEE'S REINSTATEMENT RIGHTS.]

Subdivision 1. [GENERALLY.] A lessee who fails to make timely lease payments may reinstate the original rental-purchase agreement without losing any rights or options previously acquired under the rental-purchase agreement if both of the following apply:

(1) after having failed to make a timely payment, the lessee has surrendered the property to the lessor, if and when requested by the lessor; and

(2) in the case of a lessee that has paid less than 60 percent of the total of payments necessary to acquire ownership of the property, not more than 60 days has passed since the lessee returned the property. If the lessee has paid more than 60 percent of the total of payments necessary to acquire ownership of the property, the lessee's rights to reinstate shall be extended for a period of not less than 180 days after the lessee has returned the property.

Subd. 2. [CHARGES.] As a condition to reinstating a rental-purchase agreement, a lessor may charge the outstanding balance of any accrued payments and delinquency charges, a reinstatement fee not to exceed \$5, and a reasonable delivery charge, if redelivery of the item is necessary.

Subd. 3. [SUBSTITUTE ITEMS.] If reinstatement occurs pursuant to this section, the lessor shall provide the lessee with the same item, if available, leased by the lessee before reinstatement. If the same item is not available, a substitute item of comparable worth, quality, and condition may be used. If a substitute item is provided, the lessor shall provide the lessee with all the information required by section 325F.92.

Sec. 7. [325F.96] [PROHIBITED PROVISIONS.]

A rental-purchase agreement may not contain a provision:

- (1) requiring a confession of judgment;
- (2) authorizing a lessor or an agent of the lessor to commit a breach of the peace in the repossession of property;
- (3) waiving a defense, counterclaim, or right the lessee may have against the lessor or an agent of the lessor;

(4) requiring the payment of a late charge unless a lease payment is delinquent for more than two business days, and the charge or fee shall not be in an amount more than the greater of ten percent of the delinquent lease payment or \$3; and

(5) requiring a separate payment in addition to lease payments in order to acquire ownership of the property, other than by exercising an early purchase option pursuant to section 325F.97.

Sec. 8. [325F.97] [EARLY PURCHASE OPTION.]

A rental-purchase agreement must provide that at any time after the initial payment, the lessee may acquire ownership of the property by complying with the terms of an early purchase option. This option must be clearly set forth in the rental-purchase agreement, as required by section 325F.92.

Sec. 9. [325F.98] [EXEMPTED TRANSACTION.]

Sections 325F.90 to 325F.99 do not apply to agreements for the rental of property in which the person who rents the property has no legal right to become the owner of the rented property at the end of the rental period.

Sec. 10. [325F.99] [PENALTIES AND REMEDIES.]

Subdivision 1. [DISCLOSURE PENALTIES AND REMEDIES.] A lessor who is found to have violated sections 325F.92 to 325F.94 is subject to the penalties and remedies provided in section 8.31.

Subd. 2. [APPLICATION OF OTHER LAW.] A violation of sections 325F.95 to 325F.97 shall be treated as a violation of section 325F.69. The remedies provided by sections 325F.95 to 325F.97 are cumulative and shall not be construed as restricting any remedy that is otherwise available.

Subd. 3. [OFFSETS LIMITED.] A lessee may not take any action to offset any amount for which a lessor is potentially liable under this section against any amount owned by the lessee, unless the amount of the liability of the lessor has been determined by a judgment of a court of competent jurisdiction in an action in which the lessor was a party. This section does not bar a lessee in default on an obligation arising from the rental-purchase agreement from asserting a violation of this chapter in an original action, or as defense or counterclaim to an action brought by the lessor to collect amounts owned by the lessee pursuant to the rental-purchase agreement.

Subd. 4. [LESSOR'S RIGHT TO CORRECT ERROR.] A lessor is not liable under this section for a violation of sections 325F.90 to

325F.98 if, within 60 days after discovering an error and before an action for damages is filed against the lessor pursuant to this section or written notice of the error is received from the lessee, the lessor notifies the lessee of the error and makes adjustments to the account of the lessee that are necessary to assure that the lessee is not required to pay an amount in excess of the amounts actually disclosed. This subdivision applies whether the error was discovered through the lessor's own procedures or by any other means.

Subd. 5. [LIMITATION OF LIABILITY.] A lessor is not liable under this section for damages in excess of the actual damage sustained by the lessee if the lessor shows by a preponderance of the evidence that the violation of sections 325F.90 to 325F.98 resulted from a bona fide error notwithstanding the maintenance by the lessor of procedures reasonably adopted to avoid the error. As used in this subdivision, "bona fide error" includes, but is not limited to: clerical, calculation, computer malfunction and programming, and printing errors.

Sec. 11. Minnesota Statutes 1988, section 325G.15, subdivision 5, is amended to read:

Subd. 5. "Sale of goods" includes, without limitation, any agreement in the form of a bailment or lease of goods if the bailee or lessee agrees to pay as compensation for use a sum substantially equivalent to or in excess of the aggregate value of the goods involved and it is agreed that the bailee or lessee will become, or for no other or a nominal consideration has the option to become, the owner of the goods upon full compliance with the bailee's or lessee's obligations under the agreement. The term also includes a contract in the form of a terminable bailment or lease of goods if: (a) the bailee or lessee has the option to renew the contract by making the payments specified in the contract; (b) the contract obligates the bailor or lessor to transfer ownership of the property to the bailee or lessee for no other or a nominal consideration upon full compliance by the bailee or lessee with the bailee's or lessee's obligations under the contract including any obligation incurred by reason of the exercise of an option by the bailee or lessee to renew the contract; and (c) the payments contracted for by the bailee or lessee, including those payments pursuant to the exercise of an option by the bailee or lessee to renew the contract, are substantially equivalent to or in excess of the aggregate value of the property and services involved."

Delete the title and insert:

"A bill for an act relating to consumer protection; regulating certain rental-purchase agreements; prescribing the rights and duties of all parties; requiring disclosures; regulating advertising; providing remedies; amending Minnesota Statutes 1988, section 325G.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 325F."

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. 1282, A bill for an act relating to mechanics' liens; clarifying and simplifying the contractors' and subcontractors' notice; amending Minnesota Statutes 1988, section 514.011, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 3, line 23, strike "unless,"

Page 3, strike line 24

Page 3, line 25, strike everything before the period

Page 3, line 35, delete "have"

Page 3, line 36, delete "prior to receipt of" and insert "before receiving"

Page 3, after line 36, insert:

"Sec. 3. Minnesota Statutes 1988, section 514.011, is amended by adding a subdivision to read:

Subd. 6. [USE OF FORMER NOTICE PERMITTED.] Until August 1, 1990, a notice given in conformity with subdivisions 1 and 2 of Minnesota Statutes 1988 is valid.

Sec. 4. [REPEALER.]

Section 3 is repealed effective August 1, 1990."

Amend the title as follows:

Page 1, line 5, delete "and" and insert a comma and before the period, insert ", and 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.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1292, A bill for an act relating to commerce; motor fuel franchises; regulating franchise agreements; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 80C.

Reported the same back with the following amendments:

Page 1, line 9, after "agreement" insert "between a refiner or producer and a franchisee"

Page 2, line 9, delete the comma

Page 2, line 10, delete everything before the period

Page 2, line 11, before "costs," insert "direct" and after "and" insert "direct"

Page 2, line 15, after "agreement" insert "between a refiner or producer and a franchisee"

Page 2, line 16, delete "rental"

Page 2, line 17, delete "for its use as a motor vehicle fuel retail outlet" and insert "as determined by the county assessor"

Page 2, line 21, after "agreement" insert "between a refiner or producer"

Page 3, line 5, after "franchisor" insert "that is a refiner or producer"

Page 3, delete lines 17 to 34

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. 1388, A bill for an act relating to professional hockey games; imposing a civil penalty on team owners for player fights; proposing coding for new law as Minnesota Statutes, chapter 341A.

Reported the same back with the following amendments:

Delete everything after the title and insert:

Whereas, sports are important to the physical, mental, and moral development of young people in Minnesota and America; and

Whereas, professional athletes are role models to Minnesota's and America's children; and

Whereas, ice hockey is an excellent sport requiring strength, skill, and discipline; and

Whereas, epidemic fighting and dangerous "stickwork" characterize much of the hockey played in the National Hockey League; and

Whereas, much of this fighting and "stickwork," occurring anywhere other than a hockey arena, would be considered illegal; and

Whereas, the culture of violence permitted to exist by team owners and management of the National Hockey League is harmful to the young people of our state and nation, and to the general public.

Now, Therefore, Be It Resolved that the Legislature and Governor of the State of Minnesota emphatically encourage the management of the National Hockey League, and the individual team owners, to take the necessary steps to eliminate fighting and vicious "stickwork" from the otherwise outstanding sport of ice hockey; and

Be It Further Resolved that the management of the National Hockey League and the individual team owners communicate to the Legislature and the Governor of the State of Minnesota those steps which the League intends to take to reduce fighting and vicious "stickwork" in the 1989-90 professional hockey season."

Delete the title and insert:

"A resolution relating to violence in professional hockey."

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1436, A bill for an act relating to livestock; providing funds for the Minnesota extension service to match other money to establish a position in the college of veterinary medicine for an expert on small ruminants; 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.

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

H. F. No. 1443, A bill for an act relating to state government; creating a small business procurements commission to study recent United States Supreme Court decisions and their effect on certain programs; suspending certain requirements relating to procurements from socially and economically disadvantaged businesses during the study; appropriating money; amending Minnesota Statutes 1988, sections 16B.189; 16B.19, subdivisions 2, 4, 5, and 6; 16B.21, subdivision 2; 16B.22; 116J.68, subdivision 1; 136.27; 136.72; 137.31, subdivision 3; 161.321, subdivisions 2, 3, and 6; 241.27, subdivision 2; 471.345, subdivision 8; 473.142; 473.406, subdivisions 1, 2, 4, 5, and 6; and 645.445, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [SMALL BUSINESS PROCUREMENTS COMMISSION.]

Subdivision 1. [CREATION.] A small business procurements commission is created to study the small business procurement programs in Minnesota Statutes, sections 16B.189; 16B.19, subdivisions 2, 4, 5, and 6; 16B.21, subdivision 2; 16B.22; 116J.68, subdivision 1; 136.27; 136.72; 137.31, subdivision 3; 161.321, subdivisions 2, 3, and 6; 241.27, subdivision 2; 471.345, subdivision 8; 473.142; 473.406, subdivisions 1, 2, 4, 5, and 6; and 645.445, subdivision 5, in order to propose amendments that will conform the programs to recent United States Supreme Court decisions. The commission shall take steps to at least:

(1) assure that minority and women's businesses and organizations know of its existence and purpose;

(2) determine the existence and extent of discrimination in Minnesota business, trade, and industry; and

(3) recommend appropriate statutory or regulatory changes.

Subd. 2. [MEMBERSHIP.] The commission shall consist of 11 members: three members of the house of representatives appointed by the speaker, three members of the senate appointed by the

committee on committees; three members appointed by the governor; and two members from the socially or economically disadvantaged community appointed by the commissioner of administration. The attorney general or the attorney general's designee shall serve ex officio. Any vacancy shall be filled by the appointing authority.

Subd. 3. [REPORT.] The commission shall report its findings and recommendations for legislative action to the governor and the legislature by January 3, 1990, and shall cease to function after that date.

Subd. 4. [POWERS; OFFICERS.] The commission shall hold hearings and meetings as necessary to accomplish its purposes and may enter into contracts and subpoena witnesses and records. It shall select from its members a chair or co-chairs and other officers it considers necessary.

Subd. 5. [COMPENSATION, SUPPORT SERVICES.] (a) Legislative members of the commission shall be compensated in the same manner as for other legislative meetings. Other members shall be compensated as provided in Minnesota Statutes, section 15.059, subdivision 3.

(b) The legislative coordinating commission shall provide administrative and support services for the commission.

Sec. 2. Minnesota Statutes 1988, section 16B.189, is amended to read:

16B.189 [CITATION AND PURPOSE.]

Sections 16B.19 to 16B.22 may be cited as the "Minnesota small business procurement act." These sections prescribe procurement practices and procedures to assist in the economic development of small businesses and emerging small businesses owned and operated by socially or economically disadvantaged persons.

Sec. 3. Minnesota Statutes 1988, section 16B.19, is amended to read:

16B.19 [DESIGNATION OF PROCUREMENTS FROM SMALL BUSINESSES.]

Subdivision 1. [SMALL BUSINESS PROCUREMENTS.] The commissioner shall for each fiscal year ensure that small businesses receive at least 25 percent of the value of anticipated total state procurement of goods and services, including printing and construction. The commissioner shall divide the procurements so designated into contract award units of economically feasible production runs in order to facilitate offers or bids from small businesses. In making the

annual designation of such procurements the commissioner shall attempt (1) to vary the included procurements so that a variety of goods and services produced by different small businesses are obtained each year, and (2) to designate small business procurements in a manner that will encourage proportional distribution of such awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the small business set-aside procurement for award to bidders from a specified congressional district or other geographical region specified by the commissioner. The failure of the commissioner to designate particular procurements shall not be deemed to prohibit or discourage small businesses from seeking the procurement award through the normal solicitation and bidding processes.

Subd. 1a. [SMALL BUSINESS.] For purposes of sections 16B.189 to 16B.22, "small business" means a small business, as defined in section 645.445, with its principal place of business in Minnesota.

Subd. 2. [CONSULTANT, PROFESSIONAL AND TECHNICAL PROCUREMENTS.] Every state agency shall for each fiscal year designate for awarding to small businesses with their principal place of business in Minnesota at least 25 percent of the value of anticipated procurements of that agency for consultant services or professional and technical services. The set-aside under this subdivision is in addition to that provided by subdivision 1, but shall otherwise comply with section 16B.17. At least six percent of all these procurements for consultant services or professional or technical services shall be set aside for small businesses owned and operated by socially or economically disadvantaged persons.

Subd. 3. [NEGOTIATED PRICE OR BID CONTRACT.] The commissioner may elect to use either a negotiated price or bid contract procedure as may be appropriate in the awarding of a procurement contract under the set-aside or preference program established in sections 16B.19 to 16B.22. The amount of an award may not exceed by more than five percent the commissioner's estimated price for the goods or services, if they were to be purchased on the open market and not under this set-aside program. Surety bonds guaranteed by the federal Small Business Administration and second party bonds are acceptable security for a construction award under this section. "Second party bond" means a bond which that designates as principal, guarantor, or both, a person or persons in addition to the person to whom the contract is proposed for award.

Subd. 4. [DETERMINATION OF ABILITY TO PERFORM.] Before making an award under the set-aside or preference programs established in subdivision 5 for emerging small businesses owned and operated by socially or economically disadvantaged persons, the commissioner shall evaluate whether the small business scheduled to receive the award is able to perform the contract. This determi-

nation shall include consideration of production and financial capacity and technical competence.

Subd. 5. [CERTAIN SMALL BUSINESS PREFERENCES AND SET-ASIDES.] At least nine percent of the value of all procurements shall be awarded, if possible, for award to businesses owned and operated by socially or economically disadvantaged persons as defined in section 645.445 with their principal place of business in Minnesota. The commissioner shall designate set-aside procurements in a manner that will encourage proportional distribution of set-aside awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the set-aside for small businesses owned and operated by socially or economically disadvantaged persons for award to bidders from a specified congressional district or other geographical region specified by the commissioner and shall report annually to the governmental operations committees of the house of representatives and the senate on the use and impact of this provision. To reach a goal of nine percent, the commissioner must set aside at least three percent of all procurements for bidding only by small businesses owned and operated by socially or economically disadvantaged persons; may The commissioner shall award a five percent preference in the amount bid on selected all state procurements to emerging small businesses owned and operated by socially or economically disadvantaged persons, or may utilize any other bidding process authorized by this chapter to encourage the participation of emerging small businesses in state procurement. In the event small businesses owned and operated by socially or economically disadvantaged persons are unable to perform at least nine percent of the value of all procurements, the commissioner shall award the remainder to other small businesses. At least 50 75 percent of the value of the procurements awarded to emerging small businesses owned and operated by socially or economically disadvantaged persons shall must actually be performed by the business to which the award is made or another emerging small business owned and operated by a socially or economically disadvantaged person or persons. The commissioner may not designate more than 20 percent of any commodity class for set-aside or preference awards to businesses owned and operated by socially or economically disadvantaged persons. A An emerging small business owned and operated by socially or economically disadvantaged persons that has been awarded more than three-tenths of one percent of the value of the total anticipated procurements for a fiscal year under this subdivision is disqualified from receiving further set-aside or preference advantages for that fiscal year.

Subd. 6. [CONTRACTS IN EXCESS OF \$200,000; SET-ASIDE.] The commissioner, as a condition of awarding state procurements for construction contracts or approving contracts for consultant, professional, or technical services pursuant to under section 16B.17 in

excess of \$200,000, shall require that at least ~~ten~~ 15 percent of the contract award to a prime contractor be subcontracted to a small business owned and operated by a socially or economically disadvantaged person or persons or that at least ten 15 percent of the contract award be expended in purchasing materials or supplies from said ~~person or persons~~ small businesses. Before advertising for bids, the commissioner may determine that small businesses are unable to perform at least 15 percent of the prime contract award, or that it is not feasible to require that small businesses perform at least 15 percent of the prime contract award. If there is are no socially or economically disadvantaged person or persons or other small businesses able to perform the subcontract or to provide the supplies or materials, or if the commissioner determines it is not feasible to require subcontracting, the construction contract or contract for consultant, professional, or technical services may be awarded notwithstanding the ~~ten~~ 15 percent requirement provided that. However the ~~ten~~ 15 percent requirement is must be made up in other such contracts awarded or to be awarded by the same agency. Any subcontracting or purchasing of supplies and materials pursuant to under this subdivision may not be included in determining the total amount of awards required by subdivisions 1, and 2, and 5. In the event small businesses owned and operated by socially and economically disadvantaged persons are unable to perform ~~ten~~ ten percent of the prime contract award, the commissioner shall require that other small businesses perform at least ~~ten~~ ten percent of the prime contract award. The commissioner may determine that small businesses owned and operated by socially and economically disadvantaged persons are unable to perform at least ~~ten~~ ten percent of the prime contract award prior to the advertising for bids. Each construction contractor bidding on a project over \$200,000 shall submit with the bid a list of the small businesses owned and operated by socially or economically disadvantaged persons that are proposed to be utilized on the project with a statement indicating the portion of the total bid to be performed by each business. The commissioner shall reject any bid to which this subdivision applies that does not contain this information. Prime contractors receiving construction contract awards in excess of \$200,000 shall furnish to the commissioner the name of each business owned and operated by a socially or economically disadvantaged person or persons or other small business that is performing work or supplying supplies and materials on the prime contract and the dollar amount of the work performed or to be performed or the supplies and materials to be supplied. Once the contract has been awarded, the prime contractor must use the socially and economically disadvantaged small business subcontractors proposed to be utilized on the project, unless the subcontractors are unable to perform in accordance with the award.

This subdivision does not apply to prime contractors that are themselves small businesses owned and operated by socially or economically disadvantaged persons, as duly certified pursuant to under section 16B.22.

Subd. 8. [RECOURSE TO OTHER BUSINESSES.] In the event that subdivisions 1 to 6 do not operate to extend a contract award to a small business the award must be placed pursuant to the normal solicitation and award provisions in this chapter. The commissioner shall then designate for small businesses additional state procurements corresponding in approximate value to the contract unable to be awarded pursuant to subdivisions 1 to 6.

Subd. 9. [PROCUREMENT PROCEDURES.] All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply equally to procurements designated for small businesses. In the event of conflict with other rules, section 16B.18 and rules adopted under it govern, if section 16B.18 applies. If it does not apply, sections 16B.19 to 16B.22 and rules adopted under those sections govern.

Subd. 10. [APPLICABILITY.] This section does not apply to construction contracts or contracts for consultant, professional, or technical services pursuant to under section 16B.17 which that are financed in whole or in part with federal funds and which that are subject to federal disadvantaged business enterprise regulations.

Sec. 4. Minnesota Statutes 1988, section 16B.20, subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] A small business procurement advisory council is created. The council consists of 13 members appointed by the commissioner of administration. A chair of the advisory council shall be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms, compensation, and removal of members are as provided in section 15.059, but members do not receive per diem. The council expires as provided in section 15.059, subdivision 5.

Sec. 5. Minnesota Statutes 1988, section 16B.21, is amended to read:

16B.21 [REPORTS.]

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of trade and economic development indicating the progress being made toward the objectives and goals of sections 16B.19 to 16B.22 during the preceding fiscal year. The commissioner shall also submit a quarterly report to the small business procurement advisory council. These reports shall include the following information:

(1) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(2) the number of small businesses identified by and responding to the set-aside small business procurement program, the total dollar value and number of set-aside and other contracts actually awarded to small businesses with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside and other contracts;

(3) the total dollar value and number of contracts awarded to emerging small businesses owned and operated by economically or socially disadvantaged persons pursuant to each bidding process authorized by section 16B.19, subdivision 5; the total number and value of these contracts awarded to each emerging small business and to each category of economically or socially disadvantaged persons as defined by section 645.445 and agency rules, and the percentages of the total state procurements the figures of total dollar value and the number of contracts awarded by each bidding process; represent.

(4) for each set-aside or preference contract awarded to a small business, the estimated additional cost to the state of awarding the contract; and

(5) the number of contracts which were designated and set aside pursuant to section 16B.19 but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business, and the price at which these contracts were awarded pursuant to the normal procurement procedures.

The information required by paragraphs (1) and (2) must be presented on a statewide basis and also broken down by geographic regions within the state.

Subd. 2. [COMMISSIONER OF TRADE AND ECONOMIC DEVELOPMENT.] The commissioner of trade and economic development shall submit an annual report to the governor and the legislature pursuant to section 3.195 with a copy to the commissioner of administration. This report shall include the following information:

(1) the efforts undertaken to publicize the provisions of the set-aside small business procurement program during the preceding fiscal year;

(2) the efforts undertaken to identify emerging small businesses

including those owned and operated by socially or economically disadvantaged persons; and the efforts undertaken to encourage participation in the set-aside bid preference program;

(3) the efforts undertaken by the commissioner to remedy the inability of small businesses to perform on potential set-aside or other contract awards; and

(4) the commissioner's recommendations for strengthening the set-aside program small business and emerging small business procurement program and delivery of services to small businesses.

Sec. 6. Minnesota Statutes 1988, section 16B.22, is amended to read:

16B.22 [ELIGIBILITY; RULES.]

Subdivision 1. [ELIGIBILITY.] A small business owned and operated by socially or economically disadvantaged persons is eligible to participate under the requirements of sections 16B.19 to 16B.22 for a maximum of five years from the date of receipt of the first set-aside award and after that period is not eligible to participate for another five years. A small business that received its first set-aside award more than five years before July 1, 1985 is not eligible to participate for five years after July 1, 1985. The five-year maximum does not apply to sheltered workshops and work activity programs. An emerging small business is not eligible to participate in this program if:

(1) The owner of the business has previously participated in the program and the business exceeded the time limit specified in section 645.445, subdivision 6.

(2) The business has exceeded the time limit specified in section 645.445, subdivision 6, and has been renamed, restructured, or otherwise reorganized.

Subd. 2. [RULES.] (a) The commissioner shall adopt by rule additional standards and procedures for certifying that small businesses and emerging small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate under the requirements of sections 16B.19 to 16B.22. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16B.19 to 16B.22.

(b) The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers, manufacturers' representatives, and others from eligibility under sections 16B.19 to 16B.22.

Sec. 7. [16B.225] [TRAINING AND TECHNICAL ASSISTANCE.]

The commissioner shall conduct training and provide technical assistance to all small businesses as defined in section 645.445 to enable those small businesses to more effectively compete for state purchases. The commissioner shall also publish a manual for vendors with detailed explanations of the state bidding processes, forms used, and expectations for vendor performance.

Sec. 8. [16B.226] [CERTIFICATION.]

A business that is certified by the commissioner of administration as a small business or an emerging small business is eligible to participate under the requirements of sections 137.31, 161.321, 471.345, and 473.142 without further certification by the contracting agency. Personnel in state agencies currently involved in certifying small businesses shall be reduced accordingly.

Sec. 9. Minnesota Statutes 1988, section 116J.68, subdivision 1, is amended to read:

Subdivision 1. The bureau of small business within the business assistance center shall serve as a clearinghouse and referral service for information needed by small businesses including those operated by a socially or economically disadvantaged person emerging small businesses.

Sec. 10. Minnesota Statutes 1988, section 136.27, is amended to read:

136.27 [CAPITAL PROJECTS BIDDING PROCEDURES.]

In awarding contracts for capital projects under section 16B.09, the board must consider the documentation provided by the bidders regarding their qualifications including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall formulate procedures to administer this section which include practices that will assist in the economic development of small businesses and small businesses owned and operated by socially or economically disadvantaged persons emerging small businesses.

Sec. 11. Minnesota Statutes 1988, section 136.72, is amended to read:

136.72 [CAPITAL PROJECTS BIDDING PROCEDURES.]

In awarding contracts for capital projects under section 16B.09, the state board for community colleges shall consider the documentation provided by the bidders regarding their qualifications, includ-

ing evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall set procedures to administer this section, which must include practices that will assist in the economic development of small businesses and ~~small businesses owned and operated by socially or economically disadvantaged persons~~ emerging small businesses.

Sec. 12. Minnesota Statutes 1988, section 137.31, is amended to read:

137.31 [PROCUREMENT FROM SMALL BUSINESSES.]

Subdivision 1. [SMALL BUSINESS SET ASIDES.] ~~Prior to the beginning of each fiscal year, The regents of the University of Minnesota shall designate and set aside for awarding to assure that small businesses approximately 20 receive at least . . . percent of the value of procurement contracts which are to be awarded during that each fiscal year and which are to be paid in total or in part from funds appropriated to the university by the legislature. The regents shall designate specific procurement contracts to be set aside, or may authorize the university administration to divide the amount set aside into procurement contracts of economically feasible size, in order to facilitate offers or bids from small businesses. In making the annual designation, the regents shall attempt to vary the procurement contracts included in the set-aside program so that a variety of goods and services produced by different small businesses can be included in the university set-aside program over a period of years. For the purposes of this section, (a) "procurement contract" means any agreement, written or oral, by which the university obtains needed goods or services, including the construction of capital improvements; and (b) "small business" has the meaning given that term by state law. Nothing in this section shall be construed to prevent small businesses from seeking awards of procurement contracts not included in the a set-aside program.~~

Subd. 2. [PROCUREMENT RULES.] The regents shall establish procurement rules to govern the university set aside program. The rules ~~shall~~ must include guidelines and procedures for negotiating price or securing bids, reasonable limitations on the amount by which a contract price under the set-aside program may exceed the estimated cost of obtaining comparable goods or services on the open market, uniform procedures for providing security for performance under procurement contracts, criteria for evaluating the financial and technical capabilities of participating small businesses, and any other matter deemed necessary or desirable for the proper operation of the university small business set-aside program.

Subd. 3. [SET ASIDE FOR DISADVANTAGED.] ~~At least 15 percent of the value of the procurement contracts designated for the set-aside program shall be awarded, if possible, to small businesses~~

owned and operated by socially or economically disadvantaged persons, as defined by section 645.445. If small businesses owned and operated by socially or economically disadvantaged persons are unable to perform at least 15 percent of the value of the set-aside contracts, the university may award the balance of the designated set-aside procurement contracts to other small businesses.

Subd. 3a. [BID PREFERENCE.] The regents shall award a five percent preference in the amount bid on all university procurement to emerging small businesses, as defined in section 645.445. At least 75 percent of the value of the procurements awarded to emerging small businesses must actually be performed by the business to which the award is made or another emerging small business. An emerging small business that has been awarded more than three-tenths of one percent of the value of the total anticipated procurements for a fiscal year under this subdivision is disqualified from receiving further bid preferences for that fiscal year. An emerging small business is not eligible to participate in the bid preference established under this subdivision under conditions specified in section 16B.22, subdivision 1.

Subd. 4. [REPLACEMENT CONTRACTS.] If a procurement contract designated for the set-aside program cannot be awarded to a small business under the conditions prescribed in subdivisions 1 to 3, and 2 the award shall be placed in accordance with the regular procurement policies of the university. In this event, the university shall designate as a replacement a procurement contract of comparable value to be included in the university set-aside program during that fiscal year if practicable.

Subd. 5. [PUBLICITY.] The regents and the administration of the University of Minnesota shall publicize the provisions of the university small business set-aside procurement program, attempt to locate small businesses able to perform set aside procurement contracts, and encourage participation by small businesses in the University of Minnesota small business set-aside program.

Subd. 6. [ANNUAL REPORT.] The University of Minnesota shall submit an annual report as provided in section 3.195, to the governor and the legislature, with a copy to the commissioner of trade and economic development, indicating the progress being made toward the objectives and goals of this section. The report shall include the following information:

(a) The total dollar value and number of procurement contracts identified and set aside during this period and the percentage of total value of university procurements that this figure reflects;

(b) The number of small businesses identified by and responding to the university set-aside program, the total dollar value and number of procurement contracts actually awarded to small busi-

nesses with appropriate designation as to the total number and value of procurement contracts awarded to each small business, and the total number of small businesses that were awarded procurement contracts;

(c) The total dollar value and number of procurement contracts awarded to emerging small businesses owned and operated by economically or socially disadvantaged persons with appropriate designation as to the total number and value of procurement contracts awarded to each small business, and the percentages of the total value of university procurements the figures of total dollar value and the number of procurement contracts reflect; and

(d) The number of procurement contracts which were designated and set aside pursuant to this section but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business and the price at which these contracts were awarded pursuant to regular procurement procedures.

Sec. 13. Minnesota Statutes 1988, section 161.321, subdivision 2, is amended to read:

Subd. 2. [SMALL BUSINESS SET ASIDES.] The commissioner shall set aside, on a fiscal year basis, at least two . . . percent of the construction work to be performed by contract for award to small businesses, small businesses owned and operated by socially or economically disadvantaged persons and small businesses owned and operated by physically handicapped persons or emerging small businesses or for award to businesses which guarantee use of such small businesses or emerging small businesses as subcontractors.

Sec. 14. Minnesota Statutes 1988, section 161.321, subdivision 3, is amended to read:

Subd. 3. [AWARDS TO MINORITY SMALL BUSINESSES.] At least 50 75 percent of the amount so set aside shall must be awarded, if possible, either to emerging small businesses owned and operated by socially and economically disadvantaged persons as direct contracts or as part of contracts awarded to businesses which guarantee the use, as subcontractors, of emerging small businesses owned and operated by socially and economically disadvantaged persons. Any funds subject to this subdivision which are not awarded according to this subdivision shall be awarded to other small businesses and small businesses owned and operated by physically handicapped persons. For purposes of this section, emerging small business has the meaning defined in section 645.445, except that a business is also eligible if it filed its first annual federal and state income tax returns within the preceding ten years.

Sec. 15. Minnesota Statutes 1988, section 161.321, subdivision 6, is amended to read:

Subd. 6. [RULES.] The commissioner may promulgate by rule, standards and procedures for certifying that small businesses, and emerging small businesses owned and operated by physically handicapped persons and small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate in the set aside program authorized in subdivision subdivisions 2 and 3. The commissioner may promulgate other rules as may be necessary to carry out the provisions of this section.

Sec. 16. Minnesota Statutes 1988, section 161.3211, is amended to read:

161.3211 [REPORT BY COMMISSIONER OF TRANSPORTATION.]

The commissioner of transportation shall submit an annual report pursuant to section 3.195, to the governor and the legislature indicating the progress being made toward the objectives and goals of section 161.321 during the preceding fiscal year. This report shall include the following information:

(a) The total dollar value and number of potential set-aside awards identified during this period and the percentage of total construction work this figure reflects;

(b) The number of small businesses identified and responding to the set-aside program, the total dollar value and number of set-aside contracts actually awarded to small businesses with an approximate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts;

(c) The total dollar value and number of set-aside contracts awarded to emerging small businesses owned and operated by economically or socially disadvantaged persons with an approximate designation as to the total number and value of set-aside contracts awarded to each such small business, and the percentages of the total construction work the figures of the total dollar value and the number of set-asides contracts reflect;

(d) The number of contracts which were designated and set-aside pursuant to section 161.321, but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest bid on each of these awards made by a small business and the price at which these contracts were awarded pursuant to the normal procedures.

Sec. 17. Minnesota Statutes 1988, section 241.27, subdivision 2, is amended to read:

Subd. 2. [REVOLVING FUND; USE OF FUND.] There is established in the department of corrections under the control of the commissioner of corrections the Minnesota correctional industries revolving fund to which shall be transferred the revolving funds authorized in Minnesota Statutes 1978, sections 243.41, 243.85, clause (f), and any other industrial revolving funds heretofore established at any state correctional facility under the control of the commissioner of corrections. The revolving fund established shall be used for the conduct of the industrial and commercial activities now or hereafter established at any state correctional facility, including but not limited to the purchase of equipment, raw materials, the payment of salaries, wages and other expenses necessary and incident thereto. The purchase of materials and commodities for resale are not subject to the competitive bidding procedures of section 16B.07, but are subject to all other provisions of chapter 16B. When practical, purchases must be made from ~~socially and economically disadvantaged~~ emerging small businesses. Additionally, the expenses of inmate vocational training and the inmate release fund may be financed from the correctional industries revolving fund in an amount to be determined by the commissioner. The proceeds and income from all industrial and commercial activities conducted at state correctional facilities shall be deposited in the correctional industries revolving fund subject to disbursement as hereinabove provided. The commissioner of corrections may request that money in the fund be invested pursuant to section 11A.25; the proceeds from the investment not currently needed shall be accounted for separately and credited to the fund.

Sec. 18. Minnesota Statutes 1988, section 471.345, subdivision 8, is amended to read:

Subd. 8. [PROCUREMENT FROM SOCIALLY OR ECONOMICALLY DISADVANTAGED PERSONS.] For purposes of this subdivision, the following terms shall have the meanings herein ascribed to them:

(a) "socially and economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic disadvantage. This disadvantage may arise from cultural, social or economic circumstances or background, physical location if the person resides or is employed in an area declared as a labor surplus area by the United States department of commerce, physical handicap, or other similar cause "Emerging small business" has the meaning given it in section 645.445.

(b) "business entity" means an entity organized for profit, includ-

ing an individual, partnership, corporation, joint venture, association, or cooperative.

Nothing in this section shall be construed to prohibit any municipality from adopting a resolution, rule, regulation or ordinance which on an annual basis designates and sets aside for awarding to business entities controlled by socially or economically disadvantaged persons emerging small businesses a percentage of the value of its anticipated total procurement of goods and services, including construction, and which uses either a negotiated price or bid contract procedure in the awarding of a procurement contract under a set-aside program as allowed in this subdivision, provided that any award based on a negotiated price shall not exceed by more than five percent the municipality's estimated price for the goods and services if they were purchased on the open market and not under the set-aside program.

Sec. 19. Minnesota Statutes 1988, section 473.142, is amended to read:

473.142 [SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESSES.]

(a) The metropolitan council and agencies specified in section 473.143, subdivision 1, shall attempt to award at least nine percent of the value of all procurement, other than contracts under paragraph (c), to small businesses owned and operated by socially or economically disadvantaged persons. For purposes of this section, "socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic conditions. This disadvantage may arise from cultural, social or economic circumstances, background, or other similar cause. It includes racial minorities, women, persons with a disability as defined in section 363.01, subdivision 25, rehabilitation facilities, and work activity programs. To the extent practicable, the council and agencies shall attempt to meet this goal through procurement from businesses with their principal place of business in Minnesota. In furtherance of this goal, the council or an agency shall set aside a percentage of all procurements for bidding only by these businesses. The council or an agency may also shall award a five percent preference to these businesses emerging small businesses, as defined in section 645.445, in the amount bid on selected procurements. At least 75 percent of the value of the procurements awarded to emerging small businesses must actually be performed by the business to which the award was made or another emerging small business. An emerging small business that has been awarded more than three-tenths of one percent of the value of the total anticipated procurements for a fiscal year from the agency is disqualified from receiving further preference advantages for that fiscal year from that agency. An emerging small business is not eligible to partici-

pate in the bid preference established under this subdivision under conditions specified in section 16B.22, subdivision 1.

(b) The council and each agency specified in section 473.143, subdivision 1, as a condition of awarding procurements for construction, consultant, professional, or technical service contracts in excess of \$200,000, shall attempt to assure that at least ~~ten~~ 15 percent of the contract award to a prime contractor be subcontracted to a small business owned and operated by a socially or economically disadvantaged person, or that at least ten 15 percent of the contract award be expended in purchasing materials or supplies from this type of a small business. ~~This paragraph does not apply if the council or agency determines that there is no business owned and operated by a socially or economically disadvantaged person able to perform the subcontract or provide the supplies, or if the prime contractor is a business owned and operated by a socially or economically disadvantaged person.~~ Subcontracting or purchasing of supplies under this subdivision is not included in determining achievement of goals under paragraph (a) or (c).

(c) The council and each agency specified in section 473.143, subdivision 1, shall attempt to award at least ~~six . . .~~ percent of the value of all procurements for consultant services or professional or technical services to small businesses owned and operated by socially or economically disadvantaged persons.

(d) In implementing paragraphs (a) and (c), the council and each agency specified in section 473.143, subdivision 1, shall attempt to purchase a variety of goods and services from different small businesses owned and operated by socially or economically disadvantaged persons.

(e) The council and each agency may adopt rules to implement this section.

(f) This section does not apply to procurement financed in whole or in part with federal funds if the procurement is subject to federal disadvantaged, minority, or women business enterprise regulations. The council and each agency shall report annually to the legislature on compliance with this subdivision. The reports must include the information specified in section 16B.21 that pertains to purchasing from small and emerging small businesses owned by socially or economically disadvantaged persons.

Sec. 20. Minnesota Statutes 1988, section 645.445, is amended by adding a subdivision to read:

Subd. 6. "Emerging small business" means sheltered workshops and work activity programs and means a small business as defined in subdivision 2 with its principal place of business in Minnesota, that is not an affiliate or subsidiary of a business dominant in its

field of operation, and that filed the first annual federal and state income tax returns which reflected its operation as a business within the preceding five years or will file its first annual return which reflects its operation as a business within the next 12 months.

Sec. 21. [STUDY OF SMALL BUSINESS PROGRAM.]

The commissioner of administration shall assist the commission created in section 1 in its study of small business procurement programs. The commissioner shall review recent Supreme Court decisions to determine whether there is sufficient justification under a strict scrutiny standard to establish a narrowly tailored purchasing program for the benefit of any socially disadvantaged groups, and shall make recommendations to the commission regarding legislation and program operation where justification exists. The commissioner shall make recommendations: (1) for replacing the five-year limit on emerging small business participation; (2) for revising the definition of small business contained in section 645.445; and (3) for alternative programs to stimulate growth opportunities for small businesses owned and operated by socially disadvantaged persons. The commissioner shall also assess the feasibility of establishing a preference program that incorporates urban and rural areas of high unemployment.

Sec. 22. [RULES.]

The commissioner of administration may adopt emergency rules to implement sections 3 to 6.

Sec. 23. [APPROPRIATIONS.]

The following amounts are appropriated from the general fund to the commissioner of administration for the purposes indicated.

(a) \$100,000 in fiscal year 1990 and \$85,000 in fiscal year 1991 and two positions for the purposes of training and technical assistance.

(b) \$75,000 in fiscal year 1990 for the study required in section 21.

(c) \$115,000 in fiscal year 1990 and \$105,000 in fiscal year 1991 and three positions for the purposes of certifying small businesses and administering the provisions of this act.

Sec. 24. [REPEALER.]

Minnesota Statutes 1988, section 645.445, subdivision 5, is repealed. Laws 1984, chapter 654, article 2, section 49, is repealed.

Section 1 is repealed on January 4, 1990. Minnesota Statutes 1988, section 473.406, is repealed.

Sec. 25. [APPROPRIATION.]

\$ is appropriated from the general fund to the chair of the legislative coordinating commission to administer section 1.

Sec. 26. [EFFECTIVE DATE.]

Sections 1 to 25 are effective on the day following enactment except that the provisions of section 3 establishing a new bid preference program and a new subcontracting requirement are effective on requests for bids or requests for proposals issued 60 days after the effective date of emergency rules issued under section 22. The provisions of sections 12, 13, and 19 requiring new set-aside or bid preference programs are not effective until October 1, 1989.

Delete the title and insert:

“A bill for an act relating to government operations; regulating purchasing from small businesses; appropriating money; amending Minnesota Statutes 1988, sections 16B.189; 16B.19; 16B.20, subdivision 2; 16B.21; 16B.22; 116J.68, subdivision 1; 136.27; 136.72; 137.31; 161.321, subdivisions 2, 3, and 6; 161.3211; 241.27, subdivision 2; 471.345, subdivision 8; 473.142; 645.445, by adding a subdivision; proposing coding in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1988, sections 473.406; 645.445, subdivision 5; and Laws 1984, chapter 654, article 2, section 49.”

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1445, A bill for an act relating to agriculture; making technical changes in the seed and dairy inspection laws; amending Minnesota Statutes 1988, sections 21.89, subdivisions 2 and 4; and 32.103.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 21.89, subdivision 2, is amended to read:

Subd. 2. [PERMITS; ISSUANCE, AND REVOCATION.] The commissioner shall issue a permit to the initial labeler of agricultural, vegetable, or flower seeds which are offered sold for sale use in Minnesota and which conform to and are labeled under sections 21.80 to 21.92. The person shall furnish to the commissioner an itemized statement of all seeds sold in Minnesota for the periods established by the commissioner. This statement shall be delivered, along with the payment of the fee, to the commissioner no later than 30 days after the end of each reporting period. Any person holding a permit shall show as part of the analysis labels or invoices on all agricultural, vegetable, flower, tree or shrub seeds all information the commissioner requires. The commissioner may revoke any permit in the event of failure to comply with applicable laws and rules.

Sec. 2. Minnesota Statutes 1988, section 21.89, subdivision 4, is amended to read:

Subd. 4. [EXEMPTIONS.] A person who labels for sale An initial labeler who sells for use in Minnesota agricultural, vegetable, or flower seeds must have a seed fee permit unless:

(a) The person labels and sells less than 50,000 pounds of agricultural seed in Minnesota each calendar year. If more than 50,000 pounds are labeled and sold in Minnesota by any person, the person must have a seed fee permit and pay fees on all seed sold. A person who labels and sells grass seeds and mixtures of grass seeds intended for lawn or turf purposes is not exempted from having a permit and paying seed fees on all seeds in this category sold in Minnesota; or

(b) the agricultural, vegetable, or flower seeds are of the breeder or foundation seed classes of varieties developed by publicly financed research agencies intended for the purpose of increasing the quantity of seed available.

Sec. 3. Minnesota Statutes 1988, section 32.103, is amended to read:

32.103 [INSPECTION OF DAIRIES.]

At such time as the commissioner may deem proper, the commissioner shall cause to be inspected all places where dairy products are made, stored, or served as food for pay, and all places where cows are kept by persons engaged in the sale of milk or cream, and shall require the correction of all insanitary conditions and practices found therein.

Every Physical threat, refusal, or neglect to obey any lawful direction of the commissioner, or the commissioner's agent, given in

carrying out the provisions of this section, shall be deemed a misdemeanor."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

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

H. F. No. 1453, A bill for an act relating to public safety; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; creating fire protection systems account; providing for fees and a surcharge; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 299K.

Reported the same back with the following amendments:

Page 2, line 10, delete "when the piping is" and insert "or piping"

Page 2, line 14, after the period insert "A person licensed under section 326.40 may also sell, design, install, modify, or inspect a standpipe or hose system."

Page 4, line 18, after "bonding," insert "certification, registra-
tion,"

Page 4, line 25, after "license" insert "or certificate"

Page 4, line 26, delete "certificate,"

Page 5, delete lines 5 to 13 and insert:

"The fire protection systems account is established as a special account in the state treasury. The fees and penalties collected under this chapter must be deposited in the state treasury and credited to the account."

Delete page 5, line 14 to page 7, line 12, and insert:

"Sec. 11. [299K.11] [FEES.]

Subdivision 1. [LICENSING FEE.] A person required to be licensed under section 3, subdivision 1, shall, before receipt of the license and before causing fire protection related work to be performed, pay the commissioner an annual license fee.

Subd. 2. [CERTIFICATION FEE.] Employees required to be certified under section 3, subdivision 2, shall, before performing fire protection related work, pay the commissioner an annual certification fee.

Subd. 3. [REGISTRATION FEE.] Employees required to be registered under section 1, subdivision 2, shall, before performing fire protection related work, pay the commissioner an annual registration fee.

Subd. 4. [PERMIT FEE.] Before beginning fire protection related work, a fire protection contractor shall pay a project permit fee to the commissioner based on a percentage of the total costs of the fire protection related work.

Subd. 5. [DEPOSIT OF FEES.] Fees collected under this section shall be deposited in the fire protection systems account created by section 10.

Page 7, line 13, delete "[299K.13]" and insert "[299K.12]"

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.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1475, A bill for an act relating to wild rice; clarifying requirements on packaging and labeling; requiring disclosure of origin; authorizing the construction of a greenhouse facility for the study of wild rice; providing technical assistance for marketing; appropriating money; amending Minnesota Statutes 1988, section 30.49.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CITATION.]

This act may be cited as the "Minnesota wild rice preservation act of 1989" or "manomin act."

Sec. 2. Minnesota Statutes 1988, section 30.49, is amended to read:

30.49 [PADDY GROWN WILD RICE LABELING.]

Subdivision 1. [CULTIVATED WILD RICE.] All (a) Except as provided in paragraph (b), wild rice which containing a portion of wild rice that is planted or cultivated and which is offered for wholesale or retail sale in this state shall must be plainly and conspicuously labeled as either "paddy grown" or as "cultivated" in letters of a size and form prescribed by the commissioner.

(b) Cultivated wild rice sold for international commerce is exempt from this subdivision.

Subd. 2. [HAND-HARVESTED WILD RICE.] (a) A package containing only 100 percent hand-harvested wild rice from the public waters of the state that is offered for sale at wholesale or retail sale in this state may be plainly and conspicuously labeled as "100 percent naturally grown, lake and river harvested" in letters of a size and form prescribed by the commissioner. A package of wild rice labeled "100 percent naturally grown, lake and river harvested" must also contain the license number issued under section 84.152 of the last licensed dealer to handle the wild rice.

(b) A package that does not contain 100 percent hand-harvested wild rice from the public waters of the state may not contain a label authorized under paragraph (a).

Subd. 3. [RECORDS.] (a) A person who buys, sells, processes, or markets wild rice must maintain the following records and shall submit annual reports on or before December 31 of each year to the commissioners of agriculture and natural resources. A person who buys, sells, processes, or markets wild rice shall provide the department, on demand, relevant information from the records required under this section.

(b) The report must contain:

(1) the date of each transaction;

(2) the quantity of wild rice bought or sold;

(3) an identification of whether the wild rice is cultivated or paddy grown, or whether it is naturally grown lake and river harvested wild rice;

(4) the names and addresses of the parties of the transaction and the department of natural resources license or permit numbers;

(5) the lot numbers of all the wild rice bought or sold in each transaction; and

(6) documents that track the rice, by lot number, through processing and the assignment of a final lot number on the finished product offered for distribution or sale in Minnesota.

Subd. 4. [FAIR PACKAGING AND LABELING.] Hand-harvested wild rice from public waters and cultivated or paddy grown wild rice are separate and distinct ingredients under the fair packaging and labeling provisions of section 31.103.

Subd. 5. [MISBRANDING RELATING TO INDIAN GROWN, HARVESTED, OR PROCESSED.] A wild rice label that implies the wild rice is grown, harvested, or processed by Native American Indians is misbranded unless the wild rice is grown, harvested, and processed by an entity that is owned by 51 percent or more persons who are members of federally enrolled tribes.

Subd. 6. [PACKAGED BLENDED RICE AND READY-TO-EAT RICE.] A package containing a blend of wild rice and at least 40 percent other grains or food products, and puffed or ready-to-eat wild rice are exempt from this section, except subdivisions 3, 5, and 7.

Subd. 7. [PENALTY.] Any person who sells wild rice at wholesale or retail which is not labeled as required by violates this section is guilty of a misdemeanor.

Sec. 3. [30.495] [MINNESOTA INDIAN WILD RICE PROMOTION COUNCIL.]

The Minnesota Indian wild rice promotion council is established for the promotion and marketing of hand-harvested wild rice. The membership and organization of the council is subject to sections 17.54, subdivisions 2, 3, 4, 5, 6, and 7; 17.56 to 17.63; 17.67; and 17.69.

Sec. 4. [REPEALER.]

Minnesota Statutes 1988, section 84.152, subdivision 5, is repealed.

Sec. 5. [APPROPRIATION.]

\$ is appropriated to the department of agriculture for the purpose of managing the tracking system established in section 2, subdivision 3. The appropriation is for the biennium ending June 30, 1991.

Sec. 6. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of agriculture to establish a year-round greenhouse in the Grand Rapids area for the purpose of experimentation on the culture of wild rice. The purpose of this greenhouse is to allow Minnesota to keep a competitive position in the industry. This appropriation is available for the biennium ending June 30, 1991.

Sec. 7. [APPROPRIATION.]

\$ is appropriated from the general fund to the Minnesota Chippewa Tribe for payment to the Minnesota Indian natural wild rice promotion council to promote and market wild rice as provided in the council's promotional order. The appropriation is available until expended."

Amend the title as follows:

Page 1, line 7, before the period insert "proposing coding for new law in Minnesota Statutes, chapter 30; repealing Minnesota Statutes 1988, section 84.152, subdivision 5"

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1522, A bill for an act relating to agriculture; providing for arbitration of seed claims; proposing coding for new law in Minnesota Statutes, chapter 21.

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1539, A bill for an act relating to agriculture; providing assistance for establishing a barley research and promotion council; 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.

McEachern from the Committee on Education to which was referred:

H. F. No. 1587, A bill for an act relating to education; providing aid to repair damage due to vandalism at Sibley High School; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [WEST ST. PAUL ASSISTANCE.]

Independent school district No. 197, West St. Paul, may, without an election, issue general obligation bonds to provide immediate funds to carry out its adopted health and safety program. If bonds are issued under this section, the district must pledge an attributable share of its health and safety revenue for each year to the repayment of the principal and interest on the bonds and the pledged revenue shall be transferred to the debt redemption fund of the district upon receipt. The district must also deposit in the debt redemption fund all proceeds received as a recovery for specific costs for which the bonds were issued including, but not limited to: (1) insurance proceeds; (2) restitution proceeds; and (3) lawsuit proceeds. The district shall provide to the state department the debt repayment schedule for any bonds issued under this section.

To issue bonds under this section, independent school district No. 197 must submit a combined proposal requesting a review and comment and applying for health and safety revenue to the commissioner of education. The commissioner must give that combined request an expedited review, which shall be completed within 20 days after receipt. The publication provisions of Minnesota Statutes, section 121.15, subdivision 9, do not apply to bonds issued under this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 3, delete “appropriating”

Page 1, line 4, delete “money” and insert “authorizing bonds”

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

The report was adopted.

Battaglia from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 1608, A bill for an act relating to local government; planning and zoning; permitting limited duration for conditional use permits; making explicit the scope of certain statutes; amending Minnesota Statutes 1988, sections 462.358, subdivision 2a; and 462.3595, subdivision 3.

Reported the same back with the following amendments:

Page 2, delete section 2, and insert:

“Sec. 2. [462.3597] [INTERIM USES.]

Subdivision 1. [DEFINITION.] An “interim use” is a temporary use of property until a particular date, until the occurrence of a particular event, or until zoning regulations no longer permit it.

Subd. 2. [AUTHORITY.] Zoning regulations may permit the governing body to allow interim uses. The regulations may set conditions on interim uses. The governing body may grant permission for an interim use of property if:

(1) the use conforms to the zoning regulations;

(2) the date or event that will terminate the use can be identified with certainty;

(3) permission of the use will not impose additional costs on the public if it is necessary for the public to take the property in the future; and

(4) the user agrees to any conditions that the governing body deems appropriate for permission of the use.

Any interim use may be terminated by a change in zoning regulations.

Subd. 3. [PUBLIC HEARINGS.] Public hearings on the granting of interim use permits shall be held in the manner provided in section 462.357, subdivision 3.”

Delete the title and insert:

“A bill for an act relating to local government; planning and zoning; permitting interim use permits; making explicit the scope of certain statutes; amending Minnesota Statutes 1988, section 462.358, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 462.”

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

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.

Reported the same back with the following amendments:

Page 1, line 12, before the period insert "or a certified public accountant, at the option of the league and approved by the legislative auditor"

Page 1, line 13, reinstate the stricken language and after "auditor" insert "or certified public accountant selected by the league and approved by the legislative auditor"

Page 1, lines 14 to 25, reinstate the stricken language

Page 2, lines 1 to 5, reinstate the stricken language

Page 2, delete lines 6 and 7

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

S. F. No. 69, A bill for an act relating to education; requiring a school district to make reasonable efforts to accommodate a pupil who wishes to be absent from school for religious observances; proposing coding for new law in Minnesota Statutes, chapter 120.

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

The report was adopted.

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

S. F. No. 123, A bill for an act relating to state government; providing for the establishment of an audit guide task force by the state auditor; amending Minnesota Statutes 1988, section 6.65.

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:

S. F. No. 435, A bill for an act relating to veterans; changing admissions, discharge, and utilization review procedures for veterans homes; granting rulemaking authority to the veterans homes board; changing certain rights and presumptions; amending Minnesota Statutes 1988, sections 198.003; 198.007; 198.022; 198.03; and 198.32; proposing coding for new law in Minnesota Statutes, chapter 198.

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:

S. F. No. 493, A bill for an act relating to juvenile court; expanding the definition of child in need of protection or services; expanding the child hearsay exception to include statements regarding the abuse or neglect of another child witnessed by the child making the statement; clarifying the authority of the court to order the temporary removal of a child due to immediate endangerment; amending Minnesota Statutes 1988, sections 260.015, subdivision 2a; 260.156; and 260.172, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 20, delete "would reside" and insert "has resided"

Page 1, line 22, delete "; and"

Page 1, line 23, delete the new language

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:

S. F. No. 671, A bill for an act relating to the commission on uniform state laws; providing for its composition; amending Minnesota Statutes 1988, section 3.251.

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:

S. F. No. 936, A bill for an act relating to state lands; authorizing exchange of state property with city of St. Cloud.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 173, 647, 670, 729, 833, 984, 1023, 1037, 1168, 1175, 1234, 1282, 1292, 1388, 1445, 1522, 1608 and 1636 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 361, 1051, 69, 123, 435, 493, 671 and 936 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Sviggum introduced:

H. F. No. 1710, A bill for an act relating to taxation; property; permitting hospital districts to levy for operating deficit outside of per capita levy limits; amending Minnesota Statutes 1988, section 447.34, subdivision 1.

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

McDonald, Kelso, Jacobs and Vanasek introduced:

H. F. No. 1711, A bill for an act relating to utilities; providing that the seven-county metropolitan area comprise one local telephone service area for the purpose of determining local telephone service rates; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Olson, K.; Winter; Hugoson; Lieder and Kalis introduced:

H. F. No. 1712, A bill for an act relating to traffic regulations; authorizing recreational vehicle combinations and restricting their use; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; and 169.81, subdivision 3, and by adding a subdivision.

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

Cooper; Murphy; Olson, K.; Girard and Dille introduced:

H. F. No. 1713, A bill for an act relating to rural development; providing for research and development; providing mechanisms for agriculture diversification; appropriating money; amending Laws 1985, chapter 19, section 2, subdivision 2, as amended, and section 6, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Jefferson, Clark and Trimble introduced:

H. F. No. 1714, A bill for an act relating to human rights; requiring bias crime investigations; proposing coding for new law in Minnesota Statutes, chapter 363.

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

Jefferson and Trimble introduced:

H. F. No. 1715, A bill for an act relating to education; requiring teachers to report unfair discriminatory practices by other teachers; providing that commission of an unfair discriminatory practice or failure to report may be grounds for discharge or demotion; amending Minnesota Statutes 1988, sections 125.12, subdivision 8; and 125.17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 125.

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

Tjornhom, Wenzel, Limmer, Pellow and Henry introduced:

H. F. No. 1716, A resolution memorializing the heads of the federal departments and agencies holding records concerning reported live sightings of American military personnel classified as prisoners of war or missing in action in Southeast Asia to make the records available to the public.

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

Dorn; Williams; Olson, K.; Anderson, R., and Steensma introduced:

H. F. No. 1717, A bill for an act relating to education; requiring the state university board to study the feasibility of acquiring a site to broaden services within the metropolitan area and additional, related issues; requiring a joint study with the state board for community colleges; appropriating money.

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

Begich and Long introduced:

H. F. No. 1718, A bill for an act relating to taxation; property; providing for payment of deferred taxes on sale of railroad operating property; amending Minnesota Statutes 1988, section 270.80, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 270.

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

Simoneau introduced:

H. F. No. 1719, A bill for an act relating to cities; limiting the service of charter commission members; amending Minnesota Statutes 1988, section 410.05, subdivision 2.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Ogren introduced:

H. F. No. 1720, A bill for an act relating to health; requiring outpatient endoscopic clinics to be licensed under rules governing outpatient surgical centers; providing exemptions to the rules; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time and referred to the Committee on Health and Human Services.

HOUSE ADVISORIES

The following House Advisory was introduced:

Cooper, Brown, Ogren, Gruenes and Nelson, C., introduced:

H. A. No. 8, A proposal to study options for assisting rural hospitals and improving access to health services.

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

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. 702, A bill for an act relating to crime; expanding the crime of failure to appear for a criminal court appearance; specifying the attorney with jurisdiction to prosecute the crime; prescribing penalties; amending Minnesota Statutes 1988, section 609.49.

The Senate has appointed as such committee:

Messrs. Pogemiller, Luther and McGowan.

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. 664, A bill for an act relating to local government; providing for the appointment of certain employees of the city of Minneapolis and special school district No. 1; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

McLaughlin moved that the House concur in the Senate amendments to H. F. No. 664 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 664, A bill for an act relating to local government; providing for the appointment of certain employees of the city of Minneapolis and special school district No. 1; permitting the city of Minneapolis to enter certain agreements relating to construction projects; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended; and Laws 1986, chapter 396, section 2, subdivision 1, as amended.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 7, A senate concurrent resolution commending retiring University of Minnesota Regents: the Honorable Wally Hilke, the Honorable David M. Lebedoff, the Honorable Charles F. McGuiggan, and the Honorable Wenda W. Moore.

PATRICK E. FLAHAVEN, Secretary of the Senate

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

Mr. Speaker:

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

S. F. No. 1241.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1241, A bill for an act relating to education; changing a requirement for teaching in barber school; amending Minnesota Statutes 1988, section 154.065, subdivision 2.

The bill was read for the first time.

Price moved that S. F. No. 1241 and H. F. No. 1378, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 29

A bill for an act relating to examiners of title; increasing number of deputy examiners of title in second and fourth judicial districts; amending Minnesota Statutes 1988, section 508.12, subdivision 3.

April 13, 1989

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

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 29, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment.

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

House Conferees: ANN H. REST, RANDY C. KELLY AND ART SEABERG.

Senate Conferees: EMBER D. REICHGOTT, RANDOLPH W. PETERSON AND GARY W. LAIDIG.

Rest moved that the report of the Conference Committee on H. F. No. 29 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 29, A bill for an act relating to examiners of title; increasing number of deputy examiners of title in second and fourth judicial districts; amending Minnesota Statutes 1988, section 508.12, subdivision 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

CONSENT CALENDAR

S. F. No. 115, A bill for an act relating to the military; requiring the adjutant general to furnish flags for certain deceased members of the national guard regardless of their number of years of service; amending Minnesota Statutes 1988, section 192.381.

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 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 33, A bill for an act relating to town roads; permitting town ordinances to regulate the burning of vegetation; amending Minnesota Statutes 1988, section 164.02, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Carruthers	Forsythe	Hasskamp
Anderson, G.	Bishop	Clark	Frederick	Haukoos
Anderson, R.	Blatz	Conway	Frerichs	Heap
Battaglia	Boo	Cooper	Girard	Henry
Bauerly	Brown	Dauner	Greenfield	Himle
Beard	Burger	Dempsey	Gruenes	Hugoson
Begich	Carlson, D.	Dille	Gutknecht	Jacobs
Bennett	Carlson, L.	Dorn	Hartle	Janezich

Jaros	Lynch	Olsen, S.	Quinn	Stanius
Jefferson	Macklin	Olson, E.	Redalen	Steensma
Jennings	Marsh	Olson, K.	Reding	Sviggum
Johnson, A.	McDonald	Omman	Rest	Swenson
Johnson, R.	McEachern	Onnen	Rice	Tompkins
Johnson, V.	McGuire	Orenstein	Richter	Trimble
Kahn	McLaughlin	Osthoff	Rodosovich	Tunheim
Kalis	McPherson	Ostrom	Rukavina	Uphus
Kelly	Milbert	Otis	Runbeck	Valento
Kelso	Miller	Ozment	Sarna	Vellenga
Kinkel	Morrison	Pappas	Schafer	Wagenius
Knickerbocker	Munger	Pauly	Scheid	Waltman
Kostohryz	Murphy	Pellow	Seaberg	Weaver
Krueger	Nelson, C.	Pelowski	Segal	Welle
Lasley	Nelson, K.	Peterson	Simoneau	Wenzel
Lieder	Neuenschwander	Poppenhagen	Skoglund	Williams
Limmer	O'Connor	Price	Solberg	Winter
Long	Ogren	Pugh	Sparby	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 701, A bill for an act relating to environment; eliminating the PCB exemption program; repealing Minnesota Statutes 1988, sections 116.36; and 116.37.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 826, A bill for an act relating to the collection and dissemination of data; providing access to private and confidential data related to delinquent acts for law enforcement purposes; amending Minnesota Statutes 1988, sections 13.84, subdivision 5a; and 260.161, 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 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bauerly

The bill was passed and its title agreed to.

H. F. No. 1492, A bill for an act relating to state parks; special permits for handicapped users; amending Minnesota Statutes 1988, section 85.053, subdivision 7.

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

The bill was passed and its title agreed to.

H. F. No. 1498, A bill for an act relating to telecommunications devices for communication-impaired people; requiring the metropolitan airports commission and certain bus stations to provide telecommunications devices for communication-impaired people; amending Minnesota Statutes 1988, section 473.608, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256C.

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	Bertram	Carruthers	Forsythe	Hasskamp
Anderson, G.	Bishop	Clark	Frederick	Haukoos
Anderson, R.	Blatz	Conway	Frerichs	Heap
Battaglia	Boo	Cooper	Girard	Henry
Bauerly	Brown	Dauner	Greenfield	Himle
Beard	Burger	Dempsey	Gruenes	Hugoson
Begich	Carlson, D.	Dille	Gutknecht	Jacobs
Bennett	Carlson, L.	Dorn	Hartle	Janezich

Jaros	Lynch	Olsen, S.	Redalen	Sviggum
Jefferson	Macklin	Olson, E.	Reding	Swenson
Jennings	Marsh	Olson, K.	Rest	Tompkins
Johnson, A.	McDonald	Omann	Richter	Trimble
Johnson, R.	McEachern	Onnen	Rodosovich	Tunheim
Johnson, V.	McGuire	Orenstein	Rukavina	Uphus
Kahn	McLaughlin	Osthoff	Runbeck	Valento
Kalis	McPherson	Ostrom	Sarna	Vellenga
Kelly	Milbert	Otis	Schafer	Wagenius
Kelso	Miller	Ozment	Scheid	Waltman
Kinkel	Morrison	Pauly	Seaberg	Weaver
Knickerbocker	Munger	Pellow	Segal	Welle
Kostohryz	Murphy	Pelowski	Simoneau	Wenzel
Krueger	Nelson, C.	Peterson	Skoglund	Williams
Lasley	Nelson, K.	Poppenhagen	Solberg	Winter
Lieder	Neuenschwander	Price	Sparby	Wynia
Limmer	O'Connor	Pugh	Stanius	Spk. Vanasek
Long	Ogren	Quinn	Steensma	

The bill was passed and its title agreed to.

H. F. No. 1502, A bill for an act relating to education; extending the authority of Pine Point experimental school; amending Minnesota Statutes 1988, sections 128B.09 and 128B.10.

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

The bill was passed and its title agreed to.

H. F. No. 1626, A bill for an act relating to state lands; conveying easement for sanitary sewer to city of Cambridge.

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

The bill was passed and its title agreed to.

H. F. No. 1630, A bill for an act relating to the city of Austin; providing for the service of the police and fire chiefs.

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 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Begich	Brown	Conway	Forsythe
Anderson, G.	Bennett	Burger	Cooper	Frederick
Anderson, R.	Bertram	Carlson, D.	Dauner	Frerichs
Battaglia	Bishop	Carlson, L.	Dempsey	Girard
Bauerly	Blatz	Carruthers	Dille	Greenfield
Beard	Boo	Clark	Dorn	Gruenes

Gutknecht	Kinkel	Murphy	Peterson	Solberg
Hartle	Knickerbocker	Nelson, C.	Poppenhagen	Sparby
Hasskamp	Kostohryz	Nelson, K.	Price	Stanius
Haukoos	Krueger	Neuenschwander	Pugh	Steensma
Heap	Lasley	O'Connor	Quinn	Sviggum
Henry	Lieder	Ogren	Redalen	Swenson
Himle	Limmer	Olsen, S.	Reding	Tompkins
Hugoson	Long	Olson, E.	Rest	Trimble
Jacobs	Lynch	Olson, K.	Rice	Tunheim
Janezich	Macklin	Omann	Richter	Uphus
Jaros	Marsh	Onnen	Rodosovich	Valento
Jefferson	McDonald	Orenstein	Rukavina	Vellenga
Jennings	McEachern	Osthoff	Runbeck	Wagemius
Johnson, A.	McGuire	Ostrom	Sarna	Waltman
Johnson, R.	McLaughlin	Otis	Schafer	Weaver
Johnson, V.	McPherson	Ozment	Scheid	Welle
Kahn	Milbert	Pappas	Seaberg	Wenzel
Kalis	Miller	Pauly	Segal	Williams
Kelly	Morrison	Pellow	Simoneau	Winter
Kelso	Munger	Pelowski	Skoglund	Wynia
				Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1665 was reported to the House.

Bishop moved that H. F. No. 1665 be re-referred to the Committee on Judiciary.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

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

Uphus	Wagenius	Welle	Winter
Valento	Waltman	Wenzel	Wynia
Vellenga	Weaver	Williams	Spk. Vanasek

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

The question recurred on the Bishop motion, and the roll was called.

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

There were 19 yeas and 107 nays as follows:

Those who voted in the affirmative were:

Bishop	Dille	Johnson, V.	Seaberg	Wagenius
Boo	Frerichs	Miller	Skoglund	Waltman
Burger	Gutknecht	Nelson, K.	Swiggum	Weaver
Carlson, D.	Himle	Redalen	Swenson	

Those who voted in the negative were:

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

The motion did not prevail.

Upon objection of ten members, H. F. No. 1665 was stricken from the Consent Calendar and placed on General Orders.

SPECIAL ORDERS

S. F. No. 294 was reported to the House.

Bertram moved to amend S. F. No. 294, as follows:

Page 1, line 15, after "and to" delete "good health" and insert "its health condition prior to release"

The motion prevailed and the amendment was adopted.

S. F. No. 294, A bill for an act relating to animals; providing civil and criminal penalties for the unauthorized release of research animals; amending Minnesota Statutes 1988, section 346.56, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1988, section 346.56, subdivision 1.

The bill was read for the 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.

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

There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

CALL OF THE HOUSE LIFTED.

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

H. F. No. 693 was reported to the House.

Carlson, D., moved that H. F. No. 693 be continued on Special Orders until Monday, April 24, 1989. The motion prevailed.

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.

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

The bill was passed and its title agreed to.

H. F. No. 355, A bill for an act relating to veterans; authorizing officers and employees of the Military Order of the Purple Heart to

purchase certain insurance benefits; amending Minnesota Statutes 1988, section 43A.27, 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	Krueger	Onnen	Segal
Anderson, G.	Girard	Lasley	Orenstein	Simoneau
Anderson, R.	Greenfield	Lieder	Osthoff	Skoglund
Battaglia	Gruenes	Limmer	Ostrom	Solberg
Bauerly	Gutknecht	Long	Otis	Sparby
Beard	Hartle	Lynch	Ozment	Stanius
Begich	Hasskamp	Macklin	Pappas	Steensma
Bennett	Haukoos	Marsh	Pauly	Sviggum
Bertram	Heap	McDonald	Pellow	Swenson
Bishop	Henry	McEachern	Pelowski	Tompkins
Blatz	Himle	McGuire	Peterson	Trimble
Boo	Hugoson	McLaughlin	Poppenhagen	Tunheim
Brown	Jacobs	McPherson	Price	Uphus
Burger	Janezich	Milbert	Pugh	Valento
Carlson, D.	Jaros	Miller	Quinn	Vellenga
Carlson, L.	Jefferson	Morrison	Redalen	Wagenius
Carruthers	Jennings	Munger	Reding	Waltman
Clark	Johnson, A.	Murphy	Rest	Weaver
Conway	Johnson, R.	Nelson, C.	Rice	Welle
Cooper	Johnson, V.	Nelson, K.	Richter	Wenzel
Dauner	Kahn	Neuenschwander	Rodosovich	Williams
Dawkins	Kalis	O'Connor	Rukavina	Winter
Dempsey	Kelly	Ogren	Runbeck	Wynia
Dille	Kelso	Olsen, S.	Sarna	Spk. Vanasek
Dorn	Kinkel	Olsen, E.	Schafer	
Forsythe	Knickerbocker	Olson, K.	Scheid	
Frederick	Kostohryz	Omann	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 762, A resolution memorializing Congress of ratification of a proposed amendment to the Constitution of the United States to provide for a delay in an increase in compensation to members of Congress until an intervening election of representatives has occurred.

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 116 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Kahn	Murphy	Osthoff	Scheid
Kostohryz	Ogren	Rice	Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 1108, A bill for an act relating to agriculture; changing a provision that allows averaging of certain multiple loads of grain; amending Minnesota Statutes 1988, section 17B.048.

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	Conway	Heap	Knickerbocker	Morrison
Anderson, R.	Cooper	Henry	Kostohryz	Munger
Battaglia	Dauner	Himle	Krueger	Murphy
Bauerly	Dawkins	Hugoson	Lasley	Nelson, C.
Beard	Dempsey	Jacobs	Lieder	Nelson, K.
Begich	Dille	Janezich	Limmer	Neuenschwander
Bennett	Dorn	Jaros	Long	O'Connor
Bertram	Forsythe	Jefferson	Lynch	Ogren
Bishop	Frederick	Jennings	Macklin	Olsen, S.
Blatz	Frerichs	Johnson, A.	Marsh	Olson, E.
Boo	Girard	Johnson, R.	McDonald	Olson, K.
Brown	Greenfield	Johnson, V.	McEachern	Omann
Burger	Gruenes	Kahn	McGuire	Onnen
Carlson, D.	Gutknecht	Kalis	McLaughlin	Orenstein
Carlson, L.	Hartle	Kelly	McPherson	Osthoff
Carruthers	Hasskamp	Kelso	Milbert	Ostrom
Clark	Haukoos	Kinkel	Miller	Otis

Ozment	Redalen	Scheid	Swenson	Welle
Pappas	Reding	Seaberg	Tompkins	Wenzel
Pauly	Rest	Segal	Trimble	Williams
Pellow	Rice	Simoneau	Tunheim	Winter
Pelowski	Richter	Skoglund	Uphus	Wynia
Peterson	Rodosovich	Solberg	Valento	Spk. Vanasek
Poppenhagen	Rukavina	Sparby	Vellenga	
Price	Runbeck	Stanius	Wagenius	
Pugh	Sarna	Steensma	Waltman	
Quinn	Schafer	Sviggum	Weaver	

Those who voted in the negative were:

Anderson, G.

The bill was passed and its title agreed to.

H. F. No. 1113 was reported to the House.

Girard moved that H. F. No. 1113 be continued on Special Orders. The motion prevailed.

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

The Speaker called Quinn to the Chair.

H. F. No. 1285 was reported to the House.

Skoglund moved to amend H. F. No. 1285, the first engrossment, as follows:

Page 3, line 22, after "carrier" insert "or an enrollee"

The motion prevailed and the amendment was adopted.

H. F. No. 1285, A bill for an act relating to health insurance; changing coverage and administrative procedures relating to the comprehensive health insurance plan; requiring a report; amending Minnesota Statutes 1988, sections 62E.10, subdivisions 2a, 7, and 9; and 62E.12.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Kalis

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

H. F. No. 1339 was reported to the House.

Conway moved that H. F. No. 1339 be continued on Special Orders until Monday, April 24, 1989. The motion prevailed.

H. F. No. 1353, A bill for an act relating to insurance; requiring insurers to pay the insured's deductible first when recovering from an uninsured motorist under a subrogation claim; amending Minnesota Statutes 1988, section 72A.201, subdivision 6.

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	Anderson, R.	Bauerly	Begich	Bertram
Anderson, G.	Battaglia	Beard	Bennett	Bishop

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

The bill was passed and its title agreed to.

H. F. No. 1491, A bill for an act relating to state government; authorizing the use of certain mechanical lifting devices in public buildings; amending Minnesota Statutes 1988, section 16B.61, subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 119 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Johnson, V.	Morrison	Price
Anderson, G.	Frederick	Kahn	Murphy	Pugh
Anderson, R.	Frerichs	Kalis	Nelson, C.	Quinn
Battaglia	Girard	Kelly	Nelson, K.	Redalen
Bauerly	Greenfield	Kelso	O'Connor	Reding
Beard	Gruenes	Kinkel	Ogren	Rest
Begich	Gutknecht	Kostohryz	Olson, E.	Rice
Bennett	Hartle	Krueger	Olson, K.	Richter
Bertram	Hasskamp	Lasley	Omman	Rodosovich
Bishop	Haukoos	Lieder	Onnen	Rukavina
Blatz	Heap	Limmer	Orenstein	Runbeck
Boo	Henry	Long	Osthoff	Sarna
Brown	Himle	Macklin	Ostrom	Schafer
Burger	Hugoson	Marsh	Otis	Scheid
Carlson, D.	Jacobs	McDonald	Ozment	Seaberg
Carlson, L.	Janezich	McEachern	Pappas	Segal
Conway	Jaros	McGuire	Pauly	Skoglund
Cooper	Jefferson	McLaughlin	Pellow	Solberg
Dauner	Jennings	McPherson	Pelowski	Sparby
Dille	Johnson, A.	Milbert	Peterson	Stanius
Dorn	Johnson, R.	Miller	Poppenhagen	Steenasma

Sviggum
Swenson
Tompkins

Tunheim
Uphus
Valento

Vellenga
Waltman
Weaver

Welle
Wenzel
Winter

Wynia
Spk. Vanasek

Those who voted in the negative were:

Carruthers
Dawkins

Dempsey
Knickerbocker

Olsen, S.
Wagenius

Williams

The bill was passed and its title agreed to.

H. F. No. 1604 was reported to the House.

Otis moved to amend H. F. No. 1604, the first engrossment, as follows:

Pages 4 and 5, delete section 9

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dempsey moved to amend H. F. No. 1604, the first engrossment, as amended, as follows:

Page 2, after line 4, insert:

"Sec. 4. Minnesota Statutes 1988, section 1160.03, is amended by adding a subdivision to read:

Subd. 12. [RECALL, RECONFIRMATION, AND REPLACEMENT OF DIRECTORS.] The legislature may recall a member of the board of directors at any time by resolution. The resolution must give a reason for the recall. The resolution may originate in the house of representatives or the senate, but must pass both. Any director so recalled may be reappointed to serve on the board by the governor, subject to the advice and consent of the senate. Any vacancy on the board created by the recall of a member shall be filled by appointment of the governor, subject to the advice and consent of the senate."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dempsey amendment and the roll was called. There were 53 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Hugoson	Olsen, S.	Schafer
Anderson, R.	Frederick	Johnson, V.	Omann	Seaberg
Battaglia	Frerichs	Knickerbocker	Onnen	Stanius
Begich	Girard	Limmer	Ostrom	Sviggum
Bennett	Gutknecht	Lynch	Ozment	Swenson
Bishop	Hartle	Macklin	Pauly	Tompkins
Blatz	Haskamp	Marsh	Pellow	Uphus
Boo	Haukoos	McDonald	Poppenhagen	Valento
Burger	Heap	McPherson	Redalen	Waltman
Carlson, D.	Henry	Miller	Richter	
Dempsey	Himle	Morrison	Runbeck	

Those who voted in the negative were:

Anderson, G.	Janezich	Long	Otis	Skoglund
Bauerly	Jaros	McEachern	Pappas	Solberg
Beard	Jefferson	McGuire	Pelowski	Sparby
Bertram	Jennings	McLaughlin	Peterson	Steensma
Carlson, L.	Johnson, A.	Milbert	Price	Trimble
Carruthers	Johnson, R.	Munger	Pugh	Tunheim
Clark	Kahn	Murphy	Quinn	Vellenga
Conway	Kalis	Nelson, C.	Reding	Wagenius
Cooper	Kelly	Nelson, K.	Rest	Weaver
Dauner	Kelso	Neuenschwander	Rice	Welle
Dawkins	Kinkel	O'Connor	Rodosovich	Wenzel
Dorn	Kostohryz	Ogren	Rukavina	Williams
Greenfield	Krueger	Olson, E.	Sarna	Winter
Gruenes	Lasley	Olson, K.	Scheid	Wynia
Jacobs	Lieder	Orenstein	Segal	Spk. Vanasek

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

The Speaker resumed the Chair.

Hugoson moved to amend H. F. No. 1604, the first engrossment, as amended, as follows:

Page 4, after line 29, insert:

"Sec. 9. Minnesota Statutes 1988, section 1160.12, is amended to read:

1160.12 [GREATER MINNESOTA FUND.]

(a) The Greater Minnesota fund is created in the state treasury. The board may require the commissioner of finance to create separate accounts within the fund for use in accordance with the

fund's purposes. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund is appropriated to the corporation to be used as provided in this chapter. Of the amount in the fund that is appropriated or transferred to the fund from the state, at least 25 percent must be credited to a separate account to be spent for research and product utilization related to agriculture as determined by the agricultural utilization research institute advisory board established under section 1160.09, subdivision 5.

(b) The fund consists of:

(1) money appropriated and transferred from other state funds;

(2) fees and charges collected by the corporation;

(3) income from investments and purchases;

(4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes;

(5) gifts, donations, and bequests made to the corporation; and

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

A roll call was requested and properly seconded.

The question was taken on the Hugoson amendment and the roll was called. There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frederick	Lieder	Omann	Stanius
Bennett	Frerichs	Limmer	Onnen	Steensma
Bertram	Girard	Lynch	Osthoff	Sviggum
Bishop	Gutknecht	Macklin	Ostrom	Swenson
Blatz	Hartle	Marsh	Ozment	Tompkins
Boo	Haukoos	McDonald	Pauly	Uphus
Carlson, D.	Heap	McPherson	Pellow	Valento
Dauner	Henry	Miller	Poppenhagen	Waltman
Dempsey	Himle	Morrison	Redalen	Wenzel
Dille	Hugoson	Olsen, S.	Richter	Winter
Dorn	Johnson, V.	Olson, E.	Schafer	
Forsythe	Knickerbocker	Olson, K.	Seaberg	

Those who voted in the negative were:

Abrams	Hasskamp	Krueger	Orenstein	Sarna
Battaglia	Jacobs	Lasley	Otis	Scheid
Bauerly	Janezich	Long	Pappas	Skoglund
Beard	Jaros	McEachern	Pelowski	Solberg
Begich	Jefferson	McGuire	Peterson	Sparby
Brown	Jennings	McLaughlin	Price	Trimble
Burger	Johnson, A.	Milbert	Pugh	Tunheim
Carlson, L.	Johnson, R.	Munger	Quinn	Vellenga
Carruthers	Kahn	Murphy	Reding	Wagenius
Conway	Kalis	Nelson, C.	Rest	Weaver
Cooper	Kelly	Nelson, K.	Rice	Welle
Dawkins	Kelso	Neuenschwander	Rodosovich	Wynia
Greenfield	Kinkel	O'Connor	Rukavina	Spk. Vanasek
Gruenes	Kostohryz	Ogren	Runbeck	

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

H. F. No. 1604, A bill for an act relating to economic development; clarifying the powers and duties of the Greater Minnesota Corporation; expanding auditing and reporting requirements; amending Minnesota Statutes 1988, sections 1160.02, by adding a subdivision; 1160.03, subdivision 1, and by adding a subdivision; 1160.04, by adding a subdivision; 1160.05; 1160.06, subdivisions 1 and 5; 1160.08, subdivision 2; 1160.14; and 1160.15.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

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

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Pappas moved that her name be stricken as an author on H. F. No. 193. The motion prevailed.

Carlson, D., moved that the names of Clark, Osthoff and Jefferson be added as authors on H. F. No. 693. The motion prevailed.

Conway moved that H. F. No. 1668 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Trimble moved that H. F. No. 260 be recalled from the Committee on Labor-Management Relations and be re-referred to the Committee on Judiciary. The motion prevailed.

Carruthers moved that H. F. No. 670, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Winter moved that H. F. No. 1023, now on Technical General Orders, be re-referred to the Committee on Taxes. The motion prevailed.

McPherson moved that H. F. No. 814 be returned to its author. The motion prevailed.

McPherson moved that H. F. No. 1412 be returned to its author. 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 20, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

