

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1989

FIFTY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 19, 1989

The House of Representatives convened at 12:00 noon and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by the Reverend Nancy Brown of Diamond Lake Lutheran Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Neuenschwander was excused.

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

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

REPORTS OF CHIEF CLERK

Pursuant to Rules of the House, printed copies of H. F. No. 417 and S. F. Nos. 143, 491, 659, 895, 1377, 188, 1242, 1582, 1, 462, 542, 756, 1087 and 1122 have been placed in the members' files.

S. F. No. 143 and H. F. No. 777, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Cooper moved that the rules be so far suspended that S. F. No. 143 be substituted for H. F. No. 777 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 462 and H. F. No. 515, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bishop moved that the rules be so far suspended that S. F. No. 462 be substituted for H. F. No. 515 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 542 and H. F. No. 1023, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Winter moved that the rules be so far suspended that S. F. No. 542 be substituted for H. F. No. 1023 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 659 and H. F. No. 683, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lasley moved that the rules be so far suspended that S. F. No. 659 be substituted for H. F. No. 633 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 895 and H. F. No. 960, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Munger moved that the rules be so far suspended that S. F. No. 895 be substituted for H. F. No. 960 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1582 and H. F. No. 1726, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rest moved that the rules be so far suspended that S. F. No. 1582 be substituted for H. F. No. 1726 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 491 and H. F. No. 150, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ogren moved that the rules be so far suspended that S. F. No. 491 be substituted for H. F. No. 150 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 9, 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. 989, relating to trade practices; providing for payment to farm implement retailer by the manufacturer, wholesaler, or distributor who repurchases stock and inventory.

H. F. No. 1517, relating to local government; authorizing the city of St. Louis Park to change the name of the housing and redevelopment authority; permitting the recording of certain deeds.

H. F. No. 1440, relating to local government; requiring political subdivisions to request proposals for group insurance coverage.

H. F. No. 438, relating to courts; specifying the income standard for proceeding in forma pauperis.

H. F. No. 1069, relating to real property; providing that purchaser's right to cancel applies to condominiums created before August 1, 1980; providing that lien on real estate added in expansion of flexible condominiums does not affect existing condominiums.

H. F. No. 770, relating to state lands; directing conveyance of a certain tract in Beltrami county.

H. F. No. 655, relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Anoka county.

H. F. No. 930, relating to wild animals; removing authority to offer a bounty on rattlesnakes.

H. F. No. 1389, relating to Goodhue county; permitting the county to establish certain payment procedures.

H. F. No. 1131, relating to Olmsted county; authorizing certain appropriations for economic and agricultural development.

H. F. No. 1405, relating to liquor; requiring notice and hearing before liquor license fees are increased.

H. F. No. 1352, relating to intoxicating liquor; authorizing the city of Blaine to issue one additional on-sale license.

H. F. No. 1048, relating to vocational rehabilitation; requiring

that 51 percent of the members of the board of directors of centers for independent living are persons with disabilities; changing the membership of the Minnesota council for the blind.

H. F. No. 1416, relating to state lands; authorizing private conveyance of certain tax-forfeited land in Benton county.

H. F. No. 1459, relating to handicapped persons; permitting training of guide dogs in public accommodations.

H. F. No. 765, relating to the Western Lake Superior Sanitary District; authorizing the district to issue refunding obligations without redemption of outstanding obligations prior to maturity.

H. F. No. 1357, relating to taxation; liquor; changing the time limit for certain claims for refund.

H. F. No. 1498, 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.

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> <i>1989</i>	<i>Date Filed</i> <i>1989</i>
	989	76	13:30-May 9	May 9
	1517	80	13:33-May 9	May 9
628		83	13:34-May 9	May 9
1082		87	13:32-May 9	May 9
	1440	90	18:00-May 9	May 9
	438	94	13:34-May 9	May 9
695		97	18:10-May 9	May 9
	1069	98	18:12-May 9	May 9
	770	99	18:14-May 9	May 9
	655	100	18:16-May 9	May 9
	930	101	18:06-May 9	May 9
	1389	102	18:17-May 9	May 9
	1131	103	18:01-May 9	May 9
	1405	104	18:18-May 9	May 9
	1352	105	18:20-May 9	May 9
	1048	106	18:02-May 9	May 9
	1416	107	18:21-May 9	May 9
	1459	108	18:22-May 9	May 9
	765	109	18:23-May 9	May 9
	1357	110	18:24-May 9	May 9
	1498	111	18:14-May 9	May 9

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 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. 1387, relating to education; prohibiting certain punishment in schools.

H. F. No. 1589, relating to the city of Minneapolis; giving the city certain powers pertaining to the delivery of energy and environmental services; providing for combined hearings on improvements and assessments.

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. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1989</i>	<i>Date Filed 1989</i>
321		112	10:30-May 10	May 10
493		113	10:31-May 10	May 10
	1387	114	10:34-May 10	May 10
	1589	115	10:33-May 10	May 10

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 15, 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. 545, relating to natural resources; providing for the disposal of certain low-grade state-owned iron-bearing materials for construction or maintenance purposes.

H. F. No. 97, relating to crimes; requiring the court to order the preparation of a presentence investigation report in gross misdemeanor cases when requested by the prosecutor.

H. F. No. 627, relating to motor carriers; exempting rear-end dump trucks operated by private agricultural carriers between point of production and point of processing from requirements for rear-end protection.

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. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1989</i>	<i>Date Filed 1989</i>
	545	116	9:50-May 15	May 15
	97	117	9:52-May 15	May 15
	627	118	9:53-May 15	May 15
827		119	9:54-May 15	May 15
858		120	9:56-May 15	May 15
1258		121	9:58-May 15	May 15

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 15, 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. 593, relating to occupations and professions; allowing the board of electricity to issue citations for electrical violations.

H. F. No. 635, relating to credit unions; providing members with written notice regarding proposed bylaw amendments; clarifying requirements for credit unions to maintain reserve funds; allowing private insurance of member share and deposit accounts.

H. F. No. 955, relating to financial institutions; providing standards for determining transaction account service charges; permitting state banks to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules regard-

ing activities of banks and bank subsidiaries; permitting banks to perform clerical services at off-premises data processing and storage centers.

H. F. No. 279, relating to local government; permitting bank letters of credit in lieu of bonds in certain public work projects.

H. F. No. 774, relating to agriculture; changing voting rights in certain cooperative associations.

H. F. No. 1429, relating to licensure of ambulance services; establishing new standards.

H. F. No. 1492, relating to state parks; special permits for handicapped users.

H. F. No. 707, relating to horse racing; allowing a licensed racetrack to conduct pari-mutuel betting on televised races on days when races are not conducted at the licensed racetrack; allowing the licensed racetrack to commingle pari-mutuel pools with the sending racetrack; allowing a licensed racetrack to transmit telecasts of races it conducts to other racetracks.

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:

56th Day]

FRIDAY, MAY 19, 1989

6331

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1989</i>	<i>Date Filed 1989</i>
847		122	17:36-May 15	May 16
583		123	17:38-May 15	May 16
590		124	17:39-May 15	May 16
	593	126	17:40-May 15	May 16
	635	127	17:57-May 15	May 16
	955	129	17:58-May 15	May 16
886		130	17:41-May 15	May 16
281		131	17:43-May 15	May 16
	279	132	18:00-May 15	May 16
	774	133	17:45-May 15	May 16
	1429	134	17:55-May 15	May 16
	1492	137	17:48-May 15	May 16
	707	141	17:50-May 15	May 16

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 16, 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. 812, relating to insurance; life; allowing insurance policies to contain a rider providing for early payment of benefits.

H. F. No. 1626, relating to state lands; conveying easement for sanitary sewer to city of Cambridge.

H. F. No. 43, relating to state lands; authorizing St. Louis county to sell certain tax-forfeited lands bordering public waters.

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 Approved</i>	<i>Date Filed</i>
<i>No.</i>	<i>No.</i>	<i>Chapter No.</i>	<i>1989</i>	<i>1989</i>
	812	125	16:28-May 16	May 16
	1626	128	16:30-May 16	May 16
	43	135	16:31-May 16	May 16

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 16, 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. 804, relating to Chisago county; permitting the cancellation of certain ditch assessments and providing for the allocation of others.

H. F. No. 390, relating to appropriations; requiring recommendations of the legislative advisory commission to be made at a meeting of the commission except in certain circumstances.

H. F. No. 218, relating to motor vehicles; defining terms; including station wagon and certain passenger-carrying vans as passenger automobiles for all purposes; providing for registration of certain vehicles; requiring commissioner of public safety to conduct background study on applicant for school bus endorsement.

H. F. No. 1077, relating to state lands; authorizing conveyance of state land to the city of St. Peter.

H. F. No. 1411, relating to cooperatives; recodifying and clarifying certain provisions on cooperative businesses; amending certain provisions of cooperative business law; requiring a registered officer or agent for cooperatives; authorizing cooperatives to provide greater approval proportions than provided in statute for certain cooperative actions; providing corporate existence of cooperative begins with filing of articles; authorizing loans to and fiduciary powers with members; specifying how vacancies in unexpired directors' terms may be filled; authorizing the board to rescind membership for member violations; eliminating certain filings with county recorders; eliminating attorney general approval of articles of merger or consolidation; prescribing a fee for filing articles of consolidation; prescribing a procedure for dissolution of cooperatives; deeming certain organized cooperatives to be organized under and subject to this act.

H. F. No. 832, relating to Ramsey county; authorizing the use of certain property for a public library.

H. F. No. 942, relating to metropolitan government; extending the responsibility of the mosquito control district to disease vectoring ticks.

H. F. No. 931, relating to motor vehicles; requiring owner to retain certificate of title, rather than secured party; requiring buyer to

deliver certificate of title to department of public safety; requiring a form for disclosure of the condition of a vehicle's pollution control equipment on the certificate of title; allowing commissioner of public safety to suspend or revoke certificate of title if owner does not surrender it and vehicle is involuntarily transferred.

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. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1989</i>	<i>Date Filed 1989</i>
	804	138	16:32-May 16	May 17
	390	139	18:22-May 16	May 17
	218	140	18:24-May 16	May 17
	1077	142	16:25-May 16	May 17
	1411	144	18:20-May 16	May 17
	832	145	18:27-May 16	May 17
	942	146	18:28-May 16	May 17
	931	148	18:32-May 16	May 17
1269		149	18:36-May 16	May 17

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 143, 462, 542, 659, 895, 1582 and 491 were read for the second time.

**INTRODUCTION AND FIRST READING
OF HOUSE BILLS**

The following House Files were introduced:

Bishop and Welle introduced:

H. F. No. 1776, A bill for an act relating to taxation; sales; reducing the general rate; restricting the exemption for clothing; permitting cities and counties to impose general sales taxes; amending Minnesota Statutes 1988, sections 297A.02, subdivision 1; 297A.25, subdivision 8; and 469.190, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 477A.

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

Runbeck; Johnson, A.; Pelowski; Pellow and Simoneau introduced:

H. F. No. 1777, A bill for an act relating to manufactured home park rentals; providing for the office of ombudsman; proposing coding for new law in Minnesota Statutes, chapter 327C.

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

Poppenhagen introduced:

H. F. No. 1778, A bill for an act relating to insurance; regulating midterm cancellations of commercial property insurance; amending Minnesota Statutes 1988, section 60A.36, by adding a subdivision.

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

Lieder introduced:

H. F. No. 1779, A bill for an act relating to environment; requiring an environmental impact statement for over-the-horizon backscatter central radar receiver systems; prescribing criteria.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Schafer; Pugh; Begich; Carlson, D., and Redalen introduced:

H. A. No. 16, A proposal to examine liability relating to recreational vehicles on public lands.

The advisory was referred to the Committee on Judiciary.

Skoglund introduced:

H. A. No. 17, A proposal to study the problem of uninsured drivers.

The advisory was referred to the Committee on Insurance.

Welle, Kalis, Seaberg, Lieder and Morrison introduced:

H. A. No. 18, A proposal to study taxation of trucks based on weight and distance.

The advisory was referred to the Committee on Transportation.

Jacobs and Beard introduced:

H. A. No. 19, A proposal to study telephone service deregulation as relating to antitrust law and consumer protection.

The advisory was referred to the Committee on Regulated Industries.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 907, A bill for an act relating to public safety; providing for authority to regulate pipelines; imposing penalties; amending Minnesota Statutes 1988, sections 116L.01, subdivision 3; 116L.05;

216D.01, subdivisions 9, 10, and by adding a subdivision; 299F.56, subdivisions 5 and 6a; 299F.57; 299F.59, subdivision 1; 299F.60; 299F.61; 299F.62; 299F.63; 299F.631; 299F.641; 299J.01; 299J.03, subdivision 2; 299J.04; 299J.05; 299J.06, subdivision 2; 299J.08; 299J.10; 299J.11; 299J.12; and 299J.16; proposing coding for new law in Minnesota Statutes, chapter 216D; repealing Minnesota Statutes 1988, section 299J.09.

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. 1697, A bill for an act relating to traffic regulations; prohibiting the towing of motor vehicles for traffic violations for a period of four hours except under certain circumstances; providing a mechanic's lien for those who tow a vehicle at the direction of a law enforcement officer; amending Minnesota Statutes 1988, section 514.18, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carruthers moved that the House concur in the Senate amendments to H. F. No. 1697 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1697, A bill for an act relating to traffic regulations; prohibiting the towing of motor vehicles for traffic violations for a period of four hours except under certain circumstances; providing a mechanic's lien for those who tow a vehicle at the direction of a law enforcement officer; amending Minnesota Statutes 1988, section 514.18, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

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

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

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. 415, A bill for an act relating to agriculturally derived ethyl alcohol; clarifying eligibility for producer payments; defining terms; amending Minnesota Statutes 1988, section 41A.09, subdivisions 2 and 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Sviggum moved that the House concur in the Senate amendments to H. F. No. 415 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 415, A bill for an act relating to agriculturally derived ethyl alcohol; clarifying eligibility for producer payments; defining terms; amending Minnesota Statutes 1988, section 41A.09, subdivisions 2 and 3.

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 126 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Beard	Johnson, R.	McEachern	O'Connor	Sarna
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The bill was repassed, as amended by the Senate, and its title agreed to.

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. 611, A bill for an act relating to insurance; regulating agent licensing; regulating Medicare supplement plans; modifying required levels of coverages; prescribing penalties; amending Minnesota Statutes 1988, sections 60A.17, subdivision 6c, and by adding a subdivision; 62A.31, subdivisions 1 and 2; 62A.41; 62D.104; 62D.121, subdivision 3; 62D.181, subdivision 4; 62E.07; and 62E.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1988, sections 62A.32;

62A.33; 62A.34; 62A.35; and Minnesota Rules, part 2795.0900.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Skoglund moved that the House concur in the Senate amendments to H. F. No. 611 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 611, A bill for an act relating to insurance; regulating agent licensing; regulating Medicare supplement plans; modifying required levels of coverages; amending Minnesota Statutes 1988, sections 60A.17, subdivision 6c, and by adding a subdivision; 62A.31, subdivisions 1 and 2; 62A.41; 62D.104; 62D.121, subdivision 3; 62D.181, subdivision 4; 62E.07; and 62E.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62A; repealing Minnesota Statutes 1988, sections 62A.32; 62A.33; 62A.34; and 62A.35.

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

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

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. 450, A bill for an act relating to state lands; authorizing additions and deletions from certain state parks; authorizing non-park use of certain state parks; authorizing sale and conveyance of certain state park lands; authorizing acquisition of certain land for road purposes; repealing Minnesota Statutes 1988, section 85.012, subdivision 39.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

McGuire moved that the House concur in the Senate amendments to H. F. No. 450 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 450, A bill for an act relating to state lands; authorizing additions and deletions from certain state parks; authorizing non-park use of certain state parks; authorizing sale and conveyance of certain state park lands; authorizing acquisition of certain land for road purposes; providing for the establishment of Grand Portage State Park; appropriating money; amending Minnesota Statutes 1988, section 85.012, subdivision 27a, and by adding a subdivision; repealing Minnesota Statutes 1988, section 85.012, subdivision 39.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Conway	Frerichs	Henry
Anderson, G.	Blatz	Cooper	Girard	Himle
Anderson, R.	Boo	Dauner	Greenfield	Hugoson
Battaglia	Brown	Dawkins	Gruenes	Jacobs
Bauerly	Burger	Dempsey	Gutknecht	Janezich
Beard	Carlson, D.	Dille	Hartle	Jaros
Begich	Carlson, L.	Dorn	Hasskamp	Jefferson
Bennett	Carruthers	Forsythe	Haukoos	Jennings
Bertram	Clark	Frederick	Heap	Johnson, A.

Johnson, R.	McEachern	Orenstein	Rodosovich	Tompkins
Johnson, V.	McGuire	Osthoff	Rukavina	Trimble
Kahn	McLaughlin	Ostrom	Runbeck	Tunheim
Kalis	McPherson	Otis	Sarna	Uphus
Kelly	Milbert	Ozment	Schafer	Valento
Kelso	Miller	Pappas	Scheid	Vellenga
Kinkel	Morrison	Pauly	Schreiber	Wagenius
Knickerbocker	Munger	Pellow	Seaberg	Waltman
Kostohryz	Murphy	Pelowski	Segal	Weaver
Krueger	Nelson, C.	Peterson	Simoneau	Welle
Lasley	Nelson, K.	Poppenhagen	Skoglund	Wenzel
Lieder	O'Connor	Price	Solberg	Williams
Limmer	Ogren	Pugh	Sparby	Winter
Long	Olsen, S.	Redalen	Stanjus	Wynia
Lynch	Olson, E.	Reding	Steensma	Spk. Vanasek
Macklin	Olson, K.	Rest	Sviggum	
Marsh	Omann	Rice	Swenson	
McDonald	Onnen	Richter	Tjornhom	

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

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. 1283, A bill for an act relating to insurance; property and casualty; regulating policy provisions, forms, nonrenewals, coverages; regulating trade practices in these and other lines; regulating the Minnesota joint underwriting association; making certain technical changes; amending Minnesota Statutes 1988, sections 60A.02, by adding a subdivision; 60A.08, by adding a subdivision; 60A.17, subdivision 6c; 60A.198, subdivision 3; 62I.02, subdivision 2; 62I.16, subdivision 3; 65A.29, subdivision 8, and by adding subdivisions; 65A.33, subdivision 3; 65B.15, subdivision 1; 65B.44, subdivision 3; 65B.525, subdivision 1; 72A.20, subdivision 17, and by adding subdivisions; 72A.201, subdivision 5, and by adding subdivisions; and 79.251, by adding a subdivision; repealing Minnesota Statutes 1988, section 62I.12; and Minnesota Rules, part 2780.2700.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Winter moved that the House concur in the Senate amendments to H. F. No. 1283 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1283, A bill for an act relating to insurance; property and casualty; regulating policy provisions, forms, nonrenewals, coverages; regulating trade practices in these and other lines; regulating

the Minnesota joint underwriting association; making certain technical changes; amending Minnesota Statutes 1988, sections 60A.02, by adding a subdivision; 60A.08, subdivision 12, and by adding a subdivision; 60A.09, subdivision 1; 60A.17, subdivision 6c; 60A.198, subdivision 3; 62I.02, subdivision 2; 62I.16, subdivision 3; 65A.29, subdivision 8, and by adding subdivisions; 65A.33, subdivision 3; 65B.15, subdivision 1; 65B.44, subdivision 3; 65B.49, subdivision 5a; 65B.525, subdivision 1; 72A.20, subdivision 17, and by adding subdivisions; 72A.201, subdivision 5, and by adding subdivisions; and 79.251, by adding a subdivision; repealing Minnesota Statutes 1988, section 62I.12; and Minnesota Rules, part 2780.2700.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 299, A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1988, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Messrs. Merriam, Bernhagen and Berg.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rukavina moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 299. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 299:

Rukavina; Carlson, D., and Munger.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 700

A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another person for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

May 16, 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. 700, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment adopted May 1, 1989, and that the Senate recede from the amendment adopted May 5, 1989, and that H. F. No. 700 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.2231, is amended by adding a subdivision to read:

Subd. 4. [ASSAULTS MOTIVATED BY BIAS.] (a) Whoever assaults another because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever violates the provisions of paragraph (a) within five years of a previous conviction under paragraph (a) is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both.

Sec. 2. Minnesota Statutes 1988, section 609.595, is amended by adding a subdivision to read:

Subd. 1a. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND DEGREE.] (a) Whoever intentionally causes damage described in subdivision 2, paragraph (a), because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin is guilty of a felony and may be sentenced to imprisonment for not more than one year and a day or to payment of a fine of not more than \$3,000, or both.

(b) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 3. Minnesota Statutes 1988, section 609.595, subdivision 2, is amended to read:

Subd. 2. [CRIMINAL DAMAGE TO PROPERTY IN THE SECOND THIRD DEGREE.] (a) Except as otherwise provided in section 2, whoever intentionally causes damage to another person's physical property without the other person's consent may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by more than \$250 but not more than \$500 as measured by the cost of repair and replacement.

(b) Whoever intentionally causes damage to another person's physical property without the other person's consent because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by not more than \$250.

(c) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that clause paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

Sec. 4. Minnesota Statutes 1988, section 609.595, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL DAMAGE TO PROPERTY IN THE THIRD FOURTH DEGREE.] Whoever intentionally causes damage described in subdivision 2 under any other circumstances is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1988, section 609.605, is amended by adding a subdivision to read:

Subd. 3. [TRESPASSES MOTIVATED BY BIAS.] Whoever commits an act described in subdivision 1, clause (13), because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 6. Minnesota Statutes 1988, section 609.746, is amended by adding a subdivision to read:

Subd. 3. [INTRUSION ON PRIVACY; AGGRAVATED VIOLATION.] Whoever commits an act described in subdivision 2 because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 7. Minnesota Statutes 1988, section 609.79, is amended by adding a subdivision to read:

Subd. 1a. [OBSCENE OR HARASSING TELEPHONE CALLS; AGGRAVATED VIOLATIONS.] (a) Whoever commits an act described in subdivision 1 because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever commits an act described in subdivision 1 by falsely impersonating another with intent to harass, abuse, or threaten that person or another, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 8. Minnesota Statutes 1988, section 609.795, is amended to read:

609.795 [LETTER, TELEGRAM, OR PACKAGE; OPENING; HARASSMENT.]

Subdivision 1. [MISDEMEANORS.] Whoever does any of the following is guilty of a misdemeanor:

(1) knowing that the actor does not have the consent of either the sender or the addressee, intentionally opens any sealed letter, telegram, or package addressed to another; or

(2) knowing that a sealed letter, telegram, or package has been opened without the consent of either the sender or addressee, intentionally publishes any of the contents thereof; or

(3) with the intent to harass, abuse, or threaten, repeatedly uses the mails or delivers letters, telegrams, or packages.

Subd. 2. [GROSS MISDEMEANORS.] (a) Whoever commits an act described in subdivision 1, clause (3), because of the victim's or

another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363.01, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever commits an act described in subdivision 1, clause (3), by falsely impersonating another with intent to harass, abuse, or threaten that person or another, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 9. Minnesota Statutes 1988, section 626.5531, subdivision 2, is amended to read:

Subd. 2. [USE OF INFORMATION COLLECTED.] The head of a local law enforcement agency or state law enforcement department that employs peace officers licensed under section 626.843 must file a monthly report describing crimes reported under this section with the department of public safety, bureau of criminal apprehension. The commissioner of public safety must summarize and analyze the information received and file an annual report with the department of human rights and the legislature. The commissioner may include information in the annual report concerning any additional criminal activity motivated by bias that is not covered by this section.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 8 are effective August 1, 1989, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; authorizing the commissioner of public safety to report on additional bias-motivated criminal activity not covered by the bias crime reporting law; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; 609.795; and 626.5531, subdivision 2."

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

House Conferees: LEE GREENFIELD AND RICHARD H. JEFFERSON.

Senate Conferees: LINDA BERGLIN, ALLAN H. SPEAR AND HOWARD A. KNUTSON.

Greenfield moved that the report of the Conference Committee on H. F. No. 700 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 700, A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

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 99 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Kelly	Olson, K.	Sarna
Anderson, G.	Forsythe	Kelso	Orenstein	Seaberg
Anderson, R.	Frederick	Knickerbocker	Ostrom	Segal
Battaglia	Girard	Kostohryz	Otis	Simoneau
Begich	Greenfield	Krueger	Ozment	Skoglund
Bennett	Gruenes	Lasley	Pappas	Solberg
Bishop	Hartle	Lieder	Pauly	Stanius
Boo	Hasskamp	Long	Pellow	Stensma
Brown	Heap	Marsh	Pelowski	Swenson
Burger	Himle	McGuire	Peterson	Trimble
Carlson, D.	Jacobs	McLaughlin	Price	Tunheim
Carlson, L.	Janezich	Morrison	Pugh	Vellenga
Carruthers	Jaros	Munger	Quinn	Wagenius
Clark	Jefferson	Murphy	Redalen	Weaver
Conway	Jennings	Nelson, C.	Reding	Welle
Cooper	Johnson, A.	Nelson, K.	Rest	Williams
Dauner	Johnson, R.	O'Connor	Rice	Winter
Dawkins	Johnson, V.	Ogren	Rodosovich	Wynia
Dempsey	Kahn	Olson, S.	Rukavina	Spk. Vanasek
Dille	Kalis	Olson, E.	Runbeck	

Those who voted in the negative were:

Bauerly	Frerichs	Hugoson	Macklin	Omann
Beard	Gutknecht	Kinkel	McDonald	Onnen
Bertram	Haukoos	Limmer	McPherson	Poppenhagen
Blatz	Henry	Lynch	Miller	Richter

Schafer
Schreiber

Sparby
Sviggum

Tjornhom
Tompkins

Uphus
Valento

Waltman
Wenzel

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1016

A bill for an act relating to juvenile justice; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

May 18, 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. 1016, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment adopted pursuant to Rule 49, May 2, 1989, and that H. F. No. 1016 be further amended as follows:

(The text of the amended House File is identical to S. F. No. 1266.)

Page 4, after line 24, insert:

"(c) If the adjudicated petty offender has a driver's license or permit, the court may suspend the driver's license or permit for a period of up to 90 days, but may allow the offender driving privileges as necessary to travel to and from work."

Page 4, line 25, delete "(c)" and insert "(d)"

Page 4, after line 33, insert:

"Sec. 4. Minnesota Statutes 1988, section 332.51, subdivision 3, is amended to read:

Subd. 3. [LIABILITY OF PARENT OR GUARDIAN.] The provisions of Section 540.18 apply applies to this section, except that recovery is not limited to special damages."

Page 4, line 34, delete "4" and insert "5"

Page 5, line 2, delete "5" and insert "6"

Page 5, line 3, delete "3" and insert "4"

Page 5, line 4, after the period, insert "Section 5 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "clarifying parental liability for theft by minors;"

Page 1, line 11, after the semicolon, insert "and 332.51, subdivision 3;"

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

House Conferees: CONNIE MORRISON, RANDY C. KELLY AND THOMAS W. PUGH.

Senate Conferees: RICHARD J. COHEN, ALLAN H. SPEAR AND GARY W. LAIDIG.

Morrison moved that the report of the Conference Committee on H. F. No. 1016 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1016, A bill for an act relating to juvenile justice; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 133 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	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pappas	Stanisus
Begich	Hasskamp	Macklin	Pauly	Steensma
Bennett	Haukoos	Marsh	Pellow	Sviggum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Conway	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kahis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omman	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 245

A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, subdivision 2.

May 17, 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. 245, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: LOREN G. JENNINGS, BOB NEUENSCHWANDER AND DENNIS OZMENT.

Senate Conferees: LEROY A. STUMPF AND GREGORY L. DAHL.

Jennings moved that the report of the Conference Committee on H. F. No. 245 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 245, A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, subdivision 2.

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

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE REPORT ON 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.

May 17, 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. 826, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 826 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 13.84, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC BENEFIT DATA.] The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to: (1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; ~~or~~; and (2) criminal acts or delinquent acts to the victim victims of a criminal act where or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution. In the case of delinquent acts, the data that may be released include only the juvenile's name, address, date of birth, and place of employment; the name and address of the juvenile's parents or guardians; and the factual part of police reports related to the investigation of the delinquent act.

Sec. 2. Minnesota Statutes 1988, section 260.161, subdivision 2, is amended to read:

Subd. 2. Except as provided in this subdivision and in subdivision 1, and except for legal records arising from proceedings that are public under section 260.155, subdivision 1, none of the records of the juvenile court and none of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed

except (a) by order of a court or (b) as required by sections 611A.03, 611A.04, and 611A.06. The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. Court services data relating to delinquent acts that are contained in records of the juvenile court may be released as allowed under section 13.84, subdivision 5a. This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260.255, 260.261, or 260.315 when the proceeding involves an adult defendant. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95."

Amend the title as follows:

Page 1, line 4, delete "law enforcement"

Page 1, line 5, after "purposes" insert "of victim restitution"

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

House Conferees: CHARLIE WEAVER, RANDY C. KELLY AND SANDY PAPPAS.

Senate Conferees: GENE MERRIAM, FRITZ KNAAK AND RANDOLPH W. PETERSON.

Weaver moved that the report of the Conference Committee on H. F. No. 826 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1160

A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

May 17, 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. 1160, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1160 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [124.85] [ENERGY EFFICIENCY PROJECTS.]

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

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

(1) Insulation of the building structure and systems within the building;

(2) Storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(3) Automatic energy control systems;

(4) Heating, ventilating, or air conditioning system modifications or replacements;

(5) Replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(6) Energy recovery systems;

(7) Cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(8) Energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed ten years from the date of final installation, and the

savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the school district for its faithful performance.

Subd. 2. [ENERGY EFFICIENCY CONTRACT.] Notwithstanding any law to the contrary, a school district may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

Before entering into a contract under this subdivision, the board shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

Before installation of equipment, modification, or remodeling, the qualified provider shall first issue a report, summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates of the amounts by which energy or operating costs will be reduced.

Subd. 3. [CONTRACT PROVISIONS.] Guaranteed energy savings contracts that include a written guarantee that savings will meet or exceed the cost of energy conservation measures is not subject to competitive bidding requirements. The contract is not subject to section 123.37 or 471.345.

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ten years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ten years.

Subd. 5. [INSTALLATION CONTRACTS.] A school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than one-tenth of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a ten-year term from the date of the first operation.

Subd. 6. [CONTRACT CONTINUANCE.] Guaranteed energy savings contracts may extend beyond the fiscal year in which they become effective. The school district shall include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed energy savings contracts during the year. Failure of a board to make such an appropriation does not affect the validity of the guaranteed energy savings contract or the school district's obligations under the contracts.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to education; allowing school districts to enter into certain contracts to reduce energy and operating costs; proposing coding for new law in Minnesota Statutes, chapter 124."

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

House Conferees: JERRY J. BAUERLY, MARY JO MCGUIRE AND BERNIE OMANN.

Senate Conferees: DAVID J. FREDERICKSON, JAMES C. PEHLER AND FRITZ KNAAK.

Bauerly moved that the report of the Conference Committee on H. F. No. 1160 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1160, A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 166

A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b, and by adding a subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

May 18, 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. 166, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments and that H. F. No. 166 be further amended as follows:

Page 2, after line 7, insert:

"Sec. 3. [65B.135] [LIMOUSINE INSURANCE.]

An insurer who provides insurance for limousines, defined in section 168.011, subdivision 35, shall provide insurance in a minimum aggregate amount of \$300,000 per accident for each limousine covered."

Page 2, line 24, after "drivers" insert "and certification by the owner that an insurance policy in an aggregate amount of \$300,000 per accident is in effect for the entire period of the registration under section 3"

Page 4, after line 20, insert:

"Sec. 9. Minnesota Statutes 1988, section 221.031, subdivision 2a, is amended to read:

Subd. 2a. [PRIVATE AGRICULTURAL CARRIERS.] (a) Notwithstanding the provisions of subdivision 2, private carriers engaged in intrastate commerce and operating vehicles transporting agricultural and other farm products within an area having a 50-mile radius from the business location of the private carrier must comply only with the commissioner's rules for safety of operations and equipment, except as provided in paragraph (b).

(b) A rear-end dump truck or other rear-unloading truck while being used for hauling agricultural and other farm products from a place of production or on-farm storage site to a place of processing or storage, is not subject to any rule of the commissioner, including a federal regulation adopted by reference, requiring rear-end protection."

Renumber the sections in sequence

Correct internal references

Amend the title:

Page 1, line 5, after "registration" insert "and insurance"

Page 1, line 16, after the semicolon insert "exempting farm trucks from rear-end protection requirements;"

Page 1, line 20, delete the first "subdivision" and insert "subdivisions 2a and"

Page 1, line 24, delete "chapter" and insert "chapters 65B and"

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

House Conferees: HAROLD LASLEY, PETER RODOSOVICH AND JOYCE HENRY.

Senate Conferees: STEVEN G. NOVAK, PHYLLIS W. MCQUAID AND MARILYN M. LANTRY.

Lasley moved that the report of the Conference Committee on H. F. No. 166 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 166, A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b, and by adding a subdivision; and 221.60, by adding a

subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 95

A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sec-

tions 345.48, subdivision 1; 609.101, subdivision 2; 611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.54.

May 10, 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. 95, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 95 be further amended as follows:

Page 3, delete lines 11 to 14

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

House Conferees: DAVID T. BISHOP, RANDY C. KELLY AND KATHLEEN VELLENGA.

Senate Conferees: DONNA C. PETERSON, DONALD M. MOE AND WILLIAM V. BELANGER, JR.

Bishop moved that the report of the Conference Committee on H. F. No. 95 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 95, A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sections 345.48, subdivision 1; 609.101, subdivision 2; 611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.54.

The 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 133 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	Long	Ozment	Sparby
Beard	Hartle	Lynch	Pappas	Stanisus
Begich	Hasskamp	Macklin	Pauly	Steenma
Bennett	Haukoos	Marsh	Pellow	Swiggum
Bertram	Heap	McDonald	Pelowski	Swenson
Bishop	Henry	McEachern	Peterson	Tjornhom
Blatz	Himle	McGuire	Poppenhagen	Tompkins
Boo	Hugoson	McLaughlin	Price	Trimble
Brown	Jacobs	McPherson	Pugh	Tunheim
Burger	Janezich	Milbert	Quinn	Uphus
Carlson, D.	Jaros	Miller	Redalen	Valento
Carlson, L.	Jefferson	Morrison	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Waltman
Conway	Johnson, R.	Nelson, C.	Richter	Weaver
Cooper	Johnson, V.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Rukavina	Wenzel
Dawkins	Kalis	Ogren	Runbeck	Williams
Dempsey	Kelly	Olsen, S.	Sarna	Winter
Dille	Kelso	Olson, E.	Schafer	Wynia
Dorn	Kinkel	Olson, K.	Scheid	Spk. Vanasek
Forsythe	Knickerbocker	Omann	Schreiber	
Frederick	Kostohryz	Onnen	Seaberg	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1435

A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

May 18, 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. 1435, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: RICHARD KRUEGER, JOEL JACOBS AND BOB ANDERSON.

Senate Conferees: DON ANDERSON, DAVID J. FREDERICKSON AND CHARLES A. BERG.

Krueger moved that the report of the Conference Committee on H. F. No. 1435 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1435, A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 811

A bill for an act relating to natural resources; changing certain

provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

May 17, 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. 811, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: THOMAS W. PUGH, BOB JOHNSON AND CHARLIE WEAVER

Senate Conferees: CHARLES A. BERG, PAT PIPER AND DENNIS R. FREDERICKSON.

Pugh moved that the report of the Conference Committee on H. F. No. 811 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 811, A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams
Anderson, G.

Anderson, R.
Battaglia

Bauerly
Beard

Begich
Bennett

Bertram
Bishop

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

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

CONFERENCE COMMITTEE REPORT ON 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.

May 17, 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. 1285, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1285 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 13.71, is amended by adding a subdivision to read:

Subd. 6. [DATA ON ENROLLEES OF MCHA.] The names and addresses of enrollees of the comprehensive health association maintained by or submitted to the department of commerce are private data.

Sec. 2. Minnesota Statutes 1988, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; DUTIES; TAX EXEMPTION:] (a) There is established a comprehensive health association.

(b) The comprehensive health association shall:

(1) oversee the operation and management of the state plan;

(2) ensure that costs associated with the delivery of health care services to persons covered under the state plan, including both the costs of claims and the direct and indirect expenses of administration, and the costs arising out of the association's performance of its functions and obligations, are effectively and responsibly controlled;

(3) establish, through innovative cost and quality control programs including, to the extent feasible, programs providing for the use of health care outcomes and other data in the choice and regulation of health care services, mechanisms to ensure that cost controls do not have a significant negative impact on the access to services or the quality or effectiveness of health care services actually provided to enrollees; and

(4) to promote the public health and welfare of the state of Minnesota with.

(c) The membership consisting of all the comprehensive health association consists of insurers, self-insurers, fraternal, and health maintenance organizations licensed or authorized to do business in this state.

(d) The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Sec. 3. Minnesota Statutes 1988, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] (a) The board of directors of the association shall be made up of nine members as follows: five insurer directors selected by participating members, subject to approval by the commissioner; four public directors selected by the commissioner. Public members may include licensed insurance agents.

(b) The public members of the board shall be compensated at the rate of at least \$35 per day spent on board activities, when authorized by the board, plus expenses in the same manner and amount as authorized by the commissioner of employee relations' plan adopted under section 43A.18, subdivision 2. Compensation under this subdivision must be paid by the association.

(c) In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, or health maintenance contract payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner.

(d) In approving directors of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. Insurer directors may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 4. Minnesota Statutes 1988, section 62E.10, subdivision 2a, is amended to read:

Subd. 2a. [APPEALS.] A person may appeal to the commissioner within 30 days after notice of an action, ruling, or decision by the board. If the appeal relates to an action taken by the writing carrier, the person must first exhaust the writing carrier's internal grievance process before appealing to the commissioner, except in emergency or life-threatening situations. If the internal grievance process is not concluded within 45 days after it is commenced, the person may appeal to the commissioner before the internal process has been exhausted.

A final action or order of the commissioner under this subdivision is subject to judicial review in the manner provided by chapter 14.

In lieu of the appeal to the commissioner, a person may seek judicial review of the board's action.

Sec. 5. Minnesota Statutes 1988, section 62E.10, subdivision 7, is amended to read:

Subd. 7. [GENERAL POWERS.] The association may:

(a) Exercise the powers granted to insurers under the laws of this state;

(b) Sue or be sued;

(c) Enter into contracts with insurers, similar associations in other states or with other persons for the performance of administrative functions including the functions provided for in clauses (e) and (f);

(d) Establish administrative and accounting procedures for the operation of the association;

(e) Provide for the reinsuring of risks incurred as a result of issuing the coverages required by sections 62E.04 and 62E.16 by members of the association. Each member which elects to reinsure its required risks shall determine the categories of coverage it elects to reinsure in the association. The categories of coverage are:

(1) Individual qualified plans, excluding group conversions;

(2) Group conversions;

(3) Group qualified plans with fewer than 50 employees or members; and

(4) Major medical coverage.

A separate election may be made for each category of coverage. If a member elects to reinsure the risks of a category of coverage, it must reinsure the risk of the coverage of every life covered under every policy issued in that category. A member electing to reinsure risks of a category of coverage shall enter into a contract with the association establishing a reinsurance plan for the risks. This contract may include provision for the pooling of members' risks reinsured through the association and it may provide for assessment of each member reinsuring risks for losses and operating and administrative expenses incurred, or estimated to be incurred in the operation of the reinsurance plan. This reinsurance plan shall be approved by the commissioner before it is effective. Members electing to administer the risks which are reinsured in the association shall comply with the benefit determination guidelines and accounting procedures established by the association. The fee charged by the association for the reinsurance of risks shall not be less than 110 percent of the total anticipated expenses incurred by the association for the reinsurance; and

(f) Provide for the administration by the association of policies which are reinsured pursuant to clause (e). Each member electing to reinsure one or more categories of coverage in the association may elect to have the association administer the categories of coverage on the member's behalf. If a member elects to have the association administer the categories of coverage, it must do so for every life

covered under every policy issued in that category. The fee for the administration shall not be less than 110 percent of the total anticipated expenses incurred by the association for the administration;

(g) Notwithstanding the usual and customary charge requirement under section 62E.06, subdivision 1, establish a fee schedule for payments for services covered by the comprehensive health insurance plan according to section 7;

(h) Provide for the assignment of benefits on the terms and subject to the conditions the association determines are appropriate; and

(i) Provide for the development of new methods to allow the enrollee to participate in the choice and regulation of the enrollee's own health care in accordance with the principle that participation by the health care consumer in decisions affecting care is an effective means of ensuring that the health care services actually rendered are necessary, low in cost, and reasonably effective.

Sec. 6. Minnesota Statutes 1988, section 62E.10, subdivision 9, is amended to read:

Subd. 9. [STUDIES, DEMONSTRATION PROJECTS, AND EXPERIMENTAL DELIVERY METHOD SYSTEMS.] The association may petition the commissioner of commerce for a waiver to allow the experimental use of alternative means of health care delivery. The commissioner may approve the use of the alternative means the commissioner considers appropriate. The commissioner may waive any of the requirements of this chapter and chapters 60A, 62A, and 62D in granting the waiver. The commissioner may also grant to the association any additional powers as are necessary to facilitate the specific waiver, including the power to implement a provider payment schedule.

This subdivision is effective until August 1, 1990.

The commissioner of commerce in consultation with the governor's commission on health plan regulatory reform shall study and report to the legislature by January 15, 1989, on the current means utilized to finance the annual operating deficits incurred under the association. In conducting the study, the commissioner shall analyze any negative financial impacts which the current deficits are having on the contributing members of the association and recommend alternative sources of funding or other approaches which could be utilized to finance the operating deficit. The study shall also address the current association funding inequities between employers which self-insure for employee health benefit coverage and those employers which have health coverage subject to state regulation. The association shall conduct studies, demonstration projects, and experimental delivery systems the association considers appropriate

to give effect to the principles in section 62E.10, subdivisions 1, paragraph (b), and 7, paragraph (i). The studies, demonstration projects, and experimental delivery systems may be administered by the writing carrier or by third parties the association in its discretion considers most likely to achieve its purposes. The writing carrier, as a condition of its acceptance of a contract to provide comprehensive health insurance, shall agree to provide data and information for studies and demonstration projects and other experimental delivery systems the association considers appropriate in discharging its obligations under this section. The association may petition the commissioner of commerce for, and the commissioner may grant, a waiver of any of the requirements of this chapter and chapters 60A, 62A, and 62D, to allow the experimental use of alternative health delivery systems.

Sec. 7. Minnesota Statutes 1988, section 62E.10, is amended by adding a subdivision to read:

Subd. 10. [FEE SCHEDULE.] (a) The association shall establish a fee schedule for payments for services and articles covered by the comprehensive health insurance plan, subject to applicable copayments and deductibles. The fee schedule must be designed to reduce the amount paid for services rendered under the plan without substantially reducing the access to services or quality of services. The fee schedule must be established no later than January 1, 1990. In determining the fee schedule, the association must consider, in addition to other relevant factors, a weighted average of the following payments made to providers in the seven-county Minneapolis-St. Paul metropolitan area:

- (1) payments made under the medical assistance program;
- (2) payments made under the Medicare program;
- (3) payments made by the two largest contributing members of the association;
- (4) workers' compensation payments; and
- (5) payments by commercial insurers according to the most recent compilation of data regarding prevailing hospital, surgical, and dental charges conducted by the Health Insurance Association of America.

(b) A proposed fee schedule established under paragraph (a) must be published in the State Register along with notice of a public hearing on the fee schedule and solicitation of public comment on the fee schedule. Following the public hearing and comment period, the final fee schedule must be published in the State Register and is effective 30 days after publication.

(c) The association and the writing carrier must not reduce payments for services below approved plan benefit provisions prior to the establishment of a fee schedule under this section.

(d) Information provided for purposes of establishing a fee schedule under paragraph (a) is nonpublic, trade secret information as defined in section 13.37, subdivision 1, paragraph (b), and shall be provided directly to an agent selected by the association for the purposes of determining the fee schedule required under paragraph (a). The detailed payment information used in developing the fee schedule shall not be disclosed by the agent unless directed by a unanimous vote of the association board of directors. When the fee schedule has been determined by the association, the payment information shall be destroyed or returned to the entity which provided the information, if so requested. The association or its agent may not disclose any information, formulas, or calculations relating to the fee schedule that would result in the direct or indirect release of the information described in paragraph (a), clause (3).

(e) As a condition of receiving a payment from the association or enrollee for services or articles covered by the plan, a provider shall be deemed to have agreed not to charge to or collect from the enrollee any amount in excess of the fee schedule.

Sec. 8. Minnesota Statutes 1988, section 62E.12, is amended to read:

62E.12 [MINIMUM BENEFITS OF COMPREHENSIVE HEALTH INSURANCE PLAN.]

The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan, a number two qualified plan and a qualified medicare supplement plan. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. Notwithstanding the provisions of section 62E.06 the state plan shall exclude coverage of:

(1) services of a private duty nurse other than on an inpatient basis and;

(2) any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner; and

(3) services or articles that are determined by the writing carrier

to be not medically necessary, experimental, or investigative, as defined in the policy.

Sec. 9. [RESEARCH AND DATA COLLECTION; REPORT.]

Subdivision 1. [SPECIAL PROJECTS.] To the extent possible under the terms of existing contracts with the writing carrier, the board shall conduct studies, demonstration projects, and experimental delivery systems under section 6.

Subd. 2. [DATA COLLECTION.] The board of directors of the comprehensive health association shall collect and analyze information and data concerning:

(1) the characteristics of the persons enrolled in the comprehensive health insurance plan;

(2) the types and locations of providers who serve enrollees;

(3) the amounts of payments made to providers for covered services; and

(4) other related information.

Subd. 3. [REPORT.] The board shall review the data collected under subdivision 2 and other relevant data and research relating to the delivery of health care, and report to the legislature by November 1, 1990, with recommendations for administrative and legislative changes to improve the efficiency and effectiveness of the comprehensive health insurance plan. The board shall propose specific language for legislation to accompany any recommendation for legislative change. The report must include at least the following:

(1) an analysis of the feasibility of an assumption of risk by the writing carrier;

(2) an analysis of the risk factors in the population served by the plan;

(3) a discussion of the feasibility of developing and implementing outcome measurements;

(4) a description of the types and locations of medical providers who serve enrollees and a comparison of provider payments to payments made by other payers;

(5) a description and analysis of the demographics of the enrollee population;

(6) a description and evaluation of studies, demonstration projects, and experimental delivery systems conducted under section 6;

(7) an analysis of potential cost-containment activities and alternative health care delivery methods; and

(8) other information and recommendations the board considers appropriate.

Sec. 10. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Sections 2, 4, 5, 7, and 8 are effective July 1, 1989, and apply to policies issued or renewed after July 1, 1989. Sections 3, 6, and 9 are effective July 1, 1989."

Delete the title and insert:

"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 13.71, by adding a subdivision; 62E.10, subdivisions 1, 2, 2a, 7, 9, and by adding a subdivision; and 62E.12."

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

House Conferees: WESLEY J. SKOGLUND, JOHN BURGER AND PHIL CARRUTHERS.

Senate Conferees: JOHN E. BRANDL, WILLIAM P. LUTHER AND DONALD A. STORM.

Skoglund moved that the report of the Conference Committee on H. F. No. 1285 be adopted and that the bill be repassed as amended by the Conference Committee.

The Speaker called Anderson, G., to the Chair.

CALL OF THE HOUSE

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

Abrams

Anderson, G.

Anderson, R.

Battaglia

Bauerly

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

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.

Gutknecht moved that the House refuse to adopt the Conference Committee report on H. F. No. 1285, that the present House Conference Committee be discharged, and that the Speaker appoint a new Conference Committee consisting of 3 members on the part of the House.

A roll call was requested and properly seconded.

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

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

There were 62 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Haukoos	Limmer	Olsen, S.
Bauerly	Dempsey	Heap	Lynch	Omman
Beard	Dorn	Henry	Macklin	Ostrom
Bennett	Forsythe	Hugoson	Marsh	Ozment
Bertram	Frederick	Jacobs	McDonald	Pauly
Bishop	Frerichs	Janezich	McEachern	Pellow
Blatz	Girard	Jennings	McPherson	Poppenhagen
Boo	Gruenes	Johnson, V.	Miller	Quinn
Brown	Gutknecht	Kelso	Morrison	Richter
Carlson, D.	Hartle	Knickerbocker	O'Connor	Runbeck

Sarna	Segal	Tjornhom	Waltman
Schafer	Stanius	Tompkins	Weaver
Schreiber	Swenson	Valento	Welle

Those who voted in the negative were:

Anderson, G.	Himle	McGuire	Pelowski	Solberg
Anderson, R.	Jaros	McLaughlin	Peterson	Sparby
Battaglia	Jefferson	Milbert	Price	Steensma
Begich	Johnson, A.	Munger	Pugh	Sviggun
Burger	Johnson, R.	Murphy	Redalen	Trimble
Carlson, L.	Kahn	Nelson, C.	Reding	Tunheim
Carruthers	Kalis	Nelson, K.	Rest	Uphus
Clark	Kelly	Ogren	Rice	Vellenga
Conway	Kinkel	Olson, K.	Rodosovich	Wagenius
Dauner	Kostohryz	Onnen	Rukavina	Wenzel
Dawkins	Krueger	Orenstein	Scheid	Williams
Dille	Lasley	Osthoff	Seaberg	Winter
Greenfield	Lieder	Otis	Simoneau	Wynia
Hasskamp	Long	Pappas	Skoglund	Spk. Vanasek

The motion did not prevail.

The question recurred on the Skoglund motion that the report of the Conference Committee on H. F. No. 1285 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

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

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

There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Conway	Frerichs	Himle
Anderson, G.	Blatz	Cooper	Girard	Hugoson
Anderson, R.	Boo	Dauner	Greenfield	Jacobs
Battaglia	Brown	Dawkins	Gruenes	Janezich
Bauerly	Burger	Dempsey	Hartle	Jaros
Beard	Carlson, D.	Dille	Hasskamp	Jefferson
Begich	Carlson, L.	Dorn	Haukoos	Jennings
Bennett	Carruthers	Forsythe	Heap	Johnson, A.
Bertram	Clark	Frederick	Henry	Johnson, R.

Johnson, V.	McGuire	Orenstein	Rice	Swenson
Kalis	McLaughlin	Osthoff	Richter	Tjornhom
Kelly	McPherson	Ostrom	Rodosovich	Tompkins
Kelso	Milbert	Otis	Rukavina	Trimble
Kinkel	Miller	Ozment	Runbeck	Tunheim
Knickerbocker	Morrison	Pappas	Schafer	Uphus
Kostohryz	Munger	Pauly	Scheid	Valento
Krueger	Murphy	Pellow	Schreiber	Vellenga
Lasley	Nelson, C.	Pelowski	Seaberg	Wagenius
Lieder	Nelson, K.	Peterson	Segal	Waltman
Limmer	O'Connor	Poppenhagen	Simoneau	Weaver
Long	Ogren	Price	Skoglund	Welle
Lynch	Olsen, S.	Pugh	Solberg	Wenzel
Macklin	Olson, E.	Quinn	Sparby	Williams
Marsh	Olson, K.	Redalen	Stanis	Winter
McDonald	Omann	Reding	Steensma	Wynia
McEachern	Onnen	Rest	Svigum	Spk. Vanasek

Those who voted in the negative were:

Gutknecht

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

The Speaker resumed the Chair.

CALL OF THE HOUSE LIFTED

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1530

A bill for an act relating to commerce; regulating business relations between manufacturers of heavy and utility equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

May 16, 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. 1530, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1530 be further amended as follows:

Page 2, line 27, delete "form" and insert "from"

Page 3, line 31, delete "180" and insert "90"

Page 3, lines 34 and 35, delete "180 days" and insert "until expiration of the notice period"

Page 3, line 36, delete "180 days" and insert "the notice period"

Page 4, line 30, delete "including a sustained drought"

Page 4, line 31, delete "in the dealership market area,"

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

House Conferees: BERNARD L. "BERNIE" LIEDER, WALLY SPARBY AND TONY L. BENNETT.

Senate Conferees: ROBERT J. SCHMITZ, GLEN TAYLOR AND DAVID J. FREDERICKSON.

Lieder moved that the report of the Conference Committee on H. F. No. 1530 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1530, A bill for an act relating to commerce; regulating business relations between manufacturers of heavy and utility equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Dauner	Gruenes	Janezich
Anderson, G.	Boo	Dawkins	Gutknecht	Jaros
Anderson, R.	Brown	Dempsey	Hartle	Jefferson
Battaglia	Burger	Dille	Hasskamp	Jennings
Bauerly	Carlson, D.	Dorn	Haukoos	Johnson, A.
Beard	Carlson, L.	Forsythe	Heap	Johnson, R.
Begich	Carruthers	Frederick	Henry	Johnson, V.
Bennett	Clark	Frerichs	Himle	Kahn
Bertram	Conway	Girard	Hugoson	Kalis
Bishop	Cooper	Greenfield	Jacobs	Kelly

Kelso	McPherson	Osthoff	Rice	Sviggun
Kinkel	Milbert	Ostrom	Richter	Swenson
Knickerbocker	Miller	Otis	Rodosovich	Tjornhom
Kostohryz	Morrison	Ozment	Rukavina	Tompkins
Krueger	Munger	Pappas	Runbeck	Trimble
Lasley	Murphy	Pauly	Sarna	Tunheim
Lieder	Nelson, C.	Pellow	Schafer	Uphus
Limmer	Nelson, K.	Pelowski	Scheid	Valento
Long	O'Connor	Peterson	Schreiber	Vellenga
Lynch	Ogren	Poppenhagen	Seaberg	Wagenius
Macklin	Olsen, S.	Price	Simoneau	Waltman
Marsh	Olson, E.	Pugh	Skoglund	Weaver
McDonald	Olson, K.	Quinn	Solberg	Welle
McEachern	Omann	Redalen	Sparby	Wenzel
McGuire	Onnen	Reding	Stanisus	Winter
McLaughlin	Orenstein	Rest	Steenasma	Wynia
				Spk. Vanasek

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 162

A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

May 18, 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. 162, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 162 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 72A.20, subdivision 11, is amended to read:

Subd. 11. [APPLICATION TO CERTAIN SECTIONS.] Violating any provision of the following sections of this chapter not set forth in this section shall constitute an unfair method of competition and an unfair and deceptive act or practice: sections 72A.12, subdivisions 2, 3, and 4, 72A.16, subdivision 2, 72A.03 and 72A.04, 72A.08, subdi-

vision 1, as modified by section sections 72A.08, subdivision 4, 72A.201, sections 2 to 17, and 65B.13.

Sec. 2. [72A.49] [SHORT TITLE.]

Sections 2 to 17 may be cited as the "Minnesota insurance fair information reporting act."

Sec. 3. [72A.491] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 2 to 17, the following terms shall have the meanings given to them.

Subd. 2. [ADVERSE UNDERWRITING DECISION.] "Adverse underwriting decision" means any of the following actions with respect to insurance transactions involving insurance coverage which is individually underwritten:

(1) denial, in whole or in part, of coverage which was requested in writing to the insurer;

(2) termination or reduction of insurance coverage or policy;

(3) failure of an insurance agent to apply for coverage with a specific insurer which the agent represents and which is specifically requested by an applicant;

(4) placement by an insurer or insurance agent of a risk with a residual market mechanism, an unauthorized insurer, or an insurer which specializes in substandard risks;

(5) charging a higher rate on the basis of information which differs from that which the applicant or policyholder furnished for property or casualty coverage;

(6) an offer to insure at higher than standard rates for life, health, or disability coverage; or

(7) the rescission of a policy.

Subd. 3. [AFFILIATE OR AFFILIATED.] "Affiliate" or "affiliated" means a person who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another person.

Subd. 4. [APPLICANT.] "Applicant" means any person who seeks to contract for insurance coverage from an insurer.

Subd. 5. [CONSUMER REPORT.] "Consumer report" means any written, oral, or other communication of information bearing on a person's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used in connection with an insurance transaction.

Subd. 6. [CONSUMER REPORTING AGENCY.] "Consumer reporting agency" means any person who:

(1) regularly engages, in whole or in part, in the practice of assembling or preparing consumer reports for a monetary fee;

(2) obtains information primarily from sources other than insurers; and

(3) furnishes consumer reports to other persons.

Subd. 7. [CONTROL.] "Control," "controlled by," or "under common control with" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person.

Subd. 8. [HEALTH CARE INSTITUTION.] "Health care institution" means any facility or institution that is licensed to provide health care services to natural persons.

Subd. 9. [HEALTH PROFESSIONAL.] "Health professional" means any person licensed or certified to provide health care services to natural persons.

Subd. 10. [HEALTH RECORD INFORMATION.] "Health record information" means personal information which:

(1) relates to an individual's physical or mental condition, health history, or health treatment; and

(2) is obtained from a health professional or health care institution, from the individual, or from the individual's spouse, parent, legal guardian, or other person.

Subd. 11. [INDIVIDUAL.] "Individual" means any natural person who:

(1) in the case of property or casualty insurance is a past, present, or proposed named insured or certificate holder;

(2) in the case of life, health, or disability insurance is a past, present, or proposed principal insured or certificate holder;

(3) is a past, present, or proposed policy owner;

(4) is a past or present applicant;

(5) is a past or present claimant; or

(6) derived, derives, or is proposed to derive insurance coverage under an insurance policy or certificate subject to this act.

Subd. 12. [INSURANCE-SUPPORT ORGANIZATION.] (a) "Insurance-support organization" means any person who regularly engages, in whole or in part, in the practice of assembling or collecting information about persons for the primary purpose of providing the information to an insurer or insurance agent for insurance transactions, including:

(1) the furnishing of consumer reports or investigative consumer reports to an insurer or insurance agent for use in connection with an insurance transaction; and

(2) the collection of personal information from insurers, insurance agents, or other insurance-support organizations for the purpose of detecting or preventing fraud, material misrepresentation, or material nondisclosure in connection with insurance underwriting or insurance claim activity.

(b) Insurance-support organizations do not include insurance agents, government institutions, insurers, health care institutions, or health professionals.

Subd. 13. [INSURANCE TRANSACTION.] "Insurance transaction" means any transaction which involves:

(1) the determination of an individual's eligibility for an insurance coverage, benefit, or payment; or

(2) the servicing of an insurance application, policy, contract, or certificate.

Subd. 14. [INSURER.] "Insurer" means any insurance company, risk retention group as defined under section 60E.02, service plan corporation as defined under section 62C.02, health maintenance organization as defined under section 62D.02, fraternal benefit society regulated under chapter 64B, township mutual company regulated under chapter 67A, joint self-insurance plan or multiple employer trust regulated under chapter 60F, 62H, or section 471.617, subdivision 2, and persons administering a self-insurance

plan as defined under section 60A.23, subdivision 8, paragraph (2), clauses (a) and (d).

Subd. 15. [INSURER WHICH SPECIALIZES IN SUBSTANDARD RISKS.] "Insurer which specializes in substandard risks" means an insurer whose rates and market orientation are directed at risks other than preferred or standard risks.

Subd. 16. [INVESTIGATIVE CONSUMER REPORT.] "Investigative consumer report" means a consumer report or portion thereof in which information about a person's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with the person's neighbors, friends, associates, acquaintances, or others who may have knowledge concerning these items of information.

Subd. 17. [PERSONAL INFORMATION.] "Personal information" means any individually identifiable information gathered in connection with an insurance transaction from which judgments can be made about an individual's character, habits, avocations, finances, occupation, general reputation, credit, health, or any other personal characteristics. The term includes the individual's name and address and health record information, but does not include privileged information. "Personal information" does not include health information maintained by a health maintenance organization as defined under section 62D.02, subdivision 4, in its capacity as a health provider.

Subd. 18. [POLICYHOLDER.] "Policyholder" means any individual who is a present named insured, a present policyowner, or a present group certificate holder.

Subd. 19. [PRIVILEGED INFORMATION.] (a) "Privileged information" means any individually identifiable information that:

(1) relates to a claim for insurance benefits or a civil or criminal proceeding; or

(2) is collected in connection with or in reasonable anticipation of a claim for insurance benefits or civil or criminal proceeding.

(b) Information otherwise meeting the definition of privileged information under paragraph (a) shall be considered personal information if it is disclosed in violation of section 14.

Subd. 20. [RESIDUAL MARKET MECHANISM.] "Residual market mechanism" means an association, organization, or other entity created under the laws of this state for the purpose of providing insurance coverage to any person who is unable to obtain coverage through ordinary methods in the normal insurance markets.

Subd. 21. [TERMINATION OF INSURANCE COVERAGE OR POLICY.] "Termination of insurance coverage" or "termination of an insurance policy" means either a cancellation or nonrenewal of an insurance policy, in whole or in part, for any reason other than the failure to pay a premium as required by the policy.

Subd. 22. [UNAUTHORIZED INSURER.] "Unauthorized insurer" means an insurance company that has not been granted a certificate of authority by the commissioner to transact the business of insurance in this state.

Sec. 4. [72A.492] [SCOPE.]

Subdivision 1. [COVERED POLICIES.] The obligations imposed by sections 2 to 17 apply to insurers, insurance agents, and insurance-support organizations which:

(1) collect, receive, or maintain information in connection with insurance transactions which pertains to persons who are residents of this state; or

(2) engage in insurance transactions with applicants, individuals, or policyholders who are residents of this state.

Subd. 2. [COVERED PERSONS.] The rights granted by sections 2 to 17 extend to:

(1) a person who is a resident of this state and is the subject of information collected, received, or maintained in connection with an insurance transaction; and

(2) a person who is a resident of this state and engages in or seeks to engage in an insurance transaction.

Subd. 3. [EXCEPTIONS.] (a) Sections 2 to 17 do not apply to information collected from the public records of a governmental authority and maintained by an insurance company or its representatives for the purpose of insuring the title to real property located in this state.

(b) Nothing in sections 2 to 17 gives a patient access to the health records pertaining to the patient maintained by the patient's health provider, or gives the patient the right to alter or amend those health records unless otherwise provided by law.

(c) Sections 2 to 17 do not apply to any insurance transactions involving property and casualty insurance primarily for business or professional needs.

Sec. 5. [72A.493] [OBTAINING INFORMATION BY IMPROPER MEANS.]

An insurer, insurance agent, or insurance-support organization must not obtain information or authorize another person to obtain information in connection with an insurance transaction by:

- (1) pretending to be someone he or she is not;
- (2) pretending to represent a person he or she is not in fact representing;
- (3) misrepresenting the true purpose of the interview; or
- (4) refusing to identify himself or herself upon request.

Sec. 6. [72A.494] [NOTICE.]

Subdivision 1. [REQUIRED.] Each insurer or insurance agent shall provide a notice relating to information practices to each applicant or policyholder in the manner and at the time required by this section.

Subd. 2. [EXEMPTION.] A notice is not required to be provided under this section for:

- (1) a group policy or contract that is not individually underwritten; or
- (2) a renewal, reinstatement, or a change in benefits for a policy or contract if no personal information is to be collected other than from the applicant or policyholder, or from public records.

Subd. 3. [TIMING.] (a) In the case of an application for insurance coverage, the notice must be provided to the applicant or policyholder no later than the time application is made for the coverage, renewal, reinstatement, or change in benefits.

(b) If personal information is to be collected only from the applicant or from public records, the notice may be provided at the time of delivery of the policy or the certificate.

Subd. 4. [CONTENT OF NOTICE.] The notice required by this section must be in writing and state:

- (1) whether personal information may be collected from persons other than the individual or individuals proposed for coverage;

(2) the types of personal information that may be collected and the types of sources and investigative techniques that may be used to collect the information;

(3) the types of disclosures of personal information that may be made under section 13 and the circumstances under which the disclosures may be made without prior authorization; except that only those circumstances which occur with such frequency as to indicate a general business practice must be described;

(4) a description of the rights established under sections 9 and 10 and the manner in which those rights may be exercised; and

(5) that information obtained from a report prepared by an insurance-support organization may be retained by the insurance-support organization and disclosed to other persons.

Subd. 5. [ABBREVIATED NOTICE.] In lieu of the notice required under subdivision 4, the insurer or insurance agent may provide an abbreviated notice informing the applicant or policyholder that:

(1) personal information may be collected from persons other than the person or persons proposed for coverage;

(2) the information collected by the insurer or insurance agent may in certain circumstances be disclosed to third parties without authorization;

(3) the person has a right to see their personal records and correct personal information collected; and

(4) the person will be furnished the detailed notice required under subdivision 4 upon request.

Subd. 6. [OTHER COMPANIES OR AGENCIES ACTING ON ITS BEHALF.] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf.

Sec. 7. [72A.495] [MARKETING AND RESEARCH SURVEYS.]

An insurer or insurance agent shall clearly specify any questions designed to obtain information solely for marketing or research purposes from an individual in connection with an insurance transaction, and state that responses to the questions are not required to obtain coverage.

Sec. 8. [72A.496] [INVESTIGATIVE CONSUMER REPORTS.]

Subdivision 1. [NOTICE.] An insurer, insurance agent, or insurance-support organization must not prepare or request an investigative consumer report about an individual in connection with an insurance transaction involving an application for insurance, a policy renewal, a policy reinstatement, or a change in insurance benefits, unless the insurer or insurance agent informs the person:

(1) that the individual may request to be interviewed in connection with the preparation of the investigative consumer report; and

(2) that, upon a request pursuant to section 9, the individual is entitled to receive a copy of the investigative consumer report.

Subd. 2. [REPORTS PREPARED BY INSURERS.] If an investigative consumer report is to be prepared by an insurer or insurance agent, the insurer or insurance agent shall institute reasonable procedures to conduct a personal interview requested by an individual.

Subd. 3. [REPORTS PREPARED BY INSURANCE-SUPPORT ORGANIZATIONS.] If an investigative consumer report is to be prepared by an insurance-support organization, the insurer or insurance agent desiring the report shall inform the insurance-support organization whether a personal interview has been requested by the individual. The insurance-support organization shall institute reasonable procedures for conducting an interview, if requested.

Sec. 9. [72A.497] [ACCESS TO PERSONAL INFORMATION.]

Subdivision 1. [REQUEST.] (a) If an individual, after proper identification, submits a written request to an insurer, insurance agent, or insurance-support organization for access to personal information about the individual, the insurer, insurance agent, or insurance-support organization shall within 30 business days from the date the request is received:

(1) inform the individual of the nature and substance of the personal information that they possess in writing, by telephone, or by other oral communication, whichever the insurer, insurance agent, or insurance-support organization elects;

(2) permit the individual to see and copy, in person, the personal information pertaining to that person;

(3) permit the individual to obtain by mail a copy of the entire personal information or a reasonably described portion thereof, whichever the individual requests;

(4) disclose to the individual the identity of those persons to whom

the insurer, insurance agent, or insurance-support organization has disclosed the personal information within two years prior to the request; and

(5) provide the individual with a summary of the procedures by which the person may request correction, amendment, or deletion of personal information, as provided under section 10.

(b) If the personal information is in coded form, an accurate translation in plain language must be provided in writing.

(c) If credit information is requested which federal law prohibits an insurer to disclose, the insurer must disclose that the individual has the right to receive the credit information from the credit reporting agency. The insurer must disclose the name, address, and telephone number of the credit reporting agency that supplied the insurer with the credit information.

Subd. 2. [SOURCE.] Any personal information collected must specifically identify the source of the information.

Subd. 3. [HEALTH RECORDS.] (a) Health record information requested under subdivision 1 which has been supplied by a health care institution or a health professional must provide the identity of the health professional or health care institution which supplied the information. The health record information must be provided either directly to the individual or to a health professional designated by the person who is licensed to provide health care with respect to the condition to which the information relates, whichever the individual elects. If the information is provided to a designated health professional, the insurer, insurance agent, or insurance-support organization shall notify the person, at the time of the disclosure, that the information has been provided to the health professional.

(b) If a health professional or a health care institution has provided health information to an insurer, insurance-support organization, or insurance agent that the health professional or health care institution has determined and indicates in writing that the release of the health record information is detrimental to the physical or mental health of the person, or is likely to cause the individual to inflict self harm or to harm another, the insurer, insurance agent, or insurance-support organization may provide that information directly to the individual only with the approval of the health professional with treatment responsibility for the condition to which the information relates. If approval is not obtained, the information must be provided to the health professional designated by the individual.

(c) Nothing in this section may reduce or affect a patient's rights under section 144.335.

Subd. 4. [FEE.] An insurer, insurance agent, or insurance-support organization may charge a reasonable fee, not to exceed the actual costs, to copy information provided under this section. If an individual is requesting information as a result of an adverse underwriting decision, the insurer, insurance agent, or insurance-support organization must provide the information free of any charge.

Subd. 5. [OTHER COMPANIES OR AGENTS ACTING ON ITS BEHALF] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf. With respect to the copying and disclosure of personal information under a request under subdivision 1, an insurer, insurance agent, or insurance-support organization may make arrangements with an insurance-support organization or a consumer reporting agency to copy and disclose personal information on its behalf.

Subd. 6. [PRIVILEGED INFORMATION.] The rights granted under this section and section 10 do not extend to privileged information.

Sec. 10. [72A.498] [CORRECTION, AMENDMENT, OR DELETION OF PERSONAL INFORMATION.]

Subdivision 1. [PROCEDURE.] Within 30 business days from the date of receipt of a written request from an individual to correct, amend, or delete any personal information about the person within its possession, an insurer, insurance agent, or insurance-support organization shall either:

(1) correct, amend, or delete the portion of the personal information in dispute; or

(2) notify the individual of its refusal to make the correction, amendment, or deletion, the reasons for the refusal, and the person's right to file a statement as provided in subdivision 3, and the individual's right to appeal to the commissioner under subdivision 5.

Subd. 2. [NOTICE.] If the insurer, insurance agent, or insurance-support organization corrects, amends, or deletes disputed personal information upon request of an individual or as ordered by the commissioner, the insurer, insurance agent, or insurance-support organization shall notify the person in writing and provide the correction, amendment, or fact of deletion to:

(1) any person specifically designated by the individual who may have within the preceding two years received the personal information;

(2) any insurance-support organization whose primary source of personal information is insurers, if the insurance-support organization has systematically received the personal information from the insurer within the preceding seven years, provided that the correction, amendment, or fact of deletion need not be provided to an insurance-support organization if the insurance-support organization no longer maintains personal information about the individual; and

(3) any insurance-support organization that provided the personal information that has been corrected, amended, or deleted.

Subd. 3. [STATEMENT.] If the insurer, insurance agent, or insurance-support organization refuses to correct, amend, or delete disputed personal information, the individual must be permitted to file with the insurer, insurance agent, or insurance-support organization a concise statement setting forth what the person thinks is the correct, relevant, or fair information and stating the reasons why the individual disagrees with the insurer's, insurance agent's, or insurance-support organization's refusal to correct, amend, or delete disputed personal information.

Subd. 4. [DISPUTED INFORMATION.] In the event an individual files a statement described in subdivision 3, the insurer, insurance agent, or insurance-support organization shall:

(1) file the statement with the disputed personal information and provide a means by which anyone reviewing the disputed personal information will be made aware of the individual's statement and have access to it;

(2) in any subsequent disclosure by the insurer, insurance agent, or insurance-support organization of the disputed personal information, clearly identify the matter or matters in dispute and provide the individual's statement along with the personal information being disclosed; and

(3) furnish the statement to the persons and in the manner specified in subdivision 2.

Subd. 5. [APPEAL.] (a) If an insurer, insurance-support organization, or insurance agent refuses to correct, amend, or delete disputed personal information, the individual may file an appeal with the commissioner.

(b) The commissioner may, after providing the insurer, insurance-support organization, or insurance agent an opportunity for a hearing, order the insurer, insurance-support organization, or insurance agent to amend, correct, or delete disputed personal information if the commissioner finds that the personal information kept

by the insurer, insurance-support organization, or insurance agent is in error. If the commissioner finds that the disputed personal information maintained by the insurer, insurance agent, or insurance-support organization is correct, the insurer, insurance agent, or insurance-support organization may delete from the individual's records any statement filed with them by that individual relating to the disputed information under subdivision 3.

Sec. 11. [72A.499] [REASONS FOR ADVERSE UNDERWRITING DECISIONS.]

Subdivision 1. [NOTICE AND INFORMATION.] In the event of an adverse underwriting decision, the insurer or insurance agent responsible for the decision shall provide in writing to the applicant, policyholder, or individual proposed for coverage:

(1) the specific reason or reasons for the adverse underwriting decision, a summary of the person's rights under sections 9 and 10, and that upon request the person may receive the specific items of personal information that support those reasons and the specific sources of the information; or

(2) the specific reason or reasons for the adverse underwriting decision, the specific items of personal and privileged information that support those reasons, the names and addresses of the sources that supplied the specific items of information specified, and a summary of the rights established under sections 9 and 10.

Subd. 2. [HEALTH REASONS.] If the specific reason for an adverse underwriting decision is based on health record information, the insurer may, in lieu of providing the specific reason to the individual under subdivision 1, provide the individual with the specific source of the adverse underwriting decision referring to the specific date, page, and line of the information received from a health professional or health care institution. If the insured has been informed of the condition indicated by their health provider and is unable to determine the reason for the adverse underwriting decision, then the insurer must provide the specific reason to the individual. The insurer must provide the specific reason for the adverse underwriting decision to a health professional designated by the individual, if requested either orally or in writing by the individual.

Subd. 3. [EXEMPTION.] (a) This section is not applicable to group policies or contracts, except for group policies that are individually underwritten. For group policies or contracts that are individually underwritten, the notice required under this section must be given to the individual or individuals in the group whose personal information resulted in the adverse underwriting decision.

(b) If a policy or contract is terminated on a class or statewide

basis, or an insurance coverage is declined solely because the coverage is unavailable on a class or statewide basis, the insurer or agent is not required to provide the notice required under this section provided that the applicant or policyholder is provided with the specific reason for the termination or declination of coverage.

Subd. 4. [PRIVILEGED INFORMATION.] (a) An insurer or insurance agent is not required to provide particular, specific items of privileged information under subdivision 1 if it has a reasonable suspicion, based upon that specific information, that the applicant, policyholder, or person proposed for coverage has engaged in criminal activity, fraud, material misrepresentation, or material nondisclosure. If an insurer or insurance agent does not provide the specific items of information because the information is privileged under this subdivision, the insurer or insurance agent must notify the applicant, policyholder, or individual proposed for coverage that the specific items of information are privileged and of the person's right to appeal to the commissioner under this subdivision.

(b) If a person is not provided with the specific items of information relating to an adverse underwriting decision because the information is privileged under this subdivision, the person may request that the commissioner review the information. The commissioner may then order the insurer or insurance agent to supply the privileged information to the commissioner. If the commissioner determines that the information is not privileged under this subdivision, the commissioner shall order the insurer or insurance agent to provide the information to the applicant, policyholder, or person proposed for coverage.

Subd. 5. [HEALTH RECORDS INFORMATION.] Specific items of health record information supplied by a health care institution or health professional, and the identity of the health professional or health care institution that supplied the information, must be disclosed in the manner required under section 9, subdivision 3.

Subd. 6. [OTHER COMPANIES OR AGENTS ACTING ON THEIR BEHALF.] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf.

Sec. 12. [72A.50] [PREVIOUS ADVERSE UNDERWRITING DECISIONS.]

Subdivision 1. [ADDITIONAL INFORMATION REQUIRED.] An insurer, insurance agent, or insurance-support organization must not seek information in connection with an insurance transaction concerning any previous adverse underwriting decision experienced by a person, or any previous insurance coverage obtained by a person through a residual market mechanism, unless the inquiry also requests the reasons for the previous adverse underwriting

decision or the reasons why insurance coverage was previously obtained through a residual market mechanism.

Subd. 2. [PROHIBITIONS.] An insurer or insurance agent may not base an adverse underwriting decision, in whole or in part, on:

(1) the fact of a previous adverse underwriting decision or the fact that a person previously obtained insurance coverage through a residual market mechanism, provided that an insurer or insurance agent may base an adverse underwriting decision on further information obtained from an insurer or insurance agent responsible for a previous adverse underwriting decision; or

(2) personal information received from an insurance-support organization whose primary source of information is insurers, provided that an insurer or insurance agent may base an adverse underwriting decision on further personal information obtained as the result of information received from the insurance-support organization.

Sec. 13. [72A.501] [DISCLOSURE AUTHORIZATION.]

Subdivision 1. [REQUIREMENT; CONTENT.] An authorization used by an insurer, insurance-support organization, or insurance agent to disclose or collect personal information must be in writing and must meet the following requirements:

(1) is written in plain language;

(2) is dated;

(3) specifies the types of persons authorized to disclose information about the person;

(4) specifies the nature of the information authorized to be disclosed;

(5) names the insurer or insurance agent and identifies by generic reference representatives of the insurer to whom the person is authorizing information to be disclosed;

(6) specifies the purposes for which the information is collected; and

(7) specifies the length of time the authorization remains valid.

Subd. 2. [APPLICATION.] (a) If the authorization is signed to collect information in connection with an application for a property and casualty insurance policy, a policy reinstatement, or a request for a change in benefits, the authorization must not remain valid for

longer than one year from the date the authorization is signed or the date the insurer grants or denies coverage, reinstatement, or change in benefits, whichever is sooner.

(b) If the authorization is signed to collect information in connection with an application for a life, disability, and health insurance policy or contract, reinstatement, or request for change in benefits, the authorization may not remain valid for longer than 26 months from the date the authorization is signed.

Subd. 3. [CLAIMS.] If the authorization is signed to collect information in connection with a claim for benefits under an insurance policy, the authorization must not remain valid for longer than:

(1) the term of coverage of the policy, if the claim is for a health insurance benefit; or

(2) the duration of the claim, if the claim is for a claim other than for a health insurance benefit.

Subd. 4. [AUTHORIZATION; NONINSURERS.] If an authorization is submitted to an insurer, insurance-support organization, or insurance agent by a person other than an insurer, insurance-support organization, or insurance agent, the authorization must be dated, signed by the person, and obtained one year or less before the date a disclosure is sought.

Sec. 14. [72A.502] [DISCLOSURE OF INFORMATION; LIMITATIONS AND CONDITIONS.]

Subdivision 1. [REQUIREMENT.] An insurer, insurance agent, or insurance-support organization must not disclose any personal or privileged information about a person collected or received in connection with an insurance transaction without the written authorization of that person except as authorized by this section. An insurer, insurance agent, or insurance-support organization must not collect personal information about a policyholder or an applicant not relating to a claim from sources other than public records without a written authorization from the person.

Subd. 2. [PREVENTION OF FRAUD.] Personal or privileged information may be disclosed without a written authorization to another person if the information is limited to that which is reasonably necessary to detect or prevent criminal activity, fraud, material misrepresentation, or material nondisclosure in connection with an insurance transaction, and that person agrees not to disclose the information further without the individual written authorization unless the further disclosure is otherwise permitted

by this section if made by an insurer, insurance agent, or insurance-support organization.

Subd. 3. [HEALTH CARE INSTITUTIONS AND PROFESSIONALS.] Personal or privileged information may be disclosed without a written authorization to a health care institution or health professional for the purpose of verifying insurance coverage benefits, informing a person of a health problem of which the person must not be aware, or conducting an operations or services audit, if the information is only disclosed that is reasonably necessary to accomplish the purposes under this subdivision.

Subd. 4. [REGULATORY AUTHORITY.] Personal or privileged information may be disclosed without a written authorization to an insurance regulatory authority.

Subd. 5. [OTHER GOVERNMENTAL AUTHORITIES.] Personal or privileged information may be disclosed without a written authorization to a law enforcement or other governmental authority if:

(1) the disclosure is to protect the interests of the insurer, agent, or insurance-support organization in preventing or prosecuting the perpetration of fraud upon it; or

(2) the insurer, agent, or insurance-support organization reasonably believes that illegal activities have been conducted by the individual.

Subd. 6. [OTHER LAWS OR ORDER.] Personal or privileged information may be disclosed without a written authorization if permitted or required by another law or in response to a facially valid administrative or judicial order, including a search warrant or subpoena.

Subd. 7. [ACTUARIAL AND RESEARCH STUDIES.] Personal or privileged information may be disclosed without a written authorization to conduct actuarial or research studies if:

(1) no individual may be identified in the actuarial or research report;

(2) materials allowing an individual to be identified are returned or destroyed as soon as they are no longer needed; and

(3) the actuarial or research organization agrees not to disclose the information unless the disclosure would otherwise be permitted by this section if made by an insurance company, agent, or insurance-support organization.

Subd. 8. [AFFILIATE COMPANIES.] Personal or privileged information may be disclosed without a written authorization to an affiliate whose only use of the information will be in connection with an audit of the insurer or agent or the marketing of an insurance product or service, provided the affiliate agrees to not disclose the information for any other purpose or to unaffiliated persons.

Subd. 9. [GROUP POLICYHOLDER.] Personal or privileged information may be disclosed with written authorization to a group policyholder only to report claims experience or conduct an audit of the insurer's or agent's operations or services, if the information disclosed is reasonably necessary for the group policyholder to conduct the review or audit.

Subd. 10. [GOVERNMENTAL LICENSING BOARD.] Personal or privileged information may be disclosed without a written authorization to a governmental professional licensing or regulatory board to review the service or conduct of a health care institution or health professional that the insurer has reason to believe has violated its licensing act or engaged in the unlawful practice of a licensed professional.

Subd. 11. [PROFESSIONAL PEER REVIEW.] Subject to the terms of a contract between an insurer and a health professional or health care institution, personal or privileged information may be disclosed without a written authorization to a professional peer review organization to review the service or conduct of a health care institution or health professional.

Subd. 12. [NOTICE.] Whenever an insurer, insurance agent, or insurance-support organization discloses personal or privileged information about a person that requires the written authorization of that person under this section, the insurer, insurance agent, or insurance-support organization shall notify that person in writing within ten days of the date the information was disclosed. The notification must specify the identity of the person to whom information was disclosed and the nature and substance of the information that was disclosed. A notice is not required to be given under this subdivision if an insurer is disclosing personal information for underwriting purposes to another insurer, or to an insurance-support organization if the person had signed an authorization authorizing the disclosure.

Sec. 15. [72A.503] [PRIVATE REMEDIES.]

Subdivision 1. [LIABILITY.] Any insurer, insurance agent, or insurance-support organization that violates sections 2 to 17 is liable to the aggrieved person for damages sustained by the person as a result of the violation. In addition, the court may award punitive damages in an amount not to exceed \$50,000.

Subd. 2. [EQUITABLE RELIEF] Upon application by an aggrieved person, a court of competent jurisdiction may grant equitable and declaratory relief as necessary to enforce the requirements of sections 2 to 17.

Subd. 3. [COSTS.] In any successful action brought under this section, the costs of the action, including reasonable attorney fees as determined by the court, may be awarded in addition to any damages.

Sec. 16. [72A.504] [OBTAINING INFORMATION UNDER IMPROPER MEANS.]

Any person who knowingly and willfully obtains information about a person in violation of section 5 is subject to a fine not to exceed \$3,000 or imprisonment not to exceed one year, or both.

Sec. 17. [72A.505] [IMMUNITY.]

No cause of action in the nature of defamation, invasion of privacy, or negligence may arise against an insurer, insurance agent, or insurance-support organization for disclosing personal or privileged information required to be disclosed under sections 1 to 16, provided no immunity exists for disclosing false information with malice or willful intent to injure any person.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 5 and 7 to 17 are effective August 1, 1989, and the rights granted under those sections are effective on that date, regardless of the date of the collection or receipt of the information which is subject to those sections. Section 6 is effective January 1, 1990. Insurers may use, until July 1, 1990, notices that are in substantial compliance with this section that have not been approved by the commissioner of commerce."

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

House Conferees: WESLEY J. SKOGLUND, JOHN BURGER AND HOWARD ORENSTEIN.

Senate Conferees: JOHN J. MARTY AND MICHAEL O. FREEMAN.

Skoglund moved that the report of the Conference Committee on H. F. No. 162 be adopted and that the bill be repassed as amended by the Conference Committee.

Hartle moved that the House refuse to adopt the Conference Committee report on H. F. No. 162, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Hartle motion and the roll was called. There were 62 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Ozment	Steensma
Anderson, G.	Girard	Knickerbocker	Pauly	Sviggum
Bauerly	Gruenes	Limmer	Pellow	Swenson
Bennett	Gutknecht	Lynch	Pelowski	Tjornhom
Bertram	Hartle	Macklin	Poppenhagen	Tompkins
Blatz	Haukoos	Marsh	Redalen	Uphus
Boo	Heap	McDonald	Richter	Valento
Brown	Henry	McPherson	Runbeck	Waltman
Carlson, D.	Himle	Miller	Schafer	Williams
Dauner	Hugoson	Olsen, S.	Schreiber	Winter
Dorn	Jennings	Olson, E.	Seaberg	
Forsythe	Johnson, V.	Olson, K.	Simoneau	
Frederick	Kalis	Omann	Stanius	

Those who voted in the negative were:

Battaglia	Hasskamp	McEachern	Otis	Skoglund
Beard	Janezich	McGuire	Pappas	Solberg
Begich	Jaros	McLaughlin	Peterson	Trimble
Bishop	Jefferson	Milbert	Price	Tunheim
Burger	Johnson, A.	Morrison	Pugh	Vellenga
Carlson, L.	Johnson, R.	Munger	Quinn	Wagenius
Carruthers	Kahn	Murphy	Reding	Weaver
Clark	Kelly	Nelson, C.	Rest	Welle
Conway	Kelso	Nelson, K.	Rice	Wenzel
Cooper	Kostohryz	O'Connor	Rodosovich	Wynia
Dawkins	Krueger	Ogren	Rukavina	Spk. Vanasek
Dempsey	Lasley	Onnen	Sarna	
Dille	Lieder	Orenstein	Scheid	
Greenfield	Long	Osthoff	Segal	

The motion did not prevail.

The question recurred on the Skoglund motion that the report of the Conference Committee on H. F. No. 162 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 162, A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

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 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bertram

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 266

A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car

company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.012, subdivision 1; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.03; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019.

May 16, 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. 266, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 266 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

DEPARTMENT SALES AND SPECIAL TAXES

Section 1. Minnesota Statutes 1988, section 16B.54, subdivision 2, is amended to read:

Subd. 2. [VEHICLES.] (a) [ACQUISITION FROM AGENCY; APPROPRIATION.] The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck presently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the

midwest edition of the national automobile dealers association official used car guide.

(b) [PURCHASE.] To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) [TRANSFER AT AGENCY REQUEST.] On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck shall be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) [VEHICLES; MARKING.] The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide by rule for the use of motor vehicles without uniform coloring or marking by the governor, the lieutenant governor, the division of criminal apprehension, arson investigators of the division of fire marshal in the department of public safety, financial institutions division of the department of commerce, the department of revenue, and the office of the attorney general.

Sec. 2. Minnesota Statutes 1988, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM FUND.] The commissioner of revenue shall make cash payments from the development fund to producers of ethanol or agricultural grade alcohol, ~~for use as a motor fuel~~, located in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of agricultural grade alcohol of a purity of at least 50 percent but not more than 90 percent and

designed to be used in conjunction with diesel fuel in an engine's internal combustion process, for the period beginning July 1, 1987, and ending June 30, 2000, 11 cents per gallon.

The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 2000. Total payments to any producer from the fund in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 3. Minnesota Statutes 1988, section 69.011, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATION FOR FIRE OR POLICE STATE AID.]

(a) In order to qualify to receive fire state aid, on or before July 1 March 15, annually, in conjunction with the financial report required pursuant to section 69.051, the clerk of each municipality having a duly organized fire department as provided in subdivision 4, or the secretary of each independent nonprofit firefighting corporation having a subsidiary incorporated firefighters' relief association whichever is applicable, and the fire chief, shall jointly certify the existence of the municipal fire department or of the independent nonprofit firefighting corporation, whichever is applicable, which meets the minimum qualification requirements set forth in this subdivision, and the fire personnel and equipment of the municipal fire department or the independent nonprofit firefighting corporation as of the preceding December 31. Certification shall be made to the commissioner on a form prescribed by the commissioner and shall include any other facts the commissioner may require. The certification shall be made to the commissioner in duplicate. Each copy of the certificate shall be duly executed and deemed an original. The commissioner shall forward one copy to the auditor of the county wherein the fire department is located and retain one copy.

(b) On or before July 1 March 15 annually the clerk of each municipality having a duly organized police department and having a duly incorporated relief association shall certify that fact to the county auditor of the county where the police department is located and to the commissioner on a form prescribed by the commissioner together with the other facts the commissioner or auditor may require.

On or before ~~July 1~~ March 15 annually, the clerk of each municipality and the auditor of each county employing one or more peace officers as defined in subdivision 1, clause (h), shall certify the number of such peace officers to the commissioner on forms prescribed by the commissioner. Credit for officers employed less than a full year shall be apportioned. Each full month of employment of a qualifying officer during the calendar year shall entitle the employing municipality or county to credit for 1/12 of the payment for employment of a peace officer for the entire year. For purposes of sections 69.011 to 69.051, employment of a peace officer shall commence when the peace officer is entered on the payroll of the respective municipal police department or county sheriff's department. No peace officer shall be included in the certification of the number of peace officers by more than one municipality or county for the same month.

Sec. 4. Minnesota Statutes 1988, section 69.54, is amended to read:

69.54 [SURCHARGE ON PREMIUMS TO RESTORE DEFICIENCY IN SPECIAL FUND.]

The commissioner shall order and direct a surcharge to be collected of two percent of the fire, lightning, and sprinkler leakage gross premiums, less return premiums, on all direct business received by any licensed foreign or domestic fire insurance company on property in this city of the first class, or by its agents for it, in cash or otherwise. This surcharge shall be due and payable from these companies to the state treasurer on March 31, May 31, and ~~November 30~~ October 31 of each calendar year, and if not paid within 30 days after these dates, a penalty of ten percent shall accrue thereon and thereafter this sum and penalty shall draw interest at the rate of one percent per month until paid.

Sec. 5. Minnesota Statutes 1988, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles owned by nonprofit charities and used exclusively to transport handicapped persons for educational purposes;

(4) vehicles owned and used by honorary consul or consul general of foreign governments.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work, arson investigations, and passenger vehicles, station wagons, and buses owned or operated by the department of corrections shall be registered and shall display passenger vehicle classification license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these passenger vehicle license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax exempt number plates shall have the name of the state department or public subdivision on the vehicle plainly displayed on both sides thereof in letters not less than 2½ inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all

times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision.

Sec. 6. Minnesota Statutes 1988, section 270.06, is amended to read:

270.06 [POWERS AND DUTIES.]

The commissioner of revenue shall:

(1) have and exercise general supervision over the administration of the assessment and taxation laws of the state, over assessors, town, county, and city boards of review and equalization, and all other assessing officers in the performance of their duties, to the end that all assessments of property be made relatively just and equal in compliance with the laws of the state;

(2) confer with, advise and give the necessary instructions and directions to local assessors and local boards of review throughout the state as to their duties under the laws of the state;

(3) direct proceedings, actions, and prosecutions to be instituted to enforce the laws relating to the liability and punishment of public officers and officers and agents of corporations for failure or negligence to comply with the provisions of the laws of this state governing returns of assessment and taxation of property, and cause complaints to be made against local assessors, members of boards of equalization, members of boards of review, or any other assessing or taxing officer, to the proper authority, for their removal from office for misconduct or negligence of duty;

(4) require county attorneys to assist in the commencement of prosecutions in actions or proceedings for removal, forfeiture and punishment for violation of the laws of this state in respect to the assessment and taxation of property in their respective districts or counties;

(5) require town, city, county, and other public officers to report information as to the assessment of property, collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the department of revenue, in such form and upon such blanks as the commissioner may prescribe;

(6) require individuals, copartnerships, companies, associations, and corporations to furnish information concerning their capital, funded or other debt, current assets and liabilities, earnings, operating expenses, taxes, as well as all other statements now required by law for taxation purposes;

(7) summon witnesses to appear and give testimony, and to

produce books, records, papers and documents relating to any tax matter which the commissioner may have authority to investigate or determine. Provided, that any summons which does not identify the person or persons with respect to whose tax liability the summons is issued may be served only if (a) the summons relates to the investigation of a particular person or ascertainable group or class of persons, (b) there is a reasonable basis for believing that such person or group or class of persons may fail or may have failed to comply with any tax law administered by the commissioner, (c) the information sought to be obtained from the examination of the records (and the identity of the person or persons with respect to whose liability the summons is issued) is not readily available from other sources, (d) the summons is clear and specific as to the information sought to be obtained, and (e) the information sought to be obtained is limited solely to the scope of the investigation. Provided further that the party served with a summons which does not identify the person or persons with respect to whose tax liability the summons is issued shall have the right, within 20 days after service of the summons, to petition the district court for the judicial district in which lies the county in which that party is located for a determination as to whether the commissioner of revenue has complied with all the requirements in (a) to (e), and thus, whether the summons is enforceable. If no such petition is made by the party served within the time prescribed, the summons shall have the force and effect of a court order;

(8) To cause the deposition of witnesses residing within or without the state, or absent therefrom, to be taken, upon notice to the interested party, if any, in like manner that depositions of witnesses are taken in civil actions in the district court, in any matter which the commissioner may have authority to investigate or determine;

(9) investigate the tax laws of other states and countries and to formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of assessment and taxing laws, and secure just and equal taxation and improvement in the system of assessment and taxation in this state;

(10) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department of revenue, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;

(11) transmit to the governor, on or before the third Monday in December of each even-numbered year, and to each member of the legislature, on or before November 15 of each even numbered year, the report of the department of revenue for the preceding years, showing all the taxable property in the state and the value of the same, in tabulated form;

(12) inquire into the methods of assessment and taxation and ascertain whether the assessors faithfully discharge their duties, particularly as to their compliance with the laws requiring the assessment of all property not exempt from taxation;

(13) exercise and perform such further powers and duties as may be required or imposed upon the commissioner of revenue by law;

(14) promulgate rules having the force and effect of law, for the administration and enforcement of the property tax;

(15) execute and administer any agreement with the secretary of the treasury of the United States regarding the exchange of information and administration of the tax laws of both the United States and the state of Minnesota;

(16) administer and enforce the provisions of sections ~~325.64 to 325.76~~ 325D.30 to 325D.42, the Minnesota unfair cigarette sales act; and

(17) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority.

Sec. 7. Minnesota Statutes 1988, section 270.60, is amended to read:

270.60 [TAX REFUND AGREEMENTS WITH INDIANS.]

The commissioner of revenue is authorized to enter into a tax refund agreement with the governing body of any Sioux or Chippewa reservation in Minnesota. The agreement may provide for a mutually agreed upon amount as a refund to the governing body of any sales or excise tax paid by the Indian residents of a reservation into the state treasury, or for an amount which measures the economic value of an agreement by the council to pay the equivalent of the state sales tax on items included in the sales tax base but exempt on the reservation, notwithstanding any other law which limits the refundment of taxes.

The commissioner of revenue is also authorized to enter into a tax refund agreement with the governing body of any federally recognized Indian reservation in Minnesota, for refund of a mutually agreed upon amount of the cigarette taxes collected from sales on reservations or trust lands of an Indian tribe to the established governing body of the tribe having jurisdiction over the reservation or trust land on which the sale is made.

There is annually appropriated from the general fund to the

commissioner of revenue the amounts necessary to make the refunds provided in this section.

Sec. 8. Minnesota Statutes 1988, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles, or motorboats, or special fuel for a qualifying purpose other than use in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in the form and containing the information the commissioner shall require and accompanied by the original invoice thereof. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by the applicant other than in motor vehicles, or special fuel so purchased and used by the applicant other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. Gasoline or special fuel bought and used for a "qualifying purpose" means:

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code of 1954 1986, as amended through December 31, 1983 1988.

(2) Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use by a person in that person's trade, business, or activity for the production of income. "Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country.

(3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured in Minnesota, and shipped by interstate carrier to destinations in other states or foreign countries.

Sec. 9. Minnesota Statutes 1988, section 297.041, subdivision 1, is amended to read:

Subdivision 1. [WHOLESALEERS.] ~~Any~~ A wholesaler who furnishes a surety bond in a sum satisfactory to the commissioner ~~shall be permitted to~~ may set aside, without affixing the stamps required by this chapter, that the part of the wholesaler's stock necessary for the conduct of business in making to make sales to the established governing body of ~~any~~ an Indian tribe recognized by the United States Department of Interior without paying the tax required by this chapter. The unstamped stock shall be kept separate and apart from stamped stock. ~~Every wholesaler shall, at the time of~~ When shipping or delivering any of the unstamped stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice which shall. The invoice must show the complete details of the sale or delivery and shall transmit. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. Failure If the wholesaler fails to comply with the requirements of this section shall cause, the commissioner to shall revoke the permission granted to the wholesaler to maintain keep a stock of unstamped goods which may be unstamped.

Sec. 10. Minnesota Statutes 1988, section 297.041, subdivision 2, is amended to read:

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may ~~maintain~~ keep unstamped stock intended for sale to qualified purchasers.

Sec. 11. Minnesota Statutes 1988, section 297.041, subdivision 4, is amended to read:

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] ~~Any~~ A retailer who sells or otherwise disposes of ~~any~~ unstamped cigarettes other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by section 297.02, subdivision 1, and remit the tax to the department of revenue at the same time and manner as required by section 297.07. ~~In the event If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer shall be is personally responsible for the tax and the commissioner may seize any cigarettes destined to be delivered to the retailer. The cigarettes so seized shall be considered contra-~~ band and be subject to the procedures outlined in section 297.08, subdivision 3. The proceeds of the sale of any such the cigarettes may, after deducting all costs and expenses, be applied to any tax liability owed by the retailer after deducting all costs and expenses.

The provisions of This section ~~shall~~ does not relieve the buyer or possessor of unstamped cigarettes from personal liability for the tax.

Sec. 12. [297.335] [SALES TO INDIAN TRIBES.]

Subdivision 1. [WHOLESALEERS.] A wholesaler may set aside the part of the wholesaler's stock necessary to make sales to the established governing body of an Indian tribe recognized by the United States Department of the Interior without paying the tax required by this chapter. When shipping or delivering untaxed stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice. The invoice must show the complete details of the sale or delivery. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. If the wholesaler fails to comply with this section, the commissioner shall revoke the permission granted to the wholesaler to keep a stock of untaxed goods.

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may keep untaxed stock intended for sale to qualified purchasers.

Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of untaxed tobacco means only an enrolled member of the Indian tribe offering the tobacco for sale.

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] A retailer who sells or otherwise disposes of untaxed tobacco other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by this chapter and remit the tax to the department of revenue at the same time and manner as required by this chapter. If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer is personally responsible for the tax, and the commissioner may seize any tobacco destined to be delivered to the retailer. The procedures for seized contraband outlined in section 297.08, subdivision 3, apply to the seized tobacco. The proceeds of the sale of the tobacco may be applied to any tax liability owed by the retailer after deducting all costs and expenses.

This section does not relieve the buyer or possessor of untaxed tobacco from personal liability for the tax.

Sec. 13. Minnesota Statutes 1988, section 297A.06, is amended to read:

297A.06 [PERMIT.]

After compliance with sections 297A.04 and 297A.28, when security is required, the commissioner shall issue to each applicant a separate permit for each place of business within Minnesota. A

permit shall be valid until canceled or revoked but shall not be assignable and shall be valid only for the person in whose name it is issued and for the transaction of business at the place designated therein. It shall at all times be conspicuously displayed at the place for which issued.

Sec. 14. [297A:065] [CANCELLATION OF PERMITS.]

The commissioner may cancel a permit when one of the following conditions occurs:

(1) the permit holder has not filed a sales or use tax return for one year or more;

(2) the permit holder has not reported any sales or use tax liability on the permit holder's returns for two or more years; or

(3) the permit holder requests cancellation of the permit.

Sec. 15. Minnesota Statutes 1988, section 297A.17, is amended to read:

297A.17 [TAX TO BE COLLECTED; STATUS AS DEBT.]

The use tax required to be collected by the retailer constitutes a debt owed by the retailer to Minnesota and shall be a debt from the purchaser to the retailer recoverable at law in the same manner as other debts. A retailer who does not maintain a place of business within this state, as defined in section 297A.21, subdivision 1, shall not be indebted to Minnesota for amounts of use tax which it was required to collect but did not collect unless the retailer knew or had been advised by the commissioner of its obligation to collect the use tax.

Sec. 16. Minnesota Statutes 1988, section 297A.20, is amended to read:

297A.20 [VIOLATIONS.]

Any person violating ~~sections~~ section 297A.16; or 297A.18 ; ~~or~~ 297A.19 shall be guilty of a misdemeanor.

Sec. 17. Minnesota Statutes 1988, section 297A.21, subdivision 4, is amended to read:

Subd. 4. [REQUIRED REGISTRATION BY OUT-OF-STATE RETAILER NOT MAINTAINING PLACE OF BUSINESS IN MINNESOTA.] (a) A retailer making retail sales from outside this state to a destination within this state and not maintaining a place of business in this state shall file an application for a permit pursuant

to section 297A.04 and shall collect and remit the use tax as provided in section 297A.16 if the retailer engages in the regular or systematic soliciting of sales from potential customers in this state by:

(1) the distribution, by mail or otherwise, without regard to the state from which such distribution originated or in which the materials were prepared, of catalogs, periodicals, advertising flyers, or other written solicitations of business to customers in this state;

(2) display of advertisements on billboards or other outdoor advertising in this state;

(3) advertisements in newspapers published in this state;

(4) advertisements in trade journals or other periodicals the circulation of which is primarily within this state;

(5) advertisements in a Minnesota edition of a national or regional publication or a limited regional edition in which this state is included of a broader regional or national publication which are not placed in other geographically defined editions of the same issue of the same publication;

(6) advertisements in regional or national publications in an edition which is not by its contents geographically targeted to Minnesota but which is sold over the counter in Minnesota or by subscription to Minnesota residents;

(7) advertisements broadcast on a radio or television station located in Minnesota; or

(8) any other solicitation by telegraphy, telephone, computer data base, cable, optic, microwave, or other communication system.

(b) The location within or without this state of vendors independent of the retailer which provide products or services to the retailer in connection with its solicitation of customers within this state, including such products and services as creation of copy, printing, distribution, and recording, is not to be taken into account in the determination of whether the retailer is required to collect use tax. Paragraph (a) shall be construed without regard to the state from which distribution of the materials originated or in which they were prepared.

(c) A retailer not maintaining a place of business in this state shall be presumed, subject to rebuttal, to be engaged in regular solicitation within this state if it (1) engages in any of the activities in paragraph (a) and makes 100 or more retail sales from outside this state to destinations within this state during a period of 12

consecutive months, or (2) makes ten or more retail sales totaling more than \$100,000 from outside this state to destinations within this state during a period of 12 consecutive months.

(d) A retailer not maintaining a place of business in this state shall not be required to collect use tax imposed by any local governmental unit or subdivision of this state and this section does not subject such a retailer to any regulation of any local unit of government or subdivision of this state.

Sec. 18. Minnesota Statutes 1988, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical institutes, state academies, and political subdivisions of the state are exempt. Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, clause (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5, except for leases entered into by the United States or its agencies or instrumentalities.

Sec. 19. Minnesota Statutes 1988, section 297A.25, subdivision 16, is amended to read:

Subd. 16. [SALES TO NONPROFIT GROUPS.] The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders, are exempt. Sales exempted by this subdivision include sales pur-

suant to section 297A.01, subdivision 3, clauses (d) and (f). This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities. This exemption does not apply to the leasing of a motor vehicle as defined in section 297B.01, subdivision 5.

Sec. 20. Minnesota Statutes 1988, section 297B.01, subdivision 5, is amended to read:

Subd. 5. "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and for which registration is required by chapter 168. Motor vehicle includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles, for which registration is required by chapter 168, but not including and motor vehicles that are purchased on Indian reservations where the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota. Motor vehicle does not include snowmobiles, house trailers, or manufactured homes.

Sec. 21. Minnesota Statutes 1988, section 297B.02, subdivision 1, is amended to read:

Subdivision 1. [RATE.] There is imposed an excise tax at the rate provided in chapter 297A on the purchase price of any motor vehicle purchased or acquired, either in or outside of the state of Minnesota, which is required to be registered under the laws of this state.

The excise tax is also imposed on the purchase price of motor vehicles purchased or acquired on Indian reservations when the tribal council has entered into a motor vehicle excise tax refund agreement with the state of Minnesota.

Sec. 22. Minnesota Statutes 1988, section 297B.025, subdivision 2, is amended to read:

Subd. 2. [COLLECTOR VEHICLES.] A passenger automobile that is currently registered under section 168.10, subdivisions subdivision 1a, 1b, 1c, and 1d, or 1h, shall be taxed under section 297B.02, subdivision 3, and the registrar shall not designate as an above-market automobile a passenger automobile registered under those subdivisions. If the vehicle is subsequently registered in another class not under section 168.10, subdivision 1a, 1b, 1c, 1d, or

1h, within one year of the date of registration under those subdivisions, it shall be subject to the full excise tax imposed under subdivision 1.

Sec. 23. Minnesota Statutes 1988, section 297B.03, is amended to read:

297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.25, subdivision 18.

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of section 351 or 721 of the Internal Revenue Code of 1954 1986, as amended through December 31, 1974 1988.

(5) Purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales or motor vehicle excise tax on motor vehicles used in interstate commerce.

(6) Purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution.

Sec. 24. [297C.045] [SALES TO INDIAN TRIBES.]

Subdivision 1. [WHOLESALEERS.] A wholesaler may set aside the part of the wholesaler's stock necessary to make sales to the established governing body of an Indian tribe recognized by the

United States Department of the Interior, without paying the tax required by this chapter. When shipping or delivering untaxed stock to an Indian tribal organization, the wholesaler shall make a true duplicate invoice. The invoice must show the complete details of the sale or delivery. The wholesaler must send the duplicate to the commissioner not later than the 18th day of the following calendar month. If a wholesaler fails to comply with the requirements of this section, the commissioner shall revoke the permission granted to the wholesaler to keep a stock of untaxed goods.

Subd. 2. [RETAILERS.] Retailers who are Indian tribal organizations may keep untaxed stock intended for sale to qualified purchasers.

Subd. 3. [QUALIFIED PURCHASERS.] A qualified purchaser of untaxed liquor means only an enrolled member of the Indian tribe that is offering the liquor for sale.

Subd. 4. [SALES TO NONQUALIFIED BUYERS.] A retailer who sells or otherwise disposes of untaxed liquor other than to a qualified purchaser shall collect from the buyer or transferee the tax imposed by this chapter and remit the tax to the department of revenue at the same time and manner as required by this chapter. If the retailer fails to collect the tax from the buyer or transferee, or fails to remit the tax, the retailer is personally responsible for the tax and the commissioner may seize any liquor destined to be delivered to the retailer. The procedures outlined in section 297C.12 apply to the seized liquor. The proceeds of the sale of the liquor may be applied to any tax liability owed by the retailer after deducting all costs and expenses.

This section does not relieve the buyer or possessor of untaxed liquor from personal liability for the tax.

Sec. 25. [297D.085] [CREDIT FOR PREVIOUSLY PAID TAXES.]

If another state or local unit of government has previously assessed an excise tax on the marijuana or controlled substances, the taxpayer must pay the difference between the tax due under section 297D.08 and the tax previously paid. If the tax previously paid to the other state or local unit of government was equal to or greater than the tax due under section 297D.08, no tax is due. The burden is on the taxpayer to show that an excise tax on the marijuana or controlled substances has been paid to another state or local unit of government.

Sec. 26. Minnesota Statutes 1988, section 297D.13, is amended by adding a subdivision to read:

Subd. 4. [POSSESSION OF STAMPS.] A stamp denoting payment

of the tax imposed under this chapter must not be used against the taxpayer in a criminal proceeding, except that the stamp may be used against the taxpayer in connection with the administration or civil or criminal enforcement of the tax imposed under this chapter or any similar tax imposed by another state or local unit of government.

Sec. 27. Minnesota Statutes 1988, section 325D.32, subdivision 10, is amended to read:

Subd. 10. (a) "Cost to wholesaler" means the basic cost of the cigarettes, prior to deducting manufacturer's timely payment and stamping discounts and any other discounts or rebates, plus the cost of doing business by the wholesaler, as defined in sections 325D.30 to 325D.42.

(b) The cost of doing business by the wholesaler is presumed to be four percent of the basic cost of the cigarettes, plus cartage to the retail outlet, if furnished or paid for by the wholesaler, in the absence of proof of a lesser or higher cost. Such cartage cost is presumed to be one-half of one percent of the basic cost of the cigarettes in the absence of proof of a lesser or higher cost.

(c) A wholesaler electing to sell cigarettes at a price other than that presumed by law must submit to the commissioner documentation substantiating the actual cost of the cigarettes before selling at actual cost. For purposes of this paragraph "actual cost" means basic cost as defined in subdivision 9 plus the wholesaler's cost of doing business. The commissioner shall review the documents submitted and, if necessary, request additional documentation to verify the accuracy of the cost computations. If, within 15 days of submission of the documentation, the commissioner has not notified the wholesaler of any deficiencies in the cost computations, the wholesaler may begin selling at actual cost. The cost computations are effective for a period of not more than 12 months beginning 15 days after submission of the documentation. Fifteen days before expiration of the 12-month period, the wholesaler must submit new cost documentation for review by the commissioner to continue selling at less than the price presumed by law. New cost documentation must also be submitted to the commissioner on the last day of a month in which the basic cost of cigarettes increases.

Sec. 28. Minnesota Statutes 1988, section 325D.37, is amended by adding a subdivision to read:

Subd. 3. Before selling cigarettes at a price set in good faith to meet competition, a wholesaler shall contact the commissioner to verify that a competitor has met the requirements of section 325D.32, subdivision 10, or that a competitor has contacted the commissioner under this subdivision in response to a wholesaler who has met the requirements of section 325D.32, subdivision 10.

Sec. 29. [325D.415] [CIGARETTE DISTRIBUTOR FEES.]

A cigarette distributor as defined in section 297.01, subdivision 7, shall pay to the commissioner an annual fee as follows:

(1) a fee of \$2,500 is due from those distributors whose annual cigarette tax collections exceed \$2,000,000; and

(2) a fee of \$1,200 is due from those distributors whose annual cigarette tax collections are \$2,000,000 or less.

The annual fee must be paid by December 31 of each year. If the fee is not paid when due, the commissioner shall revoke or refuse to issue or renew the license under chapter 297. The annual fee must be deposited into the general fund.

Sec. 30. Minnesota Statutes 1988, section 469.190, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Notwithstanding section 477A.016 or any other law, a statutory or home rule charter city may by ordinance, and a town may by the affirmative vote of the electors at its the annual town meeting, or at a special town meeting, impose a tax of up to three percent on the gross receipts from the furnishing for consideration of lodging at a hotel, motel, rooming house, tourist court, or resort, other than the renting or leasing of it for a continuous period of 30 days or more. A statutory or home rule charter city may by ordinance impose the tax authorized under this subdivision on the camping site receipts of a municipal campground.

Sec. 31. Minnesota Statutes 1988, section 473.843, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF FEE; APPLICATION.] The operator of a mixed municipal solid waste disposal facility in the metropolitan area shall pay a fee on solid waste accepted and disposed at the facility as follows:

(a) A facility that weighs the waste that it accepts must pay a fee of 50 cents per cubic yard based on equivalent cubic yards of waste accepted at the entrance of the facility.

(b) A facility that does not weigh the waste but that measures the volume of the waste that it accepts must pay a fee of 50 cents per cubic yard of waste accepted at the entrance of the facility. This fee and the tipping fee must be calculated on the same basis.

(c) Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing

solid waste for reuse is exempt from one-half of the amount of fee imposed by this subdivision if there is at least an 85 percent volume reduction in the solid waste processed. To qualify for exemption under this clause, waste residue must be brought to a disposal facility separately. The commissioner of revenue, with the advice and assistance of the agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption.

Sec. 32. [CONTINUATION OF EFFECT.]

The repeal of Minnesota Statutes, sections 477A.018 and 477A.019, in this act shall be deemed to be a part of a repeal and reenactment under Laws 1987, chapter 291, with the effect provided in Minnesota Statutes, section 645.37. A statutory or home rule charter city, county, or town ordinance, resolution, or vote to impose a tax under Minnesota Statutes 1988, section 477A.018, may continue in effect under the terms of Minnesota Statutes, section 469.190.

Sec. 33. [COMPLEMENT INCREASE.]

The special taxes division of the department of revenue is given a complement of two positions for the enforcement of sections 325D.30 to 325D.42.

Sec. 34. [APPROPRIATION.]

\$91,500 is appropriated from the general fund to the commissioner of revenue for the fiscal year ending June 30, 1990, and \$91,500 for fiscal year ending June 30, 1991, for the enforcement of sections 325D.30 to 325D.42.

Sec. 35. [REPEALER.]

Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019, are repealed.

Sec. 36. [EFFECTIVE DATE.]

Sections 1, 2, 4 to 6, 8 to 14, 16, 17, 20 to 25, 27 to 31, and 35 are effective July 1, 1989. Section 3 is effective for reports filed in 1990 and thereafter. Section 7 is retroactively effective July 1, 1988. Section 15 is retroactively effective June 1, 1988. Sections 18 and 19 are effective for all sales made after June 30, 1989, but do not apply to sales of tangible personal property made pursuant to bona fide written contracts that were enforceable before July 1, 1989, and delivery is made on or before December 31, 1989. Section 26 is retroactively effective August 1, 1986. Section 32 is retroactively effective August 1, 1987.

ARTICLE 2

PROPERTY TAXES

Section 1. Minnesota Statutes 1988, section 38.27, subdivision 1, is amended to read:

Subdivision 1. [TAX LEVY; POWERS.] ~~In All counties, in addition to all other powers now or hereafter by law conferred upon county boards, authority hereby is given may annually to levy a tax upon all property subject to taxation and, from time to time, to appropriate and pay over the proceeds of this tax, when collected, to any county agricultural society of its county which is a member of the state agricultural society, to assist the society in paying its financial obligations now or hereafter incurred, and for the construction, reconstruction, alteration, repairs and improvements of necessary buildings.~~

Sec. 2. Minnesota Statutes 1988, section 93.55, subdivision 4, is amended to read:

Subd. 4. After the mineral interest has forfeited to the state pursuant to this section, a person claiming an ownership interest before the forfeiture may recover the fair market value of the interest, either: (1) as an alternative claim raised in the hearing on the order to show cause why the mineral interest should not forfeit absolutely, with fair market value to be determined and paid as provided in this subdivision, or (2) in a separate action brought as follows. An action may be commenced within six years after the forfeiture entry of judgment under this section to determine the ownership and the fair market value of the mineral interests in the property both at the time of forfeiture and at the time of bringing the action. The action shall be brought in the manner provided in chapter 559, for an action to determine adverse claims, to the extent applicable. The person bringing the action shall serve notice of the action on the commissioner of natural resources in the same manner as is provided for service of notice of the action on a defendant. The commissioner may appear and contest the allegations of ownership and value in the same manner as a defendant in such actions. Persons determined by the court to be owners of the interests at the time of forfeiture to the state under this section may present to the commissioner of finance a verified claim for refund of the fair market value of the interest. A copy of the court's decree shall be attached to the claim. Thereupon the commissioner of finance shall refund to the claimant the fair market value at the time of forfeiture, which is the expiration of the period within which tax forfeiture would not have been possible had the mineral interest been properly and timely filed for record under section 93.52, or at the time of bringing the action, whichever is lesser, less any taxes, penalties, costs, and interest which could have been collected during the period following the forfeiture under this section, had the interest in minerals been

valued and assessed for tax purposes at the time of forfeiture under this section. There is appropriated from the general fund to the persons entitled to a refund an amount sufficient to pay the refund.

Sec. 3. Minnesota Statutes 1988, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

- (a) general education aid authorized in section 124A.23;
- (b) secondary vocational aid authorized in section 124.573;
- (c) special education aid authorized in section 124.32;
- (d) secondary vocational aid for handicapped children authorized in section 124.574;
- (e) aid for pupils of limited English proficiency authorized in section 124.273;
- (f) transportation aid authorized in section 124.225;
- (g) community education programs aid authorized in section 124.271;
- (h) adult education aid authorized in section 124.26;
- (i) early childhood family education aid authorized in section 124.2711;
- (j) capital expenditure aid authorized in sections 124.244 and 124.245;
- (k) homestead credit under section 273.13 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter;
- (l) agricultural credit under section 273.132 for taxes payable in 1989 and additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter; and
- (m) ~~transition homestead and agricultural credit aid and disparity~~ reduction aid authorized in section 273.1398, subdivision 2;

(n) attached machinery aid authorized in section 273.138, subdivision 3.

The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.

Sec. 4. Minnesota Statutes 1988, section 124.2139, is amended to read:

124.2139 [REDUCTION OF PAYMENTS TO SCHOOL DISTRICTS.]

The commissioner of revenue shall reduce the homestead credit payments under section 273.13 for fiscal year 1990, and the sum of the additional homestead and agricultural credit guarantee, and transition homestead and agricultural credit aid, and disparity reduction aid payments under section 273.1398 for fiscal years 1991 and thereafter made to school districts by the product of:

(1) the district's fiscal year 1984 payroll for coordinated plan members of the public employees retirement association, times

(2) the difference between the employer contribution rate in effect prior to July 1, 1984, and the total employer contribution rate in effect after June 30, 1984.

Sec. 5. Minnesota Statutes 1988, section 256.82, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY PAYMENTS.] For the period from January 1 to June 30, based upon estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency payment shall be made monthly in advance by the state to the counties of all federal funds available for that purpose for such succeeding month, together with an amount of state funds equal to 85 percent of the difference between the total estimated cost and the federal funds so available for payments made except as provided for in section 256.017. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period except as provided for in section 256.017. For the period from July 1 to December 31 based upon the estimates submitted by the county agency to the state agency, which shall state the estimated required expenditures for the succeeding month, upon the direction of the state agency, payment shall be made monthly in advance by the state to the counties of all state and federal funds available for that

purpose for the succeeding month except as provided for in section 256.017. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month. Effective January 1, 1989 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.

Sec. 6. Minnesota Statutes 1988, section 256.871, subdivision 6, is amended to read:

Subd. 6. [ESTIMATED EXPENDITURES; PAYMENTS.] The county agency shall submit to the state agency an estimate of expenditures for each succeeding month in such form as required by the state agency. For the period from January 1 to June 30, payment shall be made monthly in advance by the state agency to the counties, of federal funds available for that purpose for each succeeding month, together with an amount of state funds equal to ten percent of the difference between the total estimated cost and the federal funds so available, except as provided for in section 256.017. Subsequent to July 1 of each year the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.017. For the period from July 1 to December 31, payment shall be made monthly in advance by the state agency to the counties, of all state and federal funds available for that purpose for the succeeding month, except as provided for in section 256.017. Payment shall be made on the basis of federal and state participation rates described in this subdivision. Effective January 1, 1989 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation. Adjustment of any overestimate or underestimate made by any county shall be made upon the direction of the state agency in any succeeding month.

Sec. 7. Minnesota Statutes 1988, section 256B.041, subdivision 5, is amended to read:

Subd. 5. [PAYMENT BY COUNTY TO STATE TREASURER.] If required by federal law or rules promulgated thereunder, or by authorized rule of the state agency, each county shall pay to the state treasurer the portion of medical assistance paid by the state for which it is responsible. Effective January 1, 1989 1990, the state rate of participation shall be determined as a percentage that equals the difference between 100 percent and the percentage rate of federal financial participation.

For the period from January 1 to June 30, the county shall advance ten percent of that portion of medical assistance costs not

met by federal funds, based upon estimates submitted by the state agency to the county agency, stating the estimated expenditures for the succeeding month. Upon the direction of the county agency, payment shall be made monthly by the county to the state for the estimated expenditures for each month. Adjustment of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month. Subsequent to July 1 of each year, the state agency shall reimburse the county agency for the funds expended during the January 1 to June 30 period, except as provided for in section 256.017. For the period from July 1 to December 31, payments will be made by the state agency, except as provided for in section 256.017, and the county agency will be advised of the amounts paid monthly.

Sec. 8. Minnesota Statutes 1988, section 270.071, subdivision 6, is amended to read:

Subd. 6. (a) "Air commerce" means the transportation by aircraft of persons or property for hire in interstate, intrastate, or international transportation on regularly scheduled flights or on intermittent or irregularly timed flights by airline companies operating under authorization from the United States Civil Aeronautics Board Department of Transportation.

(b) "Air commerce" also includes but is not limited to an intermittent or irregularly timed flight, a flight arranged at the convenience of an airline and the person contracting for the transportation, or a charter flight. It includes an airline company making three or more flights in or out of Minnesota during a calendar year.

(c) "Air commerce" does not include casual transportation for hire by aircraft commonly owned and used for private airflight purposes if the person furnishing the transportation does not hold out to be engaged regularly in transportation for hire.

Sec. 9. Minnesota Statutes 1988, section 270.072, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT OF FLIGHT PROPERTY.] The flight property of all air carriers operating in Minnesota under a certificate of public convenience and necessity or under authorization from the United States Civil Aeronautics Board Department of Transportation shall be assessed annually by the commissioner in the manner prescribed by sections 270.071 to 270.079. Aircraft with a gross weight of less than 30,000 pounds and used on intermittent or irregularly timed flights shall be excluded from the provisions of sections 270.071 to 270.079.

Sec. 10. Minnesota Statutes 1988, section 270.072, subdivision 3, is amended to read:

Subd. 3. [REPORT BY AIRLINE COMPANY.] Every airline company engaged in air commerce in this state shall file with the commissioner on or before the time fixed by the commissioner a report under oath setting forth specifically the information prescribed by the commissioner to enable the commissioner to make the assessment required in sections 270.071 to 270.079, unless the commissioner determines that the airline company or person should be excluded from filing because its activities do not constitute air commerce as defined herein. A penalty of five percent of the tax being assessed is imposed on a late filing of the annual report. If the report is not filed within 30 days, an additional penalty of five percent of the assessed tax is imposed for each additional 30 days or fraction of 30 days until the return is filed. The penalty imposed under this section must not exceed the lesser of \$25,000 or 25 percent of the assessed tax.

Sec. 11. Minnesota Statutes 1988, section 270.075, subdivision 2, is amended to read:

Subd. 2. As soon as practicable and not later than December 1 next following the levy of the tax, the commissioner shall give actual notice to the airline company of the gross tax capacity and of the tax. The taxes imposed under sections 270.071 to 270.079 shall become due and payable on January 1 following the levy thereof. If any tax is not paid on the due date or, if an appeal is made pursuant to section 270.076, within 60 days after notice of an increased tax, a late payment penalty of ~~ten~~ five percent of the unpaid tax shall be assessed. If the tax remains unpaid for more than 30 days, an additional penalty of five percent of the unpaid tax is imposed for each additional 30 days or fraction of 30 days that the tax remains unpaid. The penalty imposed under this section must not exceed the lesser of \$25,000 or 25 percent of the unpaid tax. The unpaid tax and penalty shall bear interest at the rate specified in section 270.75 from the time such tax should have been paid until paid. All interest and penalties shall be added to the tax and collected as a part thereof.

Sec. 12. Minnesota Statutes 1988, section 270.12, subdivision 2, is amended to read:

Subd. 2. The board shall meet annually between July 15 and October 1 at the office of the commissioner of revenue and examine and compare the returns of the assessment of the property in the several counties, and equalize the same so that all the taxable property in the state shall be assessed at its market value, subject to the following rules:

(1) The board shall add to the aggregate valuation of the real property of every county, which the board believes to be valued below its market value in money, such percent as will bring the same to its market value in money;

(2) The board shall deduct from the aggregate valuation of the real property of every county, which the board believes to be valued above its market value in money, such percent as will reduce the same to its market value in money;

(3) If the board believes the valuation for a class or classes of the real property of any town or district in any county, or the valuation for a class or classes of the real property of any county not in towns or cities, should be raised or reduced, without raising or reducing the other real property of such county, or without raising or reducing it in the same ratio, the board may add to, or take from, the valuation of a class or classes in any one or more of such towns or cities, or of the property not in towns or cities, such percent as the board believes will raise or reduce the same to its market value in money;

(4) The board shall add to the aggregate valuation of any class of personal property of any county, town, or city, which the board believes to be valued below the market value thereof, such percent as will raise the same to its market value in money;

(5) The board shall take from the aggregate valuation of any class of personal property in any county, town or city, which the board believes to be valued above the market value thereof, such percent as will reduce the same to its market value in money;

(6) The board shall not reduce the aggregate valuation of all the property of the state, as returned by the several county auditors, more than one percent on the whole valuation thereof;

(7) When it would be of assistance in equalizing values the board may require any county auditor to furnish statements showing assessments of real and personal property of any individuals, firms, or corporations within the county. The board shall consider and equalize such assessments and may increase the assessment of individuals, firms, or corporations above the amount returned by the county board of equalization when it shall appear to be undervalued, first giving notice to such persons of the intention of the board so to do, which notice shall fix a time and place of hearing. The board shall not decrease any such assessment below the valuation placed by the county board of equalization; and

(8) In equalizing values pursuant to this section, the board shall utilize a 12-month assessment/sales ratio study conducted by the department of revenue containing only sales that occurred between October 1 of the year immediately preceding the previous year to September 30 of the previous year. The sales prices used in the study must be discounted for terms of financing. The board shall use the median ratio as the statistical measure of the level of assessment for any particular category of property.

Sec. 13. Minnesota Statutes 1988, section 270.485, is amended to read:

270.485 [SENIOR ACCREDITATION.]

The legislature finds that the property tax system would be enhanced by requiring that every county assessor and senior appraiser in the department of revenue's local government services division obtain senior accreditation from the state board of assessors. Every senior appraiser, including the department's regional representatives, by January 1, 1990, or in the case of a and every county assessor within one year two years of the first appointment under section 273.061, or by January 1, 1992, whichever is later, every county assessor and senior appraiser, including the department's regional representatives, must obtain senior accreditation from the state board of assessors. The board shall provide the necessary courses or training. If a department senior appraiser or regional representative fails to obtain senior accreditation by January 1, 1990, the failure shall be grounds for dismissal, disciplinary action, or corrective action. Except as provided in section 273.061, subdivision 2, paragraph (c), after December 30, 1989 1991, the commissioner must not approve the appointment of a county assessor who is not senior accredited by the state board of assessors. No employee hired by the commissioner as a senior appraiser or regional representative after June 30, 1987, shall attain permanent status until the employee obtains senior accreditation.

Sec. 14. Minnesota Statutes 1988, section 272.01, subdivision 2, is amended to read:

Subd. 2. (a) When any real or personal property which for any reason is exempt from ad valorem taxes, and taxes in lieu thereof, is leased, loaned, or otherwise made available and used by a private individual, association, or corporation in connection with a business conducted for profit, there shall be imposed a tax, for the privilege of so using or possessing such real or personal property, in the same amount and to the same extent as though the lessee or user was the owner of such property.

(b) The tax imposed by this subdivision shall not apply to (1) property leased or used by way of a concession in or relative to the use in whole or part of a public park, market, fairgrounds, port authority, economic development authority established under chapter 458C, municipal auditorium, municipal automobile parking facility, airport owned by a city, town, county, or group thereof but not the airports owned or operated by the metropolitan airports commission or a city of over 50,000 population or an airport authority therein, municipal museum or municipal stadium or (2) property constituting or used as a public pedestrian ramp or concourse in connection with a public airport or (3) property constituting or used as a passenger check-in area or ticket sale

counter, boarding area, or luggage claim area in connection with a public airport but not the airports owned or operated by the metropolitan airports commission or cities of over 50,000 population or an airport authority therein. Real estate owned by a municipality in connection with the operation of a public airport and leased or used for agricultural purposes shall not be exempt.

(c) Taxes imposed by this subdivision shall be due and payable as in the case of personal property taxes and such taxes shall be assessed to such lessees or users of real or personal property in the same manner as taxes assessed to owners of real or personal property, except that such taxes shall not become a lien against the property. When due, the taxes shall constitute a debt due from the lessee or user to the state, township, city, county and school district for which the taxes were assessed and shall be collected in the same manner as personal property taxes. If property subject to the tax imposed by this subdivision is leased or used jointly by two or more persons, each lessee or user shall be jointly and severally liable for payment of the tax.

(d) The tax on real property of the state or any of its political subdivisions that is leased by a private individual, association, or corporation and becomes taxable under this subdivision or other provision of law must be assessed and collected as a personal property assessment. The taxes do not become a lien against the real property.

Sec. 15. Minnesota Statutes 1988, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clause clauses (1) or, (2), and (3), or paragraph (d), clause (2);
- (7) all public property exclusively used for any public purpose;

(8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures; and

(f) flight property as defined in section 270.071.

(9) Real and personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, other than real property used primarily as a solid waste disposal site.

Any taxpayer requesting exemption of all or a portion of any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means (1) land described in section 105.37, subdivision 15, or (2) land which is mostly under water, produces little if any income, and has no use

except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice. "Wetlands" shall include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands. "Wetlands" shall not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause and section 273.116. Upon receipt of an application for the exemption and credit provided in this clause and section 273.116 for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydro-

electric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 105.482, subdivisions 1, 8, and 9.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by paragraph (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body, or 30 days has passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to parents and children who are receiving AFDC or parents of children who are temporarily in foster care. (ii) It has the purpose of reuniting families and enabling parents to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for no longer than six months but no longer than ~~one year~~ three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is sponsored by an organization that has received a grant under either section 256.7365 for the biennium ending June 30, 1989, or section 462A.07, subdivision 15, for the biennium ending June 30, 1991, for the purposes of providing the services in items (i) to (iv). (vi) It is sponsored by an organization that is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

Sec. 16. Minnesota Statutes 1988, section 273.01, is amended to read:

273.01 [LISTING AND ASSESSMENT, TIME.]

All real property subject to taxation shall be listed and at least one-fourth of the parcels listed shall be appraised each year with reference to their value on January 2 preceding the assessment so that each parcel shall be reappraised at maximum intervals of four years. All real property becoming taxable in any year shall be listed with reference to its value on January 2 of that year. Except as provided in section 274.01, subdivision 1, all real property assessments shall be completed two weeks prior to the date scheduled for the local board of review or equalization ~~and no valuations entered thereafter shall be of any force and effect. Any changes made by the assessor after this time must be fully documented and maintained in a file in the assessor's office and shall be available for review by any person. A copy of any changes made during this period shall be sent to the county board.~~ In the event a valuation and classification is not placed on any real property by the dates scheduled for the local board

of review or equalization the valuation and classification determined in the preceding assessment shall be continued in effect and the provisions of section 273.13 shall, in such case, not be applicable, except with respect to real estate which has been constructed since the previous assessment. Real property containing iron ore, the fee to which is owned by the state of Minnesota, shall, if leased by the state after January 2 in any year, be subject to assessment for that year on the value of any iron ore removed under said lease prior to January 2 of the following year. Personal property subject to taxation shall be listed and assessed annually with reference to its value on January 2; and, if acquired on that day, shall be listed by or for the person acquiring it.

Sec. 17. Minnesota Statutes 1988, section 273.061, subdivision 1, is amended to read:

Subdivision 1. [OFFICE CREATED; APPOINTMENT, QUALIFICATIONS.] Every county in this state shall have a county assessor. The county assessor shall be appointed by the board of county commissioners and shall be a resident of this state. The assessor shall be selected and appointed because of knowledge and training in the field of property taxation and appointment shall be approved by the commissioner of revenue before the same shall become effective. Upon receipt by the county commissioners of the commissioner of revenue's refusal to approve an appointment, the term of the appointee shall terminate at the end of that day. Notwithstanding any law to the contrary, a county assessor must have senior accreditation from the state board of assessors by January 1, 1990 1992, or within one year two years of the assessor's first appointment under this section, whichever is later.

Sec. 18. Minnesota Statutes 1988, section 273.061, subdivision 2, is amended to read:

Subd. 2. [TERM; VACANCY.] (a) The terms of county assessors appointed under this section shall be four years. A new term shall begin on January 1 of every fourth year after 1973. When any vacancy in the office occurs, the board of county commissioners, within 30 days thereafter, shall fill the same by appointment for the remainder of the term, following the procedure prescribed in subdivision 1. The term of the county assessor may be terminated by the board of county commissioners at any time, on charges of inefficiency or neglect of duty by the commissioner of revenue. If the board of county commissioners does not intend to reappoint a county assessor who has been certified by the state board of assessors, the board shall present written notice to the county assessor not later than 90 days prior to the termination of the assessor's term, that it does not intend to reappoint the assessor. If written notice is not timely made, the county assessor will automatically be reappointed by the board of county commissioners.

The commissioner of revenue may recommend to the state board of assessors the nonrenewal, suspension, or revocation of an assessor's license as provided in sections 270.41 to 270.53.

(b) In the event of a vacancy in the office of county assessor, through death, resignation or other reasons, the deputy (or chief deputy, if more than one) shall perform the functions of the office. If there is no deputy, the county auditor shall designate a person to perform the duties of the office until an appointment is made as provided in clause (a). Such person shall perform the duties of the office for a period not exceeding 30 days during which the county board must appoint a county assessor. Such 30-day period may, however, be extended by written approval of the commissioner of revenue.

(c) In the case of the first appointment under paragraph (a) of a county assessor who is accredited but who does not have senior accreditation, an approval of the appointment by the commissioner shall be for a term of one year, provisional, provided that a county assessor appointed to a ~~one-year~~ provisional term under this paragraph must reapply to the commissioner at the end of the ~~one-year~~ provisional term. A provisional term may not exceed two years. The commissioner shall not approve the appointment for the remainder of the four-year term unless the assessor has obtained senior accreditation.

Sec. 19. Minnesota Statutes 1988, section 273.111, subdivision 3, is amended to read:

Subd. 3. (a) Real estate consisting of ten acres or more or a nursery or greenhouse qualifying for classification as class 1b, 2a, or 2b under section 273.13, subdivision 23, paragraph (d), shall be entitled to valuation and tax deferment under this section only if it is actively and exclusively devoted to agricultural use as defined in subdivision 6 and either:

(1) is the homestead of the owner, or of a surviving spouse, child, or sibling of the owner or is real estate which is farmed with the real estate which contains the homestead property; or

(2) has been in possession of the applicant, the applicant's spouse, parent, or sibling, or any combination thereof, for a period of at least seven years prior to application for benefits under the provisions of Laws 1969, chapter 1039, this section, or is real estate which is farmed with the real estate which qualifies under this clause and is within two townships or cities or combination thereof from the qualifying real estate; or

(3) is the homestead of a shareholder in a family farm corporation as defined in section 500.24, notwithstanding the fact that legal title

to the real estate may be held in the name of the family farm corporation; or

(4) is in the possession of a nursery or greenhouse or an entity owned by a proprietor, partnership, or corporation which also owns the nursery or greenhouse operations on the parcel or parcels.

(b) Valuation of real estate under this section is limited to parcels the ownership of which is in noncorporate entities except for:

(1) family farm corporations organized pursuant to section 500.24; and

(2) corporations that derive 80 percent or more of their gross receipts from the wholesale or retail sale of horticultural or nursery stock.

Corporate entities who previously qualified for tax deferment pursuant to this section and who continue to otherwise qualify under subdivisions 3 and 6 for a period of at least three years following the effective date of this section will not be required to make payment of the previously deferred taxes, notwithstanding the provisions of subdivision 9. Sale of the land prior to the expiration of the three-year period shall result in payment of deferred taxes as follows: sale within the first year requires payment of payable 1980, 1981, and 1982 deferred taxes; sale during the second year requires payment of payable 1981 and 1982 taxes deferred; and sale at any time during the third year will require payment of payable 1983 taxes deferred. Deferred taxes shall be paid even if the land qualifies pursuant to subdivision 11a. Special assessments are payable at the end of the three-year period or at time of sale, whichever comes first.

Sec. 20. Minnesota Statutes 1988, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferment under this section only if it is:

(a) actively and exclusively devoted to golf, skiing or archery or firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of an archery or firearms range;

(c)(1) operated by private individuals and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more, provided that the club does not discriminate in membership requirements or selection on the basis of sex; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership. A golf club may not offer a membership or golfing privileges to a spouse of a member that provides greater or less access to the golf course than is provided to that person's spouse under the same or a separate membership in that club, except that the terms of a membership may provide that one spouse may have no right to use the golf course at any time while the other spouse may have either limited or unlimited access to the golf course.

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident.

Sec. 21. Minnesota Statutes 1988, section 273.112, is amended by adding a subdivision to read:

Subd. 6a. The commissioner of revenue shall develop and issue guidelines for qualification by private golf clubs under this section covering the access to and use of the golf course by members and other adults so as to be consistent with the purposes and terms of this section. The guidelines shall be mailed to the county attorney and assessor of each county not later than 60 days following the date of enactment of this act. Within 15 days of receipt of the guidelines from the commissioner, the assessor shall mail a copy of the guidelines to each golf club in the county. The guidelines issued under this subdivision are not subject to the administrative procedure act under chapter 14.

Sec. 22. Minnesota Statutes 1988, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

The assessor shall require proof, by affidavit or otherwise, of the facts upon which classification as a homestead may be determined.

For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

In the case of property owned by a married couple in joint tenancy or tenancy in common, the assessor must not deny homestead treatment in whole or in part if only one of the spouses is occupying the property and the other spouse is absent due to divorce or separation, or is a resident of a nursing home or a boarding care facility.

If an individual is purchasing property with the intent of claiming it as a homestead, and is required by the terms of the financing agreement to have one or both parents shown on the deed as coowners, the assessor shall allow a full homestead classification and extend full homestead credit. This provision only applies to first time purchasers, whether married or single, or to a person who had previously been married and is purchasing as a single individual for the first time. The application for homestead benefits must be on a form prescribed by the commissioner and must contain the data necessary for the assessor to determine if full homestead benefits are warranted.

Sec. 23. Minnesota Statutes 1988, section 273.124, subdivision 8, is amended to read:

Subd. 8. [HOMESTEAD OWNED BY FAMILY FARM CORPORATION OR PARTNERSHIP.] (a) Each family farm corporation and each partnership operating a family farm is entitled to class 1b under section 273.13, subdivision 22, paragraph (b), or class 2a assessment for one homestead occupied by a shareholder or partner thereof who is residing on the land and actively engaged in farming of the land owned by the corporation or partnership. Homestead treatment applies even if legal title to the property is in the name of the corporation or partnership and not in the name of the person residing on it. "Family farm corporation" and "family farm" have the meanings given in section 500.24, except that the number of allowable shareholders or partners under this subdivision shall not exceed 12.

(b) In addition to property specified in paragraph (a), any other residences owned by corporations or partnerships described in paragraph (a) which are located on agricultural land and occupied as homesteads by shareholders or partners who are actively engaged in farming on behalf of the corporation or partnership must also be assessed as class 2a property or as class 1b property under section 273.13, subdivision 22, paragraph (b), but the property eligible is limited to the residence itself and as much of the land surrounding the homestead, not exceeding one acre, as is reasonably necessary for the use of the dwelling as a home, and does not include any other structures that may be located on it.

Sec. 24. Minnesota Statutes 1988, section 273.124, subdivision 9, is amended to read:

Subd. 9. [HOMESTEAD ESTABLISHED AFTER ASSESSMENT DATE.] Any property that was not used for the purpose of a homestead on the assessment date, but which was used for the purpose of a homestead ~~on~~ by June 1 of a year, constitutes class 1 or class 2a ~~to the extent of one-half of the valuation that would have been includable in class 1 or class 2a.~~

Any taxpayer meeting the requirements of this subdivision must notify the county assessor, or the assessor who has the powers of the county assessor pursuant to section 273.063, in writing, prior to June 15 of the year of occupancy in order to qualify under this subdivision.

The county assessor and the county auditor may make the necessary changes on their assessment and tax records to provide for proper homestead classification as provided in this subdivision.

The owner of any property qualifying under this subdivision, which has not been accorded the benefits of this subdivision,

regardless of whether or not the notification has been timely filed, may be entitled to receive homestead classification by proper application as provided in section 270.07 or 375.192.

The county assessor shall publish in a newspaper of general circulation within the county no later than June 1 of each year a notice informing the public of the requirement to file an application for homestead prior to June 15.

Sec. 25. Minnesota Statutes 1988, section 273.124, subdivision 12, is amended to read:

Subd. 12. [HOMESTEAD OF MEMBER OF UNITED STATES ARMED FORCES; PEACE CORPS; VISTA.] Real estate actually occupied and used for the purpose of a homestead by a member of the armed forces of the United States person, or by a member of that person's immediate family shall, notwithstanding the absence of the person, while on active duty with the armed forces of the United States or the family under such conditions, be classified as a homestead provided that absence of the owner is solely by reason of service in the armed forces, and that even though the person or family is absent if (1) the person or the person's family is absent solely because the person is on active duty with the armed forces of the United States, or is serving as a volunteer under the VISTA or Peace Corps program; (2) the owner intends to return as soon as discharged or relieved from service; and (3) the owner claims it as a homestead. Every A person who, for the purpose of obtaining or aiding another in obtaining any benefit under this subdivision, shall knowingly make makes or submit submits to any an assessor any an affidavit or other statement which that is false in any material matter shall be to obtain or aid another in obtaining a benefit under this subdivision is guilty of a felony.

Sec. 26. Minnesota Statutes 1988, section 273.124, subdivision 13, is amended to read:

Subd. 13. [SOCIAL SECURITY NUMBER REQUIRED FOR HOMESTEAD APPLICATION.] Every property owner applying for homestead classification must furnish to the county assessor that owner's social security or taxpayer identification number. If the social security or taxpayer identification number is not provided, the county assessor shall classify the property as nonhomestead. The social security numbers of the property owners are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

At the request of the commissioner, each county must give the commissioner a list that includes the name and social security or taxpayer identification number of each property owner applying for homestead classification.

If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, the homestead credit under section 273.13 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter, the taconite homestead credit, and the supplemental homestead credit, and the tax reduction resulting from the agricultural credit under section 273.132 for taxes payable in 1989 and under section 273.1398 for taxes payable in 1990 and thereafter. The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to 25 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county.

If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount to the succeeding year's tax list to be collected as part of the property taxes.

Any amount of homestead benefits recovered from the property owner must be transmitted to the commissioner by the end of each calendar quarter. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The amount of penalty collected must be deposited in the county general fund.

The commissioner will provide suggested homestead applications to each county. If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 27. Minnesota Statutes 1988, section 273.124, is amended by adding a subdivision to read:

Subd. 14. [AGRICULTURAL HOMESTEADS; SPECIAL PROVI-

SIONS.] (a) Real estate of less than ten acres that is the homestead of its owner must be classified as class 2a under section 273.13, subdivision 23, paragraph (a), if:

(1) the parcel on which the house is located is contiguous to agricultural land on at least two sides;

(2) its owner also owns a noncontiguous parcel of agricultural land that is at least 20 acres;

(3) the noncontiguous land is located not farther than two townships or cities, or a combination of townships or cities from the homestead; and

(4) the agricultural use value of the noncontiguous land and farm buildings is equal to at least 50 percent of the market value of the house, garage and one acre of land.

Homesteads initially classified as class 2a under the provisions of this subdivision shall remain classified as class 2a, irrespective of subsequent changes in the use of adjoining properties, as long as the homestead remains under the same ownership, the owner owns a noncontiguous parcel of agricultural land that is at least 20 acres, and the agricultural use value qualifies under clause (4).

(b) Noncontiguous land shall be included as part of a homestead under section 273.13, subdivision 23, paragraph (a), only if the homestead is classified as class 2a and the detached land is located in the same township or city, or not farther than two townships or cities or combination thereof from the homestead.

(c) Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified as a homestead under section 273.13, subdivision 23, paragraph (a). If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a.

Sec. 28. Minnesota Statutes 1988, section 273.13, subdivision 22, is amended to read:

Subd. 22. [CLASS 1.] (a) Except as provided in subdivision 23, real estate which is residential and used for homestead purposes is class 1. The market value of class 1a property must be determined based upon the value of the house, garage, and land.

The first \$68,000 of market value of class 1a property has a net tax

capacity of one percent of its market value and a gross tax capacity of 2.17 percent of its market value. The market value of class 1a property that exceeds \$68,000 but does not exceed \$100,000 has a tax capacity of 2.5 percent of its market value. The market value of class 1a property that exceeds \$100,000 has a tax capacity of 3.3 percent of its market value.

(b) Class 1b property includes real estate or manufactured homes used for the purposes of a homestead by

(1) any blind person, if the blind person is the owner thereof or if the blind person and the blind person's spouse are the sole owners thereof; or

(2) any person, hereinafter referred to as "veteran," who:

(i) served in the active military or naval service of the United States; and

(ii) is entitled to compensation under the laws and regulations of the United States for permanent and total service-connected disability due to the loss, or loss of use, by reason of amputation, ankylosis, progressive muscular dystrophies, or paralysis, of both lower extremities, such as to preclude motion without the aid of braces, crutches, canes, or a wheelchair; and

(iii) with assistance by the administration of veterans affairs has acquired a special housing unit with special fixtures or movable facilities made necessary by the nature of the veteran's disability, or the surviving spouse of the deceased veteran for as long as the surviving spouse retains the special housing unit as a homestead; or

(3) any person who:

(i) is permanently and totally disabled and

(ii) receives 90 percent or more of total income from

(A) aid from any state as a result of that disability; or

(B) supplemental security income for the disabled; or

(C) workers' compensation based on a finding of total and permanent disability; or

(D) social security disability, including the amount of a disability insurance benefit which is converted to an old age insurance benefit and any subsequent cost of living increases; or

(E) aid under the Federal Railroad Retirement Act of 1937, United States Code Annotated, title 45, section 228b(a)5; or

(F) a pension from any local government retirement fund located in the state of Minnesota as a result of that disability; or

(iii) whose household income as defined in section 290A.03, subdivision 5, is 150 percent or less of the federal poverty level.

Property is classified and assessed pursuant to clause (1) only if the commissioner of jobs and training certifies to the assessor that the owner of the property satisfies the requirements of this subdivision. ~~The commissioner of jobs and training shall provide a copy of the certification to the commissioner of revenue.~~

Permanently and totally disabled for the purpose of this subdivision means a condition which is permanent in nature and totally incapacitates the person from working at an occupation which brings the person an income. The first \$32,000 market value of class 1b property has a net tax capacity of .4 percent of its market value and a gross tax capacity of .87 percent of its market value. The remaining market value of class 1b property has a gross or net tax capacity using the rates for class 1 or class 2a property, whichever is appropriate, of similar market value.

(c) Class 1c property is commercial use real property that abuts a lakeshore line and is devoted to temporary and seasonal residential occupancy for recreational purposes but not devoted to commercial purposes for more than 200 days in the year preceding the year of assessment, and that includes a portion used as a homestead by the owner. Class 1c property has a tax capacity of .9 percent of market value with the following limitation: the area of the property must not exceed 100 feet of lakeshore footage for each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth, measured away from the lakeshore.

(d) For taxes levied in 1988, payable in 1989 only, the tax to be paid on class 1a or class 1b property shall be reduced by 54 percent of the tax imposed on the first \$68,000 of market value. The amount of the reduction shall not exceed \$725.

Sec. 29. Minnesota Statutes 1988, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land that does not exceed \$65,000 has a net tax capacity of .805 percent of market value and a gross tax capacity of 1.75 percent of market value. The excess market value over \$65,000 has a tax

capacity of 2.2 percent. If the market value of the house, garage, and surrounding one acre of land is less than \$65,000, the value of the remaining land including improvements equal to the difference between \$65,000 and the market value of the house, garage, and surrounding one acre of land has a net tax capacity of 1.12 percent of market value and a gross tax capacity of 1.75 percent of market value for the first 320 acres of land and the remaining value over 320 acres has a net tax capacity of 1.295 percent of market value and a gross tax capacity of 1.75 percent of market value. The remaining value of class 2a property over the \$65,000 market value that does not exceed 320 acres has a net tax capacity of 1.44 percent of market value and a gross tax capacity of 2.25 percent of market value. The remaining property over the \$65,000 market value in excess of 320 acres has a net tax capacity of 1.665 percent of market value and a gross tax capacity of 2.25 percent of market value.

Noncontiguous land shall constitute class 2a only if the homestead is classified as class 2a and the detached land is located in the same township or city or not farther than two townships or cities or combination thereof from the homestead.

Agricultural land used for purposes of a homestead and actively farmed by a person holding a vested remainder interest in it must be classified class 2a. If agricultural land is classified class 2a, any other dwellings on the land used for purposes of a homestead by persons holding vested remainder interests who are actively engaged in farming the property, and up to one acre of the land surrounding each homestead and reasonably necessary for the use of the dwelling as a home, must also be assessed class 2a and is entitled to the homestead credit.

For taxes levied in 1988, payable in 1989 only, the tax to be paid on class 2a property and class 1b property under section 273-13, subdivision 22, paragraph (b), used for agricultural purposes shall be reduced by 54 percent of the tax. The amount of the reduction shall not exceed \$725.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; and (2) real estate that is nonhomestead agricultural land. Class 2b property has a net tax capacity of 1.665 percent of market value and a gross tax capacity of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land, and land included in federal farm programs.

(d) Real estate of less than ten acres used principally for raising poultry, livestock, fruit, vegetables or other agricultural products,

including the breeding of fish for sale and consumption provided that it is located if the fish breeding occurs on land zoned for agricultural use, shall be considered as agricultural land, if it is not used primarily for residential purposes. The term "agricultural products" as used in the preceding sentence means any of the products identified in section 273.111, subdivision 6, clause (2). "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products.

(e) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3),

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

Sec. 30. Minnesota Statutes 1988, section 273.135, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1989 only, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 66 percent of the net tax up to the taconite breakpoint plus

a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(b) In the case of property located within the boundaries of a school district which qualifies as a tax relief area but which is outside the boundaries of a municipality which meets the qualifications prescribed in section 273.134, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, provided that the reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c)(1) The maximum reduction of the net tax up to the taconite breakpoint is \$225.40 on property described in clause (a) and \$200.10 on property described in clause (b), for taxes payable in 1985. These maximum amounts shall increase by \$15 times the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax on property described in clause (a) is \$490 for taxes payable in 1985. The total maximum reduction for the net tax on property described in clause (b) is \$435 for taxes payable in 1985. These maximum amounts shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22, "effective tax rate" means tax divided by the market value of the property, and the "base year effective tax rate" means the tax on the property after the application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel of property or a parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 31. Minnesota Statutes 1988, section 273.1391, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1989 only, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the net tax up to the taconite breakpoint plus a percentage equal to the homestead credit equivalency percentage of the net tax in excess of the taconite breakpoint, but not to exceed the maximums specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to 95 percent of the base year effective tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c)(1) The maximum reduction of the net tax up to the taconite breakpoint is \$200.10 for taxes payable in 1985. This maximum amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

(2) The total maximum reduction of the net tax is \$435 for taxes payable in 1985. This total maximum amount shall increase by \$15 per year for taxes payable in 1986 and thereafter.

For the purposes of this subdivision, "net tax" means the tax on the property after deduction of any credit under section 273.13, subdivision 22 or 23, "taconite breakpoint" means the lowest possible net tax for a homestead qualifying for the maximum reduction pursuant to section 273.13, subdivision 22, rounded to the nearest whole dollar, "homestead credit equivalency percentage" means a percentage equal to the percentage reduction authorized in section 273.13, subdivision 22, and "effective tax rate" means tax divided by the market value of the property, and the "base year effective tax rate" means the tax on the property after application of the credits payable under section 273.13, subdivisions 22 and 23, and this section for taxes payable in 1988, divided by the market value of the property. A new parcel with a current year classification that is different from its base year classification has the same base year effective tax rate as an equivalent homesteaded parcel.

Sec. 32. Minnesota Statutes 1988, section 273.1393, is amended to read:

273.1393 [COMPUTATION OF NET PROPERTY TAXES.]

Notwithstanding any other provisions to the contrary, "net" property taxes are determined by subtracting the credits in the order listed from the gross tax:

- (1) disaster credit as provided in section 273.123;
- (2) powerline credit as provided in section 273.42;
- (3) agricultural preserves credit as provided in section 473H.10;
- (4) enterprise zone credit as provided in section 469.171;
- (5) ~~state agricultural credit as provided in section 273.132~~ disparity reduction credit;
- (6) ~~state paid homestead~~ conservation tax credit as provided in section ~~273.13~~ 273.119;
- (7) taconite homestead credit as provided in section 273.135; and
- (8) supplemental homestead credit as provided in section 273.1391.

The combination of all property tax credits must not exceed the gross tax amount.

Sec. 33. Minnesota Statutes 1988, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of tax capacity rates.

(c) "Gross tax capacity" means the product of the appropriate percentages of market value listed as gross tax capacities in section 273.13 and equalized market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the gross tax capacity of property referred to in clauses (1) and (2) for disparity reduction aid payable in 1989, the gross tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of the appropriate percentages of market value listed as net tax capacities in section 273.13 and equalized market values. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located and (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity before equalization shall equal the property's 1987 assessed value multiplied by 12 percent. Net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. For computation of aids payable in 1989 only, if the aggregate assessment sales ratio is less than or equal to 92 percent, the assessment sales ratios by class shall be adjusted proportionally so that the aggregate ratio of the unequalized market values to the

equalized market values equals 92 percent; otherwise the equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Homestead effective rate" means the product of (i) 46 percent; (ii) 2.17 percent; and (iii) the total tax capacity rate for taxes payable in 1989 within a unique taxing jurisdiction multiplied by the 1988 aggregate assessment sales ratio. A sales ratio of .92 is used if the actual sales ratio is less than .92.

(g) For purposes of calculating the transition homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's homestead effective rate; (ii) its net tax capacity; and (iii) 103.

(h) For purposes of calculating and allocating transition homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties" or "gross taxes" means the total gross taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction before reduction by any credits for taxes payable in the year prior to that in which the aids are payable. For purposes of disparity reduction aid only, total gross taxes shall be reduced by the taxes levied for any school district referendum levies authorized pursuant to section 124A.03, subdivision 2, and any school district debt levies authorized pursuant to section 475.61. Gross taxes levied cannot be less than zero.

(i) "Income maintenance aids" means:

(1) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(2) preadmission screening and alternative care grants under section 256B.091, subdivision 8;

(3) general assistance, and work readiness under section 256D.03, subdivision 2;

(4) general assistance medical care under section 256D.03, subdivision 6;

(5) aid to families with dependent children under section 256.82, subdivision 1, including emergency assistance under section

256.871, subdivision 6; and funeral expense payments under section 256.935, subdivision 1; and

(6) supplemental aid under section 256D.36, subdivision 1.

Sec. 34. Minnesota Statutes 1988, section 273.1398, subdivision 4, is amended to read:

Subd. 4. [DISPARITY REDUCTION CREDIT.] (a) Beginning with taxes payable in 1989, class 4a, class 3a, and class 3b property qualifies for a disparity reduction credit if: (1) the property is located in a border city that has an enterprise zone designated pursuant to section 469.168, subdivision 4; (2) the property is located in cities a city with a population greater than 2,500 and less than 35,000 according to the 1980 decennial census which are; (3) the city is adjacent to cities a city in another state or immediately adjacent to a city adjacent to a city in another state qualify for disparity reduction credits, if; and (4) the adjacent city in the other state has a population of greater than 5,000 and less than 75,000.

(b) The credit is an amount sufficient to reduce (i) the taxes levied on class 4a property to three percent of the property's market value and (ii) the tax on class 3a and class 3b property to 3.3 percent of market value.

~~(b)~~ (c) The county auditor shall annually certify the costs of the credits to the department of revenue. The department shall reimburse local governments for the property taxes foregone as the result of the credits in proportion to their total levies.

Sec. 35. Minnesota Statutes 1988, section 273.1398, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL HOMESTEAD AND AGRICULTURAL CREDIT GUARANTEE.] Beginning with taxes payable in 1990, each unique taxing jurisdiction may receive additional homestead and agricultural credit guarantee payments.

(1) Each year, the commissioner shall certify to the county auditor the total education aids paid under chapters 124 and 124A, ~~transition~~ homestead and agricultural credit aid and disparity reduction aid paid under section 273.1398, local government aid to cities, counties, and towns paid under chapter 477A, and income maintenance aid paid to counties for each taxing jurisdiction. The county auditor shall apportion each local government's aids to the unique taxing jurisdiction based upon the proportion that the unique taxing jurisdiction's tax capacity bears to the total tax capacity of the local government.

(2) Each year, the county auditor will compute a gross tax capacity

rate for each taxing jurisdiction equal to its total levy divided by its gross tax capacity. For each unique taxing jurisdiction, a total gross tax capacity rate will be determined. This total gross tax capacity rate will be applied against the gross tax capacity of each property that would have been eligible for the homestead credit or the agricultural credit for taxes payable in 1989. A credit amount will be determined for each parcel based upon the credit rate structure in effect for taxes payable in 1989. The resulting credit amounts will be summed for all parcels in the unique taxing jurisdiction.

If the amount determined in clause (2) is greater than the amount determined in clause (1), the difference will be additional homestead and agricultural credit guarantee payments for the unique taxing jurisdiction. The additional credit amount shall proportionately reduce the tax capacity rates of all local governments levying taxes within the unique taxing jurisdiction. The county auditor shall certify the amounts of ~~all~~ additional credits determined under this ~~section~~ subdivision in a form prescribed by the commissioner.

Sec. 36. Minnesota Statutes 1988, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2 and 3 before September 30 of the year preceding the distribution year to the county auditor of the affected local government and pay them and the credit reimbursements to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax nor shall ~~transition~~ homestead and agricultural credit aid be payable on the part of a levy to which ~~transition~~ homestead and agricultural credit aid was separately allocated under subdivision 2, paragraph (b), clause (2), which is no longer levied.

Sec. 37. Minnesota Statutes 1988, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1 by the amount of ~~transition~~ homestead and agricultural credit aid certified by section 273.1398, subdivision 2. If a local government's ~~transition~~ homestead and agricultural credit aid was further allocated between portions of its levy pursuant to section 273.1398, subdivision 2, paragraph (b)(2), the levy or fund to which the ~~transition~~ homestead and agricultural credit aid was allocated is the levy or fund which must be adjusted.

Sec. 38. [276.131] [DISTRIBUTION OF PENALTIES, INTEREST, AND COSTS.]

The penalties, interest, and costs collected on special assessments and real and personal property taxes must be distributed as follows:

(1) all penalties and interest collected on special assessments against real or personal property must be distributed to the taxing jurisdiction that levied the assessment;

(2) 50 percent of all penalties and interest collected on real and personal property taxes must be distributed to the county in which the property is located, and the other 50 percent must be distributed to the school district in which the property is located. The distribution to the school district must be in accordance with the provisions of section 124.10; and

(3) all costs collected by the county on special assessments and on delinquent real and personal property taxes must be distributed to the county in which the property is located.

Sec. 39. Minnesota Statutes 1988, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving two copies of a petition for such determination upon the county auditor and one copy each on the county treasurer and the county attorney and filing the same, with proof of service, in the office of the court administrator of the district court before the 16th day of May of the year in which the tax becomes payable. The county auditor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be sent to the school board of the school district in which the property is located. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to May 16 of the year in which the taxes are payable.

Sec. 40. Minnesota Statutes 1988, section 278.03, is amended to read:

278.03 [PAYMENT OF TAX.]

If the proceedings instituted by the filing of the petition have not been completed before the 16th day of May next following the filing, the petitioner shall pay to the county treasurer 50 percent of the tax levied for such year against the property involved, unless permission to continue prosecution of the petition without such payment is obtained as herein provided. If the proceedings instituted by the filing of the petition have not been completed by the next October 16, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, November 16, the petitioner shall pay to the county treasurer 50 percent of the unpaid balance of the taxes levied for the year against the property involved if the unpaid balance is \$2,000 or less and 80 percent of the unpaid balance if the unpaid balance is over \$2,000, unless permission to continue prosecution of the petition without payment is obtained as herein provided. The petitioner, upon ten days notice to the county attorney and to the county auditor, given at least ten days prior to the 16th day of May or the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, the 16th day of November, may apply to the court for permission to continue prosecution of the petition without payment; and, if it is made to appear

(1) That the proposed review is to be taken in good faith;

(2) That there is probable cause to believe that the property may be held exempt from the tax levied or that the tax may be determined to be less than 50 percent of the amount levied; and

(3) That it would work a hardship upon petitioner to pay the taxes due,

the court may permit the petitioner to continue prosecution of the petition without payment, or may fix a lesser amount to be paid as a condition of continuing the prosecution of the petition.

Failure to make payment of the amount required when due shall operate automatically to dismiss the petition and all proceedings thereunder unless the payment is waived by an order of the court permitting the petitioner to continue prosecution of the petition without payment. The county treasurer shall, upon request of the petitioner, issue duplicate receipts for the tax payment, one of which shall be filed by the petitioner in the proceeding.

Sec. 41. Minnesota Statutes 1988, section 278.05, subdivision 4, is amended to read:

Subd. 4. [SALES RATIO STUDIES AS EVIDENCE.] The sales

ratio studies published by the department of revenue, or any part of the studies, or any copy of the studies or records accumulated to prepare the studies which is prepared by the commissioner of revenue for use in determining school education aids shall be admissible in evidence as a public record without the laying of a foundation if the sales prices used in the study are adjusted for the terms of the sale to reflect market value and are adjusted to reflect the difference in the date of sale compared to the assessment date. The department of revenue sales ratio study shall be prima facie evidence of the level of assessment. Additional evidence relevant to the sales ratio study is also admissible. No sales ratio study received into evidence shall be conclusive or binding on the court and evidence of its reliability or unreliability may be introduced by any party including, but not limited to, evidence of inadequate adjustment of sale prices for terms of financing, inadequate adjustment of sales prices to reflect the difference in the date of sale compared to the assessment date, and inadequate sample size.

No reduction in value on the grounds of discrimination shall be granted on the basis of a sales ratio study published by the department of revenue unless

(a) the sales prices are adjusted for the terms of the sale to reflect market value,

(b) the sales prices are adjusted to reflect the difference in the date of sale compared to the assessment date, and

(c) there is an adequate sample size, and

(d) the median ratio of the same classification of property in the same county, city, or town as the subject property is lower than 90 percent, except that in the case of a county containing a city of the first class, the median ratio for the county shall be the ratio determined excluding sales from the first class city within the county.

If a reduction in value on the grounds of discrimination is granted based on the above criteria, the reduction shall equal the difference between 90 percent and the median ratio determined by the court.

Sec. 42. Minnesota Statutes 1988, section 278.05, subdivision 5, is amended to read:

Subd. 5. Any time after the filing of the petition and before the trial of the issues raised thereby, when the defense or claim presented is that the property has been partially, unfairly, or unequally assessed, or that the parcel has been assessed at a valuation greater than its real or actual value, or that a parcel which is classified as homestead under the provisions of section 273.13,

subdivision 22 or 23, has been assessed at a valuation which exceeds by ten percent or more the valuation which the parcel would have if it were valued at the average assessment/sales ratio for real property in the same class in that portion of the county in which the parcel is located, for which the commissioner is able to establish and publish a sales ratio study, the attorney representing the state, county, city or town in the proceedings may serve on the petitioner, or the petitioner's attorney, and file with the court administrator of the district court, an offer to reduce the valuation of any tract or tracts to a valuation set forth in the offer. If, within ten days thereafter, the petitioner, or the attorney, gives notice in writing to the county attorney, or the attorney for the city or town, that the offer is accepted, the official notified may file the offer with proof of notice, and the court administrator shall enter judgment accordingly. Otherwise, the offer shall be deemed withdrawn and evidence thereof shall not be given; and, unless a lower valuation than specified in the offer is found by the court, no costs or disbursements shall be allowed to the petitioner, but the costs and disbursements of the state, county, city or town, including interest at six percent on the tax based on the amount of the offer from and after the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, the 16th day of November, of the year the taxes are payable, shall be taxed in its favor and included in the judgment and when collected shall be credited to the county revenue fund, unless the taxes were paid in full before the 16th day of October, or, in the case of class 1b agricultural homestead, class 2a agricultural homestead, and class 2e 2b(2) agricultural nonhomestead property, the 16th day of November, of the year in which the taxes were payable, in which event interest shall not be taxable.

Sec. 43. Minnesota Statutes 1988, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16, of each year, with respect to property actually occupied and used as a homestead by the owner of the property, a penalty of three percent shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, and a penalty of seven percent on nonhomestead property, except that this penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 4d 1c or 4c, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to the payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the first day of each month, up to

and including October 1 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16; and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the first day of November and December following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the first day of November and December following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16, the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following.

A county may provide by resolution that in the case of a property owner that has multiple tracts or parcels with aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 44. Minnesota Statutes 1988, section 279.01, subdivision 3, is amended to read:

Subd. 3. In the case of class 1b agricultural homestead, class 2a agricultural homestead property, and class 2e 2b(2) agricultural nonhomestead property, no penalties shall attach to the second one-half property tax payment as provided in this section if paid by November 15. Thereafter for class 1b agricultural homestead and class 2a homestead property, on November 16 following, a penalty of six percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional two percent shall be charged on all such unpaid taxes. Thereafter for class 2e 2b(2) agricultural nonhomestead property, on November 16 following, a penalty of eight percent shall accrue and be charged on all such unpaid taxes and on December 1 following, an additional four percent shall be charged on all such unpaid taxes.

If the owner of class 1b agricultural homestead, class 2a, or class 2e 2b(2) agricultural property receives a consolidated property tax statement that shows only an aggregate of the taxes and special assessments due on that property and on other property not classified as class 1b agricultural homestead, class 2a, or class 2e 2b(2) agricultural property, the aggregate tax and special assessments shown due on the property by the consolidated statement will be due on November 15 provided that at least 50 percent of the property's market value is classified class 1b agricultural, class 2a, or class 2e 2b(2) agricultural.

Sec. 45. Minnesota Statutes 1988, section 279.37, subdivision 7, is amended to read:

Subd. 7. The county auditor's statement and county treasurer's receipt issued for payment of a deferred installment, as herein provided for, shall not read for any specific year's taxes, but shall read for partial or full release of judgment, as the case may be, and shall show the year that such judgment was entered. In distributing the taxes collected in this manner, the county auditor shall apply the same in the inverse order to that in which such taxes were levied. All penalties and interest collected under the provisions of this section shall be apportioned by the county auditor in accordance with Minnesota Statutes 1941, sections 276.13 and 276.14 section 276.131. A duplicate treasurer's receipt for payment of a deferred installment, as hereinafter provided, shall be delivered to the court administrator of the district court, and the court administrator of the district court shall credit the amount so paid upon the judgment entered.

Sec. 46. Minnesota Statutes 1988, section 290A.03, subdivision 12, is amended to read:

Subd. 12. [GROSS RENT.] "Gross rent" means rental paid for the right of occupancy, at arms-length, of a homestead, exclusive of charges for any medical services furnished by the landlord as a part of the rental agreement, whether expressly set out in the rental agreement or not. If the landlord and tenant have not dealt with each other at arms-length and the commissioner determines that the gross rent charged was excessive, the commissioner may adjust the gross rent to a reasonable amount for purposes of this chapter.

Any amount paid by a claimant residing in property assessed pursuant to section 273.13 273.124, subdivision 3, 4, 5, or 6 for occupancy in that property shall be excluded from gross rent for purposes of this chapter. However, property taxes imputed to the homestead of the claimant or the dwelling unit occupied by the claimant that qualifies for homestead treatment pursuant to section 273.13 273.124, subdivision 3, 4, 5, or 6 shall be included within the term "property taxes payable" as defined in subdivision 13, notwithstanding the fact that ownership is not in the name of the claimant.

Sec. 47. Minnesota Statutes 1988, section 298.28, subdivision 3, is amended to read:

Subd. 3. [CITIES; TOWNS.] (a) 12.5 cents per taxable ton, less any amount distributed under subdivision 8, and paragraph (b), must be allocated to the taconite municipal aid account to be distributed as provided in section 298.282.

(b) An amount must be allocated to towns or cities that is annually certified by the county auditor of a county containing a taconite tax relief area within which there is (1) an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore or (2) a city if, as of January 2, 1980, more than 75 percent of the assessed valuation of the city consists of iron ore.

(c) The amount allocated under paragraph (b) will be the portion of a township's or city's certified levy equal to the proportion of (1) the difference between 50 percent of January 2, 1982, assessed value in the case of a township and 50 percent of the January 2, 1980, assessed value in the case of a city and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1), provided that the amount distributed shall not exceed \$55 per capita in the case of a township or \$75 per capita in the case of a city. For purposes of this limitation, population will be determined according to the 1980 decennial census conducted by the United States Bureau of the Census. The county auditor shall extend the township's or city's levy against the sum of the township's or city's current assessed value plus the difference between 50 percent of its January 2, 1982, assessed value and its current assessed value in the case of a township and between 50 percent of its January 2, 1980, assessed value and its current assessed value in the case of a city. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, or if the current assessed value of the city exceeds 50 percent of the city's January 2, 1980, assessed value, this paragraph shall not apply. For purposes of this paragraph, "assessed value," when used in reference to years other than 1980 or 1982, means, for distributions for production year 1989, production taxes payable in 1990, the appropriate gross tax capacities multiplied by 8.2 and for distributions for production year 1990 and thereafter, production taxes payable in 1991 and thereafter, the appropriate net tax capacities multiplied by 10.2.

Sec. 48. [365B.01] [TOWNS; SUBORDINATE SERVICE DISTRICTS; PURPOSE.]

It is the purpose of sections 48 to 57 to provide a means by which a town as a unit of general local government can effectively provide and finance various governmental services for its residents.

Sec. 49. [365B.02] [DEFINITION.]

"Subordinate service district" means a defined area within the town in which one or more governmental services or additions to townwide services are provided by the town specially for the area and financed from revenues from the area. The boundaries of a single subordinate service district may not embrace an entire town.

Sec. 50. [365B.03] [ESTABLISHMENT OF SERVICE DISTRICT.]

Notwithstanding any provision of law requiring uniform property tax rates on real or personal property within the town, a town may establish subordinate service districts to provide and finance a governmental service or function that it is otherwise authorized to undertake. A function or service to be provided may include a function or service that the town ordinarily provides throughout the town only to the extent that there is an increase in the level of the function or service provided in the service district over that provided throughout the town.

Sec. 51. [365B.04] [CREATION BY PETITION.]

Subdivision 1. [PETITION.] A petition signed by at least 50 percent of the property owners in the part of the town proposed for the subordinate service district may be submitted to the town board requesting the establishment of a subordinate service district to provide a service that the town is otherwise authorized by law to provide. The petition must include the territorial boundaries of the proposed district and specify the kinds of services to be provided within the district.

Subd. 2. [PUBLIC HEARING.] Upon receipt of the petition, and the verification of the signatures by the town clerk, the town board shall, within 30 days following verification, hold a public hearing on the question of whether or not the requested district shall be established.

Subd. 3. [APPROVAL; DISAPPROVAL.] Within 30 days after the public hearing, the town board by resolution shall approve or disapprove the establishment of the requested district. A resolution approving the establishment of the district may contain amendments or modifications of the district's boundaries or functions as set forth in the petition.

Sec. 52. [365B.05] [PUBLICATION AND EFFECTIVE DATE.]

Within 20 days after passage of a resolution authorizing the establishment of a subordinate service district, the town board shall have the resolution published once in a qualified newspaper of general circulation within the town. The resolution must include a

general description of the territory to be included within the district, the kind of service to be provided, and a statement of how the service will be financed. A notice must also be mailed to the owner of each parcel within the area proposed to be included in the district. The notice shall be sent to the same address as on the property tax statement. The district shall begin 60 days after publication or at a later date specified in the resolution.

Sec. 53. [365B.06] [REVERSE REFERENDUM.]

Subdivision 1. [PETITION.] Upon receipt of a petition signed by at least 25 percent of the property owners within the territory of the proposed district, before the effective date of its establishment as specified in section 52, the establishment shall be in abeyance pending referendum vote within the boundaries of the proposed district.

Subd. 2. [ELECTION.] The town board shall hold a special election within the boundaries of the proposed district not less than 30 nor more than 90 days after receipt of the petition. The question submitted and voted upon by the property owners within the territory of the proposed district must be phrased substantially as follows:

"Shall a subordinate service district be established to provide (service or services to be provided) financed by (revenue sources)?"

If a majority of those voting on the question favor creation of the district, the district shall begin upon certification of the vote by the town clerk. The town clerk shall administer the election.

Sec. 54. [365B.07] [EXPANSION OF BOUNDARIES OF A DISTRICT.]

The town board, upon petition, may enlarge any existing subordinate service district under the procedures specified in sections 50 to 53. Only property owners residing in territory to be added to the district shall be eligible to participate in an election, unless at least 25 percent of the property owners residing in the existing district petition to participate, in which case all property owners residing in the proposed enlarged district shall be eligible.

Sec. 55. [365B.08] [FINANCING.]

Upon adoption of the next annual budget following the creation of a subordinate service district the town board shall include in the budget appropriate provisions for the operation of the district including either a property tax levied only on property of the users of the service within the boundaries of the district or a levy of a service charge against the users of the service within the district, or

a combination of a property tax and a service charge on the users of the service.

A tax or service charge or a combination of them may be imposed to finance a function or service in the district that the town ordinarily provides throughout the town only to the extent that there is an increase in the level of the function or service provided in the service district over that provided throughout the town. In that case, in addition to the townwide tax levy, an amount necessary to pay for the increase in the level of the function or service may be imposed in the district.

Sec. 56. [365B.09] [WITHDRAWAL; ELECTION.]

Upon receipt of a petition signed by at least 50 percent of the property owners in the territory of the subordinate service district requesting the removal of the district, the town board shall hold a special election within the service district not less than 30 nor more than 90 days after the resolution or receipt of the petition. The question to be submitted and voted upon by the property owners in the district shall be phrased substantially as follows:

"Shall the subordinate service district presently established be removed and the service or services of the town as provided for the service district be discontinued?"

If a majority of those voting on the question favor the removal and discontinuance of the services, the service district shall be removed and the services shall be discontinued upon certification of the vote by the town clerk. The town clerk shall administer the election.

Sec. 57. [365B.10] [COORDINATION OF DISTRICTS.]

If a county establishes a subordinate service district in part of a town under enabling law for counties, a town may not establish a subordinate service district to provide the same service in the part of the town served by the county. If a town establishes a subordinate service district in part of the town under this chapter or other law, a county may not establish a subordinate service district to provide the same service in the part of the town served by the town.

Sec. 58. Minnesota Statutes 1988, section 375.192, subdivision 2, is amended to read:

Subd. 2. Notwithstanding section 270.07, upon written application by the owner of the property, if the application seeks a reduction in estimated market value not in excess of \$2,000 \$10,000, the county board may grant the reduction or abatement of estimated market valuation or taxes and of any costs, penalties or interest on them as the board deems just and equitable and order the refund in

whole or part of any taxes, costs, penalties or interest which have been erroneously or unjustly paid. The application must be approved by the county assessor, or, if the property is located in a city of the first or second class having a city assessor, by the city assessor, and by the county auditor before consideration by the county board. The methods of obtaining a reduction or abatement of ad valorem values contained in subdivisions 1 and 2 are in addition to the method provided in section 270.07.

Sec. 59. Minnesota Statutes 1988, section 459.14, is amended by adding a subdivision to read:

Subd. 8. [PROPERTY EXEMPT FROM TAXATION.] Any real or personal property owned, leased, maintained, or operated as a municipal parking facility under this section is owned, leased, maintained, or operated for essential public and governmental purposes, and is exempt from all ad valorem taxes levied by the state or a political subdivision of the state.

Sec. 60. Minnesota Statutes 1988, section 469.012, is amended by adding a subdivision to read:

Subd. 12. [PARKING FACILITIES.] An authority may operate and maintain public parking facilities in connection with any of its projects.

Sec. 61. Minnesota Statutes 1988, section 469.040, subdivision 2, is amended to read:

Subd. 2. [LEASED PROPERTY, EXCEPTION.] Notwithstanding the provisions of subdivision 1, any property other than property to be operated as a parking facility that the authority leases to private individuals or corporations for development in connection with a redevelopment project shall have the same tax status as if the leased property were owned by the private individuals or corporations.

Sec. 62. Minnesota Statutes 1988, section 469.174, subdivision 8, is amended to read:

Subd. 8. [PROJECT.] "Project" means a project as described in section 469.142; an industrial development district as described in section 469.058, subdivision 1; an economic development district as described in section 469.101, subdivision 1; a project as defined in section 469.002, subdivision 12; a development district as defined in section 469.125, subdivision 8 9, or any special law; or a project as defined in section 469.153, subdivision 2, paragraph (a), (b), or (c).

Sec. 63. Minnesota Statutes 1988, section 469.175, subdivision 7, is amended to read:

Subd. 7. [CREATION OF HAZARDOUS SUBSTANCE SUBDISTRICT; RESPONSE ACTIONS.] (a) A municipality or authority which is creating or has created a tax increment financing district may establish within the district a hazardous substance subdistrict upon the notice and after the discussion, public hearing, and findings required for approval of the original plan. The geographic area of the subdistrict is made up of any parcels in the district designated for inclusion by the municipality or authority that are designated hazardous substance sites, and any additional parcels in the district designated for inclusion that are contiguous to the hazardous substances sites except for the interposition of a right-of-way. Before or at the time of approval of the tax increment financing plan, the municipality must make the findings under paragraphs (b) to (d), and set forth in writing the reasons and supporting facts for each.

(b) Development or redevelopment of the site, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment and tax increment otherwise available, and therefore the hazardous substance district is deemed necessary.

(c) Other parcels that are not designated hazardous substance sites are expected to be developed together with a designated hazardous substance site.

(d) The subdistrict is not larger than, and the period of time during which increments are elected to be received is not longer than, that which is necessary in the opinion of the municipality to provide for the additional costs due to the designated hazardous substance site.

(e) Upon request by a municipality or authority that has incurred expenses for removal or remedial actions to implement a development response action plan, the attorney general may:

(1) bring a civil action on behalf of the municipality or authority to recover the expenses, including administrative costs and litigation expenses, under section 115B.04 or other law; or

(2) assist the municipality or agency in bringing an action as described in clause (1), by providing legal and technical advice, intervening in the action, or other appropriate assistance.

The decision to participate in any action to recover expenses is at the discretion of the attorney general.

(f) If the attorney general brings an action as provided in paragraph (e), clause (1), the municipality or authority shall certify its reasonable and necessary expenses incurred to implement the development response action plan and shall cooperate with the

attorney general as required to effectively pursue the action. The certification by the municipality or authority is prima facie evidence that the expenses are reasonable and necessary. The attorney general may deduct litigation expenses incurred by the attorney general from any amounts recovered in an action brought under paragraph (e), clause (1). The municipality or authority shall reimburse the attorney general for litigation expenses not recovered in an action under paragraph (e), clause (1), and for litigation expenses incurred to assist in bringing an action under paragraph (e), clause (1) (2). All money recovered or paid to the attorney general for litigation expenses under this paragraph shall be paid to the general fund of the state for deposit to the account of the attorney general. For the purposes of this section, "litigation expenses" means attorney fees and costs of discovery and other preparation for litigation.

(g) The municipality or authority shall reimburse the pollution control agency for its administrative expenses incurred to review and approve a development action response plan and associated activities, and for expenses incurred for any services rendered to the attorney general to support the attorney general in actions brought or assistance provided under paragraph (e). All money paid to the pollution control agency under this paragraph shall be deposited in the environmental response, compensation and compliance fund.

(h) Actions taken by a municipality or authority consistent with a development response action plan are deemed to be authorized response actions for the purpose of section 115B.17, subdivision 12. A municipality or agency that takes actions consistent with a development response action plan qualifies for the defenses available under sections 115B.04, subdivision 11, and 115B.05, subdivision 9.

(i) All money recovered by a municipality or authority in an action brought under paragraph (e) in excess of the amounts paid to the attorney general and the pollution control agency must be treated as excess increments and be distributed as provided in section 469.176, subdivision 2, clause (4), to the extent the removal and remedial actions were initially financed with increment revenues.

Sec. 64. Minnesota Statutes 1988, section 469.176, subdivision 4c, is amended to read:

Subd. 4c. [ECONOMIC DEVELOPMENT DISTRICTS.] Revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if at least 25 percent of the buildings and facilities (determined on the basis of square footage) are used for the purposes listed in section 144(a)(8) of the Internal Revenue Code of 1986 (determined without regard to the 25

percent restriction in subparagraph (A)). The restrictions under this paragraph apply only to districts located in development regions, as defined in section 462.384, with populations in excess of 1,000,000. Population must be determined under the provisions of section 477A.011.

Sec. 65. Minnesota Statutes 1988, section 475.53, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] Except as otherwise provided by law, no school district shall be subject to a net debt in excess of ten percent of the actual market value of all taxable property situated within its corporate limits, as computed in accordance with this subdivision. The county auditor of each county containing taxable real or personal property situated within any school district shall certify to the district upon request the market value of all such property. The commissioner of revenue shall certify to the district upon request the market value of railroad property within the district as most recently determined under section 270.87. Whenever the commissioner of revenue, in accordance with section 124.2131, subdivision 1, has determined that the gross tax capacity of any district furnished by county auditors is not based upon the market value of taxable property in the district, the commissioner of revenue shall certify to the district upon request the ratio most recently ascertained to exist between such value and the actual market value of property within the district. The actual market value of property within a district, on which its debt limit under this subdivision is based, is (a) the value certified by the county auditors and, where applicable, by the commissioner of revenue under section 270.87, or (b) this value divided by the ratio certified by the commissioner of revenue, whichever results in a higher value.

Sec. 66. Minnesota Statutes 1988, section 477A.011, subdivision 15, is amended to read:

Subd. 15. [CITY REVENUE.] "City revenue" equals the sum of (i) the city's aid payable under section 477A.013, in the year prior to that for which aids are being calculated, and (ii) its levy for taxes payable in the year prior to that for which aids are being calculated; and (iii) for aids payable in 1991 and subsequent years, the city's transition aid payable under section 273.1398, subdivision 2, in the year prior to that for which aids are being calculated.

Sec. 67. Minnesota Statutes 1988, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [TOWNS.] In calendar year 1988, each town which had levied for taxes payable in the previous year at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to the greater of: (a) 60 percent of the amount received in 1983 pursuant to Minnesota Statutes 1982, sections 273.138,

273.139, and 477A.011 to 477A.03; or (b) the amount certified in 1987 pursuant to sections 477A.011 to 477A.03. In calendar year 1989, each town that had levied for taxes payable in 1988 at least one mill on the dollar of the assessed value of the town shall receive a distribution equal to 106 percent of the distribution received under Minnesota Statutes 1987 Supplement, section 477A.013, subdivision 1, in 1988. In calendar year 1990 and subsequent years, each town that had levied for taxes payable in the prior year a tax capacity rate of at least .0125 .008 shall receive a distribution equal to the amount received in 1989 under this subdivision.

Sec. 68. Laws 1988, chapter 719, article 8, section 37, is amended to read:

Sec. 37. [EFFECTIVE DATE.]

The part of section 31 that strikes a part of paragraph (c) is effective June 1, 1990. Section 32 is, and the part of section 36 that provides approval of 25 additional positions in the department of human services for food stamp quality control, are effective June 1, 1989. Except as provided in section 34, the rest of this article is effective January 1, 1990.

Sec. 69. Laws 1988, chapter 719, article 12, section 29, is amended to read:

Sec. 29. [TRANSITION RULES.]

(a) The provisions of sections 3, 6, 10, and 14 16 do not apply to proposed tax increment financing districts for which the authority called for a public hearing in a resolution dated March 23, 1987, and for which a public hearing was held on April 28, 1987. The provisions of Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 10, and 469.176, subdivision 4, apply to such districts.

(b) The provisions of sections 3, 6, 10, and 14 16 do not apply to candidate sites in the old highway 8 corridor tax increment project area, identified in the old highway 8 corridor plan as approved by an authority on October 14, 1986, if the requests for certification of the districts are filed with the county before January 1, 1998. The provisions of Minnesota Statutes 1987 Supplement, sections 469.174, subdivision 10, and 469.176, subdivision 4, apply to such districts.

(c) The provisions of section 14 16, subdivision 4c, do not apply to an economic development district located in a development district approved on November 9, 1987, provided the request for certification of the tax increment district is submitted to the county by September 30, 1988.

Sec. 70. [SPECIAL SERVICES DEFINED.]

For purposes of sections 70 and 71, "special services" means all services rendered or contracted for by the city of Mankato, including but not limited to:

(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) parking services rendered or contracted for by the city; and

(3) any other service provided to the public by the city that is authorized by law or charter.

Sec. 71. [CITY OF MANKATO; ESTABLISHMENT OF SPECIAL SERVICES DISTRICT.]

The governing body of the city of Mankato may adopt an ordinance establishing a special service district. The provisions of Minnesota Statutes, chapter 428A govern the establishment and operation of special service districts in the city.

Sec. 72. [LOCAL APPROVAL.]

Sections 70 and 71 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Mankato.

Sec. 73. [SPECIAL SERVICES DEFINED.]

For purposes of sections 73 to 75, "special services" means all services rendered or contracted for by the city of Hopkins, including, but not limited to:

(1) the repair, maintenance, operation, and construction of any improvement authorized by Minnesota Statutes, section 429.021;

(2) parking services rendered or contracted for by the city; and

(3) any other service provided to the public by the city that is authorized by law or charter.

Sec. 74. [CITY OF HOPKINS; ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.]

The governing body of the city of Hopkins may adopt an ordinance establishing a special service district. The provisions of Minnesota Statutes, chapter 428A govern the establishment and operation of special service districts in the city.

Sec. 75. [LOCAL APPROVAL.]

Sections 73 and 74 are effective the day following compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Hopkins.

Sec. 76. Laws 1988, chapter 719, article 7, section 9, is amended to read:

Sec. 9. [COUNTY ASSESSORS; SENIOR ACCREDITATION.]

Notwithstanding Minnesota Statutes, section 273.061, the commissioner of revenue's approval on January 1, 1989, of appointments of assessors who are not senior accredited on January 1, 1989, shall be for a term of ~~one~~ three years. A county assessor appointed for a ~~one-year~~ three-year term must reapply to the commissioner by January 1, ~~1990~~ 1992, to obtain the approval of the commissioner for the remainder of the four-year term.

Sec. 77. [REPEALER.]

(a) Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; and 38.28 are repealed.

(b) Minnesota Statutes 1988, sections 276.13 and 276.14, are repealed.

(c) Laws 1988, chapter 719, article 8, section 35, is repealed.

(d) Minnesota Statutes 1988, sections 275.57 and 275.58, subdivision 4, are repealed.

Sec. 78. [EFFECTIVE DATE.]

Sections 1, 34, 40, 42 to 44, and 77, paragraphs (a) and (d), are effective for taxes levied in 1988, payable in 1989, and thereafter except as provided in those sections. Sections 5 to 7 are effective January 1, 1989. Sections 8 to 11 are effective January 1, 1989, for property assessed in 1989, payable in 1990, and thereafter. Sections 12, 13, 17, 18, 21, 28, 38, 45, 63, 65, 66, and 77, paragraph (b), are effective the day following final enactment.

Section 15 is effective the day following final enactment except the amendments to the transitional housing exemption in clause (19) are effective for taxes levied in 1989, payable in 1990, and thereafter.

Notwithstanding the May 1 application date in Minnesota Statutes, section 273.111, subdivision 8, section 19 is effective for the 1989 assessment, payable in 1990, and thereafter.

Section 20 is effective for taxes levied in 1989, payable in 1990, and thereafter. Notwithstanding Minnesota Statutes, section 273.112, subdivision 6, in order to qualify for valuation under Minnesota Statutes, section 273.112, for the 1989 assessment, the taxpayer of the property operated by private clubs under Minnesota Statutes, section 273.112, subdivision 3, clause (c)(3), must submit an affidavit or other written verification to the assessor by August 1, 1989, showing that the bylaws in rules and regulations of the private club meet the eligibility requirements of section 20 by August 1, 1989.

Sections 30 and 31 are effective for taxes payable in 1989 only. Sections 39 and 41 are effective for appeals filed after the date of enactment. Section 47 is effective for distributions for production year 1989, production taxes payable in 1990, and thereafter. Section 58 is effective July 1, 1989. Section 64 is effective as provided in Laws 1988, chapter 719, article 12, section 30, as amended in Laws 1989, chapter 1, section 11. Section 67 is effective for distributions in calendar year 1990 and thereafter. Section 68 is effective June 1, 1989. Section 69 is effective May 8, 1988.

Section 77, paragraph (c), is effective for fiscal year 1989. Sections 3, 4, 14, 22, 24 to 27, 29, 33, 35 to 37, and 59 to 61 are effective for taxes levied in 1989, payable in 1990, and thereafter.

ARTICLE 3

SPECIAL TAXES

Section 1. Minnesota Statutes 1988, section 297.01, subdivision 13, is amended to read:

Subd. 13. "Stamp" means the adhesive stamp supplied by the revenue commissioner ~~or the imprint made by a tax meter machine authorized by the commissioner.~~

Sec. 2. Minnesota Statutes 1988, section 297.01, is amended by adding a subdivision to read:

Subd. 16. "Licensing period" means a two-year period during which licenses are issued. A licensing period begins on January 1 of each even-numbered year and ends on December 31 of the following odd-numbered year.

Sec. 3. Minnesota Statutes 1988, section 297.03, subdivision 6, is amended to read:

Subd. 6. [TAX METER MACHINES; STAMPING MACHINES.]
(a) Before January July 1, 1990, the commissioner may authorize any person licensed as a distributor to stamp packages with a tax

meter machine, approved by the commissioner, which shall be provided by the distributor. The commissioner may provide for the use of such a machine by the distributor, supervise and check its operation, provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in a suitable amount to guarantee the payment of the tax.

(b) Before January 1, 1990, the commissioner may authorize, and After December 31, 1989 June 30, 1990, the commissioner shall require any person licensed as a distributor whose stamp meter machine is no longer operational to stamp packages with a heat-applied tax stamping machine, approved by the commissioner, which shall be provided by the distributor. The commissioner shall supervise and check the operation of the machines and shall provide for the payment of the tax on any package so stamped, subject to the discount provided in subdivision 5. The commissioner may sell heat-applied stamps on a credit basis under conditions prescribed by the commissioner. Except as provided in paragraph (d), the commissioner may require the furnishing of a corporate surety bond, check guarantee bond, or certified check in an amount suitable to guarantee payment of the tax stamps so purchased by a distributor. The stamps shall be sold by the commissioner at a price which includes the tax after giving effect to the discount provided in subdivision 5. The commissioner shall recover the actual costs of the stamps from the distributor.

(c) If the commissioner finds that a stamping machine is not printing or affixing a legible stamp on the package, the commissioner may order the distributor to immediately cease the stamping process until the machine is functioning properly.

(d) Every prior continuous compliance taxpayer is exempt from all requirements under this chapter concerning the furnishing of a bond. This exemption continues for the taxpayer until the commissioner determines that the taxpayer (1) is delinquent in the filing of any return, or (2) is delinquent or deficient in the payment of any uncontested tax liability under this chapter. At that time that taxpayer is subject to the bond requirements of this chapter and, as a condition of being allowed to continue to engage in the business licensed under this chapter, is required to furnish bond to the commissioner as provided in this chapter. The taxpayer shall furnish the bond for a period of two years, after which, if the taxpayer has not been delinquent in the filing of any returns, or delinquent or deficient in the paying of any tax under this chapter, the commissioner may reinstate the person as a prior continuous compliance taxpayer. A taxpayer who fails to pay an uncontested tax liability under this chapter may be required to post bond or other acceptable security with the commissioner guaranteeing the

payment of the ~~uncontested tax liability~~. The commissioner shall annually establish the maximum amount of heat applied stamps ~~or meter units~~ that may be purchased each month. Notwithstanding any other provisions of this chapter, the tax due on the return will be based upon actual heat applied stamps ~~or meter units~~ purchased during the reporting period.

Sec. 4. Minnesota Statutes 1988, section 297.04, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTOR'S APPLICATION; FEE, BOND; CERTIFIED CHECK; SUBJOBBER'S LICENSE.] (a) ~~Except as otherwise provided in paragraph (b), Each application for a distributor's license shall be accompanied by a fee of \$150 and a corporate surety bond issued by a surety licensed to do business in this state in the sum of \$1,000, conditioned upon the true and faithful compliance by the licensee with all of the provisions of this act. This bond, or a reissue thereof, or a substitute therefor, shall be kept in full force and effect during the entire period covered by the license \$300. A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as such under sections 297.01 to 297.13, provided that a separate application for a subjobber's license may be made by a licensed distributor for each place of business (other than that licensed in the distributor's license) to which the distributor delivers and from which the distributor sells or distributes stamped cigarettes.~~

Each application for a subjobber's license shall be accompanied by a fee of ~~\$12~~ \$24.

A distributor or subjobber applying for a license ~~between July 1 and December 31 during the second year of any year a two-year~~ licensing period shall be required to pay only one-half of the license fee provided for herein.

(b) ~~In lieu of the bond required in paragraph (a), a certified check made payable to the commissioner may be filed with the commissioner. The department of revenue shall not pay interest on funds encumbered by the check.~~

Sec. 5. Minnesota Statutes 1988, section 297.04, subdivision 5, is amended to read:

Subd. 5. [ISSUANCE.] The commissioner, upon receipt of the application ~~and bond~~ in proper form, and payment of the license fee required by subdivision 4, shall, unless otherwise provided by sections 297.01 to 297.13, issue the applicant a license in form as prescribed by the commissioner, which said license shall permit the applicant to whom it is issued to engage in business as a distributor or subjobber at the place of business shown in the application.

Sec. 6. Minnesota Statutes 1988, section 297.04, subdivision 6, is amended to read:

Subd. 6. [EXPIRATION.] Each license issued shall expire on December 31 following its date of issue the second year of the licensing period unless sooner revoked by the commissioner or unless the business with respect to which the license was issued is transferred. In either case the holder of the license shall immediately surrender it to the commissioner.

Sec. 7. Minnesota Statutes 1988, section 297.041, subdivision 1, is amended to read:

Subdivision 1. [WHOLESALEERS.] Any wholesaler ~~who furnishes a surety bond in a sum satisfactory to the commissioner~~ shall be permitted to set aside, without affixing the stamps required by this chapter, that part of the wholesaler's stock necessary for the conduct of business in making sales to the established governing body of any Indian tribe recognized by the United States Department of Interior. The unstamped stock shall be kept separate and apart from stamped stock. Every wholesaler shall, at the time of shipping or delivering any of the unstamped stock to an Indian tribal organization, make a true duplicate invoice which shall show the complete details of the sale or delivery and shall transmit the duplicate to the commissioner not later than the 18th day of the following calendar month. Failure to comply with the requirements of this section shall cause the commissioner to revoke the permission granted to the wholesaler to maintain a stock of goods which may be unstamped.

Sec. 8. Minnesota Statutes 1988, section 297.08, subdivision 1, is amended to read:

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

(1) All packages which do not have stamps affixed to them as provided in sections 297.01 to 297.13 and all devices for the vending of cigarettes in which such unstamped packages are found, including all contents contained within the devices.

(2) Any device for the vending of cigarettes and all packages of cigarettes contained therein, where the device does not afford at least partial visibility of contents. Where any package exposed to view does not carry the stamp or imprint required by sections 297.01 to 297.13, it shall be presumed that all packages contained in the device are unstamped and contraband.

(3) Any device for the vending of cigarettes to which the commissioner or authorized agents have been denied access for the inspection of contents. In lieu of seizure, the commissioner or an agent may

seal the device to prevent its use until inspection of contents is permitted.

(4) Any device for the vending of cigarettes which does not carry the name and address of the owner, plainly marked and visible from the front of the machine.

(5) Any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used with the knowledge of the owner or of a person operating with the consent of the owner for the storage or transportation of more than 5,000 cigarettes which are contraband under this subdivision. When cigarettes are being transported in the course of interstate commerce, or are in movement from either a public warehouse to a distributor upon orders from a manufacturer or distributor, or from one distributor to another, the cigarettes are not contraband, notwithstanding the provisions of clause (1).

Sec. 9. Minnesota Statutes 1988, section 297.31, is amended by adding a subdivision to read:

Subd. 17. "Licensing period" means a two-year period during which licenses are issued. A licensing period begins on January 1 of each even-numbered year and ends on December 31 of the following odd-numbered year.

Sec. 10. Minnesota Statutes 1988, section 297.33, subdivision 4, is amended to read:

Subd. 4. (a) ~~Except as otherwise provided in paragraph (b), Each application for a distributor's license shall be accompanied by a fee of \$37.50 \$75. The application shall also be accompanied by a corporate surety bond issued by a surety licensed to do business in this state, in the sum of \$1,000, conditioned upon the true and faithful compliance by the distributor with all the provisions of sections 297.31 to 297.39 and the payment when due of all taxes, penalties, and accrued interest arising in the ordinary course of business or by reason of any delinquent money which may be due the state of Minnesota. This bond shall be in a form to be fixed by the commissioner and approved by the attorney general. Whenever it is the opinion of the commissioner that the bond given by a licensee is inadequate in amount to fully protect the state, the commissioner shall require either an increase in the amount of said bond or additional bond, in such amount as the commissioner deems sufficient. Any bond required by this subdivision, or a reissue thereof, or a substitute therefor, shall be kept in full force and effect during the entire period covered by the license.~~

A separate application for license shall be made for each place of business at which a distributor proposes to engage in business as such under sections 297.31 to 297.39. A separate application for a

subjobber's license may be made by a licensed distributor for each place of business, other than that licensed in the distributor's license, to which the distributor sells or distributes tobacco products upon which the tax imposed by this chapter has been imposed to other than the ultimate consumer.

(b) In lieu of the bond required in paragraph (a), a certified check may be filed with the commissioner. The check must be made payable to the commissioner and in an amount to be established by the commissioner or the commissioner's designee but not less than twice the average monthly liability of the taxpayer. The department of revenue shall pay no interest on funds encumbered by the check.

Sec. 11. Minnesota Statutes 1988, section 297.33, subdivision 5, is amended to read:

Subd. 5. (a) Each application for a subjobber's license shall be accompanied by a fee of ~~\$10~~ \$20.

(b) All licenses expire on December 31 of the second year of the licensing period in which they were issued.

Sec. 12. Minnesota Statutes 1988, section 297.33, subdivision 6, is amended to read:

Subd. 6. A distributor or subjobber applying for a license between July 1 and December 31 of any during the second year of a licensing period shall be required to pay only one-half of the license fee provided for herein.

Sec. 13. Minnesota Statutes 1988, section 297.33, subdivision 7, is amended to read:

Subd. 7. The commissioner, upon receipt of the application ~~(and bond, in the case of the distributor)~~ in proper form, and payment of the license fee required by subdivision 4 or subdivision 5, shall, unless otherwise provided by sections 297.31 to 297.39, issue the applicant a license in form as prescribed by the commissioner, which license shall permit the applicant to whom it is issued to engage in business as a distributor or subjobber at the place of business shown in the application. The commissioner shall assign a permit number to each person licensed as a distributor at the time of issuance of the first license, which shall be inscribed upon all licenses issued to that distributor.

Sec. 14. Minnesota Statutes 1988, section 297.33, subdivision 8, is amended to read:

Subd. 8. Each license issued for any period subsequent to June 30, 1971 shall expire on December 31 following its date of issue the

second year of the licensing period unless sooner revoked by the commissioner or unless the business with respect to which the license was issued is transferred. In either case the holder of the license shall immediately surrender it to the commissioner.

Sec. 15. Minnesota Statutes 1988, section 297C.03, subdivision 1, is amended to read:

Subdivision 1. [MANNER AND TIME OF PAYMENT; PENALTIES; DEPOSIT OF TAX PROCEEDS.] The tax on wines and distilled spirits on which the excise tax has not been previously paid must be paid to the commissioner by persons ~~having on file with the commissioner a sufficient bond as provided in subdivision 4~~ liable for the tax on or before the 18th day of the month following the month in which the first sale is made in this state by a licensed manufacturer or wholesaler. Every person liable for the tax on wines or distilled spirits imposed by section 297C.02 must file with the commissioner on or before the 18th day of the month following first sale in this state by a licensed manufacturer or wholesaler a return in the form prescribed by the commissioner, and must keep records and render reports required by the commissioner. ~~A person liable for any tax on wines or distilled spirits not having on file a sufficient bond must pay the tax within 24 hours after first sale in this state.~~ The commissioner may certify to the commissioner of public safety any failure to pay taxes when due as a violation of a statute relating to the sale of intoxicating liquor for possible revocation or suspension of license.

Sec. 16. Minnesota Statutes 1988, section 297C.09, is amended to read:

297C.09 [IMPORTATION BY INDIVIDUALS.]

A person, other than a person under the age of 21 years, entering Minnesota from another state may have in possession one liter of intoxicating liquor or 288 ounces of malt liquor and a person entering Minnesota from a foreign country may have in possession four liters of intoxicating liquor or ten quarts (320 ounces) of malt liquor without the required payment of the Minnesota excise tax. ~~Amounts in excess of these quantities may be imported only by a licensee holding the appropriate license as manufacturer, wholesaler, or importer under section 340A.301 or 340A.302.~~ A collector of commemorative bottles, other than a person under the age of 21 years, entering Minnesota from another state may have in possession 12 or fewer commemorative bottles without the required payment of the Minnesota excise tax. A person who imports or has in possession untaxed intoxicating liquor or malt liquor in excess of the quantities provided for in this section is guilty of a misdemeanor. This section does not apply to the consignments of alcoholic beverages shipped into this state by holders of Minnesota import licenses or Minnesota manufacturers and wholesalers when licensed by the

commissioner of public safety or to common carriers with licenses to sell intoxicating liquor in more than one state. A peace officer, the commissioner, or their authorized agents, may seize untaxed liquor.

Sec. 17. [REPEALER.]

Minnesota Statutes 1988, sections 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; and 297C.03, subdivisions 4 and 4a, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 and 8 are effective July 1, 1990. Sections 2, 4, 6, 9 to 12, and 14 are effective for license applications for the year 1990 and thereafter, except that sections 4 and 10 are effective for bonding periods beginning after December 31, 1989, for provisions applying to bonding requirements. Any bonds for periods before January 1, 1990, must be kept in full force and effect until the statute of limitations for those periods has expired.

Sections 3, 5, 7, 13, 15, and 17 are effective for bonding periods beginning after December 31, 1989, with the following exceptions: (1) any bonds for periods before January 1, 1990, must be kept in full force and effect until the statute of limitations for those periods has expired, (2) section 17 is effective July 1, 1990, for provisions applying to stamps and tax meter machines, (3) section 3 is effective July 1, 1989, for provisions applying to tax meter machines, and (4) section 3 is effective July 1, 1990, for provisions applying to meter units.

Section 16 is effective the day following final enactment.

ARTICLE 4

MILL RATE CONVERSIONS

Section 1. Minnesota Statutes 1988, section 3.983, subdivision 3, is amended to read:

Subd. 3. [MISCELLANEOUS EXCEPTIONS.] A fiscal note need not be prepared for the cost of a mandated action if the law containing the mandate:

(a) (1) accommodates a specific local request;

(b) (2) results in no new local government duties;

(c) (3) leads to revenue losses from exemptions to taxes other than sales, use, or property taxes;

(d) (4) provides only clarifying or conforming, nonsubstantive changes on local government;

(e) (5) imposes additional net local costs which are minor (less than \$200 for any single local government if the mandate does not apply statewide or less than ~~one-tenth of a mill~~ 0.00242 percent times the entire market value of taxable property in the state if the mandate is statewide) and do not cause a financial burden on local government;

(f) (6) is a legislative mandate or executive order enacted before July 1, 1985, or a rule initially implementing legislation enacted before July 1, 1985;

(g) (7) implements something other than a state statute or executive order, such as a federal, court, or voter-approved mandate;

(h) (8) appears in rules that are permissive or discretionary in nature;

(i) (9) defines a new crime or redefines an existing crime or infraction;

(j) (10) provides, or falls within the purview of existing, revenue sources or other financing mechanisms; or

(k) (11) results in savings that equal or exceed costs.

Sec. 2. Minnesota Statutes 1988, section 18.022, subdivision 2, is amended to read:

Subd. 2. [COST.] (a) In order to defray the cost of such activities, the governing body of ~~any such~~ the political subdivision may levy a ~~special tax which, except when levied by a county, shall does not exceed two-thirds mill~~ 0.01596 percent of taxable market value in any year in excess of ~~charter or statutory millage~~ limitations, but not in any event more than 50 cents per capita, and ~~any such~~. The political subdivision may make such a levy, where necessary, separate from the general levy and at any time of the year.

(b) If, because of the prevalence of Dutch elm disease, the governing body of ~~such a~~ the political subdivision is unable to defray the cost of control activities authorized by this section within the limits set by this subdivision, the limits set by this subdivision are increased to ~~4 1/4 mills~~ 0.03216 percent of taxable market value, but not in any event more than one dollar per capita.

Sec. 3. Minnesota Statutes 1988, section 18.111, subdivision 1, is amended to read:

Subdivision 1. [LEVY LIMIT.] An annual levy of not to exceed ~~one-third mill on each dollar of gross tax capacity~~ 0.00798 percent of market value may be levied for mosquito abatement purposes on all taxable property in any governmental unit undertaking mosquito abatement as provided in sections 18.041 to 18.161. ~~Such~~ The tax shall be certified, levied and collected in the same manner as other taxes ~~caused to be levied by the governmental unit.~~

Sec. 4. Minnesota Statutes 1988, section 40A.15, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE RECIPIENTS.] All counties within the state, municipalities that prepare plans and official controls instead of a county, and districts are eligible for assistance under the program. Counties and districts may apply for assistance on behalf of other municipalities. In order to be eligible for financial assistance a county or municipality must agree to levy at least ~~one-half mill on the dollar of gross tax capacity of property within its jurisdiction~~ 0.01209 percent of taxable market value for agricultural land preservation and conservation activities or otherwise spend the equivalent amount of local money on those activities, or spend \$15,000 of local money, whichever is less.

Sec. 5. Minnesota Statutes 1988, section 88.04, subdivision 3, is amended to read:

Subd. 3. All towns and cities are hereby authorized and directed to ~~shall~~ take necessary precautions to prevent the starting and spreading of forest or prairie fires and to extinguish the same; and are hereby further authorized to ~~them~~. They may levy a tax of not more than ~~3 1/4 mills~~ 0.08059 percent of taxable market value annually upon the taxable property of such municipalities, ~~but in no municipality to~~. The tax in any municipality shall not exceed a total of \$3,000 in any ~~one year, which~~. The tax when collected shall be known as the fire fund and kept separate and apart from all other funds and used only in paying to pay all necessary and incidental expenses incurred in enforcing the provisions of sections 88.03 to 88.21. ~~Not Up to exceed \$500 shall be expended in any one year from any such fire fund for the support of any municipal fire department. No such municipality shall make any levy for its fire fund at any time when the same fund contains \$5,000 or more, consisting of including cash on hand or and uncollected taxes that are not delinquent or both.~~

Sec. 6. Minnesota Statutes 1988, section 110.71, subdivision 2, is amended to read:

Subd. 2. The governing body of any city or town may use any available funds and may levy a special tax of not to exceed ~~two thirds of one mill, nor the lesser of (1) 0.01596 percent of taxable market value, or (2) 50 cents per capita, in any year in addition to all other~~

taxes authorized by law, to carry out the provisions of subdivisions 1 to 4.

Sec. 7. Minnesota Statutes 1988, section 110B.20, is amended to read:

110B.20 [EXEMPTION FROM LEVY LIMIT.]

The governing body of any county, municipality, or township may levy a tax in an amount required to implement sections 110B.01 to 110B.30. A levy to pay the cost of implementing sections 110B.01 to 110B.30 or to pay the cost of projects or programs identified in an adopted comprehensive water plan is in addition to other taxes authorized by law. The amount of the levy up to .75 mill times the adjusted gross tax capacity of the county, municipality, or town 0.01813 percent of taxable market value is exempt from any the per capita limitation on taxes imposed by chapter 275 section 275.11.

Sec. 8. Minnesota Statutes 1988, section 112.61, subdivision 2, is amended to read:

Subd. 2. [ORGANIZATIONAL EXPENSE FUND.] The organizational expense fund consists of an ad valorem tax levy, not to exceed ~~two-thirds of one mill on each dollar of gross tax capacity of all taxable property within the district~~ 0.01596 percent of taxable market value, or \$60,000, whichever is less. The funds shall be used for organizational expenses and preparation of an overall plan for projects and improvements. The managers of the district may borrow from the affected counties up to 75 percent of the anticipated funds to be collected from the organizational expense fund levy and the counties affected may make the advancements. The advancement of anticipated funds shall be apportioned among affected counties in the same ratio as the gross tax capacity of the area of the counties within the district bears to the gross tax capacity of the entire district. If an established district is enlarged, an organizational expense fund may be levied against the area added to the district in the way provided in this subdivision. Unexpended funds collected for the organizational expense may be transferred to the administrative fund and used for the purposes authorized for it.

Sec. 9. Minnesota Statutes 1988, section 112.61, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE FUND.] The administrative fund consists of an ad valorem tax levy not to exceed ~~one mill on each dollar of gross tax capacity of all taxable property within the district~~ 0.02418 percent of taxable market value, or \$125,000, whichever is less. The funds shall be used for general administrative expenses and to construct and maintain projects of common benefit to the district. The managers may make an annual levy for this fund as provided in section 112.611. In addition to the annual administra-

tive levy, the managers may annually levy a tax of not to exceed one-third of one mill 0.00798 percent of taxable market value for a period of not to exceed 15 consecutive years to pay the cost attributable to the basic water management features of projects initiated by petition of a municipality of the district.

Sec. 10. Minnesota Statutes 1988, section 112.61, subdivision 8, is amended to read:

Subd. 8. [SURVEY AND DATA ACQUISITION FUND.] The survey and data acquisition fund is established or used only when no other funds are available to the district to pay to make necessary surveys and acquire data. The fund consists of an ad valorem levy the proceeds of a property tax, which can be levied not more than once every five years, not to exceed one mill on each dollar of gross tax capacity of all taxable property within the district 0.02418 percent of taxable market value. The balance of the survey and data acquisition fund must never exceed \$50,000. In a subsequent proceeding for a work where a survey has been made, the attributable cost of the survey as determined by the managers shall be included as a part of the cost of the work and repaid to the survey and data acquisition fund.

Sec. 11. Minnesota Statutes 1988, section 138.053, is amended to read:

138.053 [COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.]

The governing body of any home rule charter or statutory city or town excepting cities of the first class may appropriate annually an amount from its general fund of not to exceed one mill of the gross tax capacity of the taxable property in the city or town the amount raised by a levy of 0.02418 percent of taxable market value to be paid to the historical society of their its respective county to be used for the promotion of historical work and to aid in defraying the expenses of carrying on the historical work in said the county. No city or town may appropriate any funds for the benefit of any historical society unless such the society shall be is affiliated with and approved by the Minnesota historical society.

Sec. 12. Minnesota Statutes 1988, section 162.07, subdivision 3, is amended to read:

Subd. 3. [COMPUTATIONS FOR RURAL COUNTIES.] A two-thirds of one mill levy An amount equal to a levy of 0.01596 percent on each rural county's total gross tax capacity taxable market value for the last preceding calendar year shall be computed and shall be subtracted from such the county's total estimated construction costs. The result thereof shall be the money needs of such the county. For

the purpose of this section, "rural counties" shall be construed to ~~mean~~ means all counties having a population of less than 175,000.

Sec. 13. Minnesota Statutes 1988, section 162.07, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION FOR URBAN COUNTIES.] ~~A four-tenths mill levy~~ An amount equal to a levy of 0.00967 percent on each urban county's total ~~gross tax capacity~~ taxable market value for the last preceding calendar year shall be computed and shall be subtracted from ~~such~~ the county's total estimated construction costs. The result thereof shall be the money needs of the county. For the purpose of this section, "urban counties" ~~shall be construed to mean~~ means all counties having a population of 175,000 or more.

Sec. 14. Minnesota Statutes 1988, section 162.081, subdivision 4, is amended to read:

Subd. 4. [PURPOSES.] Money apportioned to a county from the town road account must be distributed to the treasurer of each town within the county, according to a distribution formula adopted by the county board. The formula must take into account each town's levy for road and bridge purposes, its population and town road mileage, and other factors as the county board deems advisable in the interests of achieving equity among the towns. Distribution of town road funds to the treasurer of the towns must be made at the same time as the first payment is made for tax payments received by the county treasurer as provided in section 276.11. Distribution of funds to town treasurers in a county which has not adopted a distribution formula under this subdivision must be made according to a formula prescribed by the commissioner by rule. A formula adopted by a county board or by the commissioner must provide that a town, in order to be eligible for distribution of funds from the town road account in a calendar year, must have levied in the previous year for road and bridge purposes at least two mills on the dollar of the gross tax capacity of the town 0.04835 percent of taxable market value.

Money distributed to a town under this subdivision may be expended by the town only for the construction, reconstruction, and gravel maintenance of town roads within the town.

Sec. 15. Minnesota Statutes 1988, section 164.04, subdivision 3, is amended to read:

Subd. 3. [EMERGENCIES.] In case of emergency after the town meeting, but not later than October 1 in the same year, the town board may levy a tax on the property in the town for road and bridge purposes, in addition to any tax voted at the annual town meeting for road and bridge purposes, in an amount not to exceed 1.6% mills on the dollar of the gross tax capacity of the property in the town

0.04028 percent of taxable market value. Any tax so levied shall ~~forthwith~~ be certified to the county auditor for extension and collection. The town board may thereafter pledge the credit of the town by issuing town orders, not exceeding the amount of the additional tax so levied for road and bridge purposes, in payment for the emergency work done or material used on the roads within the town.

Sec. 16. Minnesota Statutes 1988, section 164.05, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] In any town wherein in which the voters shall at the annual town meeting vote as hereinafter provided to authorize the town board so to do so as provided in this section, the town board may levy and assess on the real and personal property in the town, other than money and credits taxed under the provisions of chapter 285, a tax not to exceed in amount $3\frac{1}{4}$ mills on the dollar of the gross tax capacity of such property, which tax so levied 0.08051 percent of taxable market value. The tax shall be known as the town road drainage tax. ~~Such tax shall be additional to all other taxes which the town is or may hereafter be authorized to levy; and the amount of such tax so levied and collected shall be deemed to have been levied and collected for road and bridge purposes within the meaning of any law limiting the amount of taxes which may be levied or voted at the annual town meeting; provided, that in towns having a gross tax capacity of not less than \$1,000,000, nor more than \$8,000,000, and which otherwise come under the provisions of sections 368.02 to 368.11 the amount of such tax so levied and collected shall not be deemed to have been levied and collected for road and bridge purposes within the meaning of any law limiting the amount of taxes which may be levied or voted at the annual town meeting.~~

Sec. 17. Minnesota Statutes 1988, section 174.27, is amended to read:

174.27 [PUBLIC EMPLOYER COMMUTER VAN PROGRAMS.]

Any statutory or home rule charter city, county, school district, independent board or agency may acquire or lease commuter vans, enter into contracts with another public or private employer to acquire or lease such vans, or purchase such a service for the use of its employees. The governing body of any such city, county, or school district may by resolution establish a commuter van revolving fund to be used to acquire or lease commuter vans for the use of its employees. Any payments out of the fund shall be repaid to the fund out of revenues derived from the use by the employees of the city, county, or school district, of the vans so purchased or leased. For the purpose of establishing the fund any city, county, or school district is authorized to make a one time levy not to exceed one tenth of a mill 0.00242 percent of taxable market value in excess of all taxing

limitations except the limitations imposed under sections 275.50 to 275.56, without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by any local governments in the area. Any city, county, or school district which establishes a commuter van acquisition program or contracts for this service is authorized to levy a tax not to exceed $\frac{1}{100}$ mill 0.00024 percent of taxable market value for the purpose of paying the administrative and promotional costs of the program which levy shall be in excess of all taxing limitations, ~~without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by a local government in the area except the limitations imposed under sections 275.50 to 275.56.~~ The governing body of any city, county, or school district may by resolution terminate the commuter van revolving fund and use the funds for other purposes authorized by law.

Sec. 18. Minnesota Statutes 1988, section 193.145, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY, LIMITATION.] A county or municipality in which an armory has been constructed or is to be constructed hereunder may by resolution of its governing body irrevocably provide for levying and collecting annually for a specified period, not exceeding 40 years, a tax ~~upon all taxable property therein of such amount as such governing body may determine,~~ which, unless levied by a county, shall not exceed ~~one-third of one mill.~~ 0.00798 percent of taxable market value.

The proceeds of ~~such~~ the levy as collected shall be paid to ~~such~~ the corporation for the purposes herein prescribed. ~~Such~~ The county or municipality ~~shall have power to~~ may make ~~such~~ tax the levies and payments and to bind itself thereto by ~~such~~ resolution of its governing body. The provisions of ~~such~~ the resolution may be made conditional upon the giving of an agreement by the adjutant general as authorized in subdivision 4. The obligations of ~~such~~ the county or municipality to levy, collect, and pay over ~~such~~ the taxes shall not be deemed ~~or construed~~ to constitute an indebtedness of ~~such~~ the county or municipality within the meaning of any provision of law or of its charter limiting its total or net indebtedness, and such taxes may be levied and collected without regard to any statutory or charter provision limiting the amount or rate of taxes which such county or municipality is otherwise authorized to levy.

Sec. 19. Minnesota Statutes 1988, section 237.35, is amended to read:

237.35 [TAX LEVY FOR CONSTRUCTION.]

When any town ~~shall have~~ has authorized the construction, acquiring, operation, or maintenance of a telephone system, as set forth in sections 237.33 and 237.34, and determined the amount of

money to be raised for that purpose, the town board of supervisors may levy a tax for the amount of money to be raised therefor. The ~~annual~~ tax levy for ~~such~~ that purpose shall not exceed $3 \frac{1}{4}$ mills upon the taxable property of such town 0.08051 percent of taxable market value.

Sec. 20. Minnesota Statutes 1988, section 273.1102, subdivision 3, is amended to read:

Subd. 3. [1988 ADJUSTMENT.] ~~For School districts~~ district levy limitations or authorities expressed in terms of mills and adjusted assessed value, ~~their levy limitations in any special law that is not codified in Minnesota Statutes shall be converted by the department of education to "equalized gross tax capacity rates" for taxes payable in 1989 and 1990 and to equalized net tax capacity rates for taxes payable in 1991 and thereafter.~~ For purposes of this calculation, the 1987 adjusted assessed values of the district shall be converted to "adjusted gross tax capacities" by multiplying the equalized market values by class of property by the gross tax capacity rates provided in section 273.13. Each county assessor and the city assessors of Minneapolis, Duluth, and St. Cloud shall furnish the commissioner of revenue the 1987 market value for taxes payable in 1988 for any new classes of property established in this article. The commissioner shall use those values, and estimate values where needed, in developing the 1987 tax capacity for each school district under this section. The requirements of section 124.2131, subdivisions 1, paragraph (c), and 2 and 3, shall remain in effect.

Sec. 21. Minnesota Statutes 1988, section 275.011, subdivision 1, is amended to read:

Subdivision 1. The property tax levied for any purpose under a special law that is not codified in Minnesota Statutes or a city charter provision and that is subject to a mill rate limitation imposed by statute or the special law or city charter provision, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of the applicable mill rate limitation imposed by ~~statute or special law or city charter provision~~ multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes

equal to the assessment year 1988 total market valuation of all taxable property subject to the tax divided by the assessment year 1987 total market valuation of all taxable property subject to the tax; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.

For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 22. Minnesota Statutes 1988, section 275.011, subdivision 2, is amended to read:

Subd. 2. A mill rate levy limitation imposed by ~~statute or a~~ special law or city charter provision that is presently in effect, excluding those mill rate levy limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, shall be construed to allow no more and no less property taxes than the amount determined under this section.

Sec. 23. Minnesota Statutes 1988, section 275.077, subdivision 2, is amended to read:

Subd. 2. The difference between the correct levy and the erroneous levy shall be added to the township levy for the subsequent levy year; provided that if the amount of the difference exceeds five mills 0.12089 percent of taxable market value, the excess shall be added to the township levy for the second and later subsequent levy years, not to exceed an additional levy of five mills 0.12089 percent of taxable market value in any year, until the full amount of the difference has been levied. The funds collected from the corrected levies shall be used to reimburse the county for the payment required by subdivision 1.

Sec. 24. Minnesota Statutes 1988, section 275.28, subdivision 1, is amended to read:

Subdivision 1. [AUDITOR TO MAKE.] The county auditor shall make out the tax lists according to the prescribed form, and to

correspond with the assessment districts. The rate percent necessary to raise the required amount of the various taxes shall be calculated on the gross tax capacity of property as determined by the state board of equalization, but, in calculating such rates, no rate shall be used resulting in a fraction other than a decimal fraction, or less than ~~one-tenth of a mill~~ a gross tax capacity rate of .01 percent or a net tax capacity rate of .01 percent; and, in extending any tax, whenever it amounts to the fractional part of a cent, it shall be made one cent. The tax lists shall also be made out to correspond with the assessment books in reference to ownership and description of property, with columns for the valuation and for the various items of tax included in the total amount of all taxes set down opposite each description; and, Opposite each description which has been sold for taxes, and which is subject to redemption, but not redeemed, shall be placed the words "sold for taxes." The amount of all special taxes shall be entered in the proper columns, but the general taxes may be shown by entering the rate percent of each tax at the head of the proper columns, without extending the same, in which case a schedule of the rates percent of such taxes shall be made on the first page of each tax list. If the auditor ~~shall fail~~ fails to enter on any such list before its delivery to the treasurer any tax levied, ~~such~~ the tax may be subsequently entered. The tax lists shall be deemed completed, and all taxes extended thereon, as of October 16 annually.

Sec. 25. Minnesota Statutes 1988, section 275.56, is amended to read:

275.56 [EFFECT UPON OTHER LEVY LIMITS.]

All special and general laws and charter provisions establishing per capita, mill, tax capacity rate, or other general limitations on tax levies of governmental subdivisions are hereby superseded to the extent that they authorize property taxation in excess of the limitations established by sections 275.50 to 275.56, but otherwise such levy limitations and those established for special purposes are in no way affected by sections 275.50 to 275.56.

Sec. 26. Minnesota Statutes 1988, section 275.58, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding the provisions of sections 275.50 to 275.56, but subject to other law or charter provisions establishing per capita, mill, tax capacity rate, or other limitations on the amount of taxes that may be levied, the levy of a governmental subdivision, as defined by section 275.50, subdivision 1, may be increased above the limitation imposed by sections 275.50 to 275.56 in any per capita or dollar amount which is approved by the majority of voters of the governmental subdivision voting on the question at a general or special election. When the governing body of the governmental subdivision resolves to increase the levy of the gov-

ernmental subdivision pursuant to this section, it shall provide for submission of the proposition of an increase in the levy limit base per capita or the proposition of an additional levy, as the case may be, at a general or special election. Notice of ~~such the~~ election shall be given in the manner required by law. If the proposition is for an adjustment to the governmental subdivision's levy limit base per capita, increasing the levy limit base per capita over the per capita amount established pursuant to section 275.51, subdivision 3, ~~such the~~ notice shall state the purpose of ~~such the~~ per capita adjustment and the per capita amount of ~~such the~~ adjustment. If the proposition is for an additional levy, ~~such the~~ notice shall state the purpose and maximum yearly amount of ~~such the~~ additional levy.

Sec. 27. Minnesota Statutes 1988, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts ~~wherein in which~~ the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted gross tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted gross tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived

from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator. On July 15, 1989, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of $1\frac{3}{4}$ mills 0.04231 percent times the district's taxable valuation market value in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of $1\frac{3}{4}$ mills 0.04231 percent times the district's taxable valuation market value in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 28. Minnesota Statutes 1988, section 298.282, subdivision 2, is amended to read:

Subd. 2. (a) Each year following the final determination of the amount of taxes payable under section 298.24, the commissioner of revenue shall determine the amount in the taconite municipal aid account as of July 1 of such that year and the amount to be distributed to each qualifying municipality during such the year. The amount to be distributed to each qualifying municipality shall be determined by determining an index for each qualifying municipality by subtracting its local effort tax capacity rate, multiplied by its equalized gross tax capacity, from its fiscal need factor. For the purposes of this subdivision, the following terms have the meanings given them herein. A municipality's "local effort tax capacity rate" means its fiscal need factor per capita divided by ~~\$17~~ \$21 per capita ~~per mill for each one percent of the gross tax capacity rate or \$17 per capita for each one percent of the net tax capacity rate for the first \$350 of its fiscal need factor per capita; plus its fiscal need factor per capita divided by \$15~~ \$18 per capita ~~per mill for each one percent of the gross tax capacity rate or \$15 per capita for each one percent of the net tax capacity rate on that part of its fiscal need factor per capita, if any, in excess of \$350.~~ In no case shall a municipality's local effort tax capacity rate be less than eight mills: a gross tax capacity rate of 6.56 percent or a net tax capacity rate of 8.16 percent. A municipality's "equalized captured gross tax capacity" means its previous year tax capacity, less the tax capacity in any tax increment district, divided by the municipality's aggregate sales ratio covering the period ending two years prior to the year of aid distribution. A municipality's "fiscal need factor" means the three-year average of the sum of its municipal levy, taconite aids received under section 298.28, subdivisions 2, 11, paragraph (b), and this section and its local government aid distribution amount, for taxes payable and distribution amounts receivable in the three years immediately preceding the aid distribution year.

The ratio of the resulting index for each qualifying municipality to the sum of all qualifying municipalities' indexes shall be multiplied by the total amount in the taconite municipal aid account less the amount distributed pursuant to subdivision 5. ~~For the distribution made in 1987, one-third of the distribution shall be distributed pursuant to this subdivision and two-thirds pursuant to Minnesota Statutes 1984, section 298.282, subdivision 2. For the distribution made in 1988, two-thirds shall be distributed pursuant to this subdivision and one-third pursuant to Minnesota Statutes 1984, section 298.282, subdivision 2.~~

(b) If the distribution under this section, sections 273.138, 298.26 and 298.28, and chapter 477A, to any municipality would exceed that municipality's levy limit base for that year, computed pursuant to sections 275.50 to 275.58, the amount in excess of the levy limit base for that year shall reduce the amount distributed to the

municipality under this section and this excess amount shall be distributed to the other qualifying municipalities in the same manner as the distribution made pursuant to subdivision 2, except that the qualifying municipality receiving an initial distribution when added to that received pursuant to sections 273.138, 298.26, 298.28, and chapter 477A in excess of the qualifying municipality's levy limit base, shall not receive a distribution nor shall its index be used in computing the distribution pursuant to this clause. The distributions to be received in the year in which the taxes are payable shall be compared to the levy limit base for that same year. Upon completion of such the determination, the commissioner of revenue shall certify to the chief clerical officer of each qualifying municipality the amount which will be distributed to such the municipality from the taconite municipal aid account that year.

Sec. 29. Minnesota Statutes 1988, section 366.27, is amended to read:

366.27 [FIREFIGHTERS' RELIEF; TAX LEVY.]

The town board of any town in this state having therein a platted portion on which there reside resides 1,200 or more people, and wherein a duly incorporated firefighters' relief association is located may each year at the time the tax levies for the support of the town are made and in addition thereto levy a tax not to exceed one-third of one mill on all taxable property within the town 0.00806 percent of taxable market value for the benefit of such the relief association.

Sec. 30. Minnesota Statutes 1988, section 373.40, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON AMOUNT.] A county, other than Hennepin or Ramsey, may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed one mill multiplied by the taxable gross tax capacity 0.05367 percent of taxable market value of property in the county. Ramsey county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section (including the bonds to be issued) will equal or exceed 1.2 mills multiplied by the taxable gross tax capacity 0.06455 percent of taxable market value of property in the county. Hennepin county may not issue bonds under this section if the maximum amount of principal and interest to become due in any year on all the outstanding bonds issued pursuant to this section together with the bonds proposed to be issued, will equal or exceed one-half mill multiplied by the taxable gross tax capacity 0.02684 percent of taxable market value of the property in the county. Calculation of the limit must be made using the taxable gross tax capacity market value for the taxes payable year in which the

obligations are issued and sold. This section does not limit the authority to issue bonds under any other special or general law.

Sec. 31. Minnesota Statutes 1988, section 373.40, subdivision 6, is amended to read:

Subd. 6. [BUILDING FUND LEVY.] (a) If a county other than Hennepin has an approved capital improvement plan, the county board may annually levy an amount equal to one mill 0.05367 percent of taxable market value, less the amount levied to pay principal and interest on bonds issued under this section. If the Hennepin county board has an approved capital improvement plan, the county board may annually levy an amount equal to one-half mill 0.02684 percent of taxable market value, less the amount levied to pay principal and interest on bonds issued under this section. The proceeds of this levy must be deposited in the county building fund under section 373.25 and may only be expended for capital improvements as provided in the approved capital improvement plan.

(b) The maximum amount of the levy, when added to the unexpended balance in the building fund, must not exceed the projected cost of the remaining improvements in the capital improvement plan. A levy made under this section is not subject to any other levy limitation, nor may the levy be included in the computation of any other levy limitation.

(c) This subdivision and the exercise of levy authority under it does not supersede or preempt the authority to levy under section 373.25 or any other law.

Sec. 32. Minnesota Statutes 1988, section 375.167, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATIONS.] Notwithstanding any contrary law, a county board may appropriate from the general revenue fund to any nonprofit corporation a sum not to exceed one-fourth of a mill on the dollar of the taxable gross tax capacity of the county an amount equal to a levy of 0.00604 percent of taxable market value to provide legal assistance to persons who are unable to afford private legal counsel. This levy is subject to the levy limits established by sections 275.50 to 275.58.

Sec. 33. Minnesota Statutes 1988, section 375.18, subdivision 3, is amended to read:

Subd. 3. [COURTHOUSE.] Each county board may erect, furnish, and maintain a suitable courthouse. No indebtedness shall be created for a courthouse in excess of 1½ mills on each dollar of gross tax capacity an amount equal to a levy of 0.04030 percent of taxable market value without the approval of a majority of the voters of the

county voting on the question of issuing the obligation at an election.

Sec. 34. Minnesota Statutes 1988, section 375.555, is amended to read:

375.555 [FUNDING.]

To implement the county emergency jobs program, the county board may expend an amount equal to what would be generated by a levy of 0.5 mills on all taxable property within the county 0.01209 percent of taxable market value. The money to be expended may be from any available funds not otherwise earmarked.

Sec. 35. Minnesota Statutes 1988, section 383A.03, subdivision 4, is amended to read:

Subd. 4. [ICE ARENAS AND GALL'S GOLF COURSE.] Ramsey county may levy, annually, a tax not to exceed one mill 0.02418 percent of taxable market value for the acquisition and construction of nine artificial ice arenas and a golf course; to pay the interest on the bonds as it accrues and to pay the principal thereof in full at maturity, and not to exceed one-half mill 0.01209 percent of taxable market value to provide for the operation of these facilities. The board of county commissioners shall levy a tax for this purpose.

Sec. 36. Minnesota Statutes 1988, section 383A.411, subdivision 5, is amended to read:

Subd. 5. In substitution of, but not in addition to, powers granted to Ramsey county in subdivision 4, Ramsey county may levy and collect a tax, not to exceed the lesser of \$5,000,000 or two mills, upon all taxable property in Ramsey county 0.04835 percent of taxable market value to finance the construction, installation, modification, or improvement of heating, cooling, and domestic hot water systems serving buildings owned in whole or part, operated, or maintained by the county or Ramsey county medical center commission. A levy made pursuant to this subdivision shall not be subject to any limitation provided by other law.

Sec. 37. Minnesota Statutes 1988, section 383A.49, subdivision 2, is amended to read:

Subd. 2. [EMERGENCY APPROPRIATIONS.] To meet a public emergency affecting life, health, property or the public peace, and to the extent that there are no available unappropriated revenues to meet the emergency, the board may, by unanimous vote, authorize the issuance of emergency notes. These notes may be renewed from time to time but the emergency notes and renewals in a fiscal year shall be paid not later than the last day of the fiscal year next

succeeding that in which the emergency appropriation was made. The issuance and payment of these notes is subject to the mill limits on taxing power established by law for Ramsey county.

Sec. 38. Minnesota Statutes 1988, section 383B.152, is amended to read:

383B.152 [BUILDING AND MAINTENANCE FUND.]

The county board may by resolution levy a direct general ad valorem tax upon all taxable property in the county to provide money which shall be kept in a fund known as the county reserve building and maintenance fund and. Money in the fund shall be used solely for the construction, maintenance and equipping of such county buildings as are now or hereafter may be that are constructed or maintained by the board. The levy shall not be subject to any limit fixed by any other law except the limitations imposed in sections 275.50 to 275.56 or by any board of tax levy or other corresponding body, but shall not exceed a sum equal to 11/12 mills times the gross tax capacity of all taxable property in the county in any year 0.02215 percent of taxable market value, less the amount required by chapter 475 to be levied in such the year for the payment of the principal of and interest on all bonds issued pursuant to Extra Session Laws 1967, chapter 47, section 1.

Sec. 39. Minnesota Statutes 1988, section 383B.245, is amended to read:

383B.245 [MILL LEVY.]

The county board may also levy a tax of not more than ~~two-thirds mills~~ 0.01612 percent of market value on taxable property within the county outside of any city in which is situated a free public library of the city to acquire, better and construct county library buildings and branches and to pay principal and interest on bonds issued for that purpose. The levy of the tax shall not cause the amount of other taxes levied or to be levied by the county, which are subject to any limitation, to be reduced in any amount ~~whatsoever~~.

The county board may by resolution adopted by a five-sevenths vote issue and sell general obligation bonds of the county in the manner provided in sections 475.60 to 475.73. The bonds shall not be subject to the limitations of sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year, on the bonds of that series and of all outstanding series issued by or for the purposes of libraries, shall not exceed an amount equal to ~~two-thirds mills times the gross tax capacity~~ 0.01612 percent of market value of all taxable property in the county, which was not taxed in 1987 by any city for the support of any free public library, as last finally equalized before the

issuance of the new series. When the tax levy authorized in this section is collected it shall be appropriated and credited to a debt service fund for the bonds in amounts required each year in lieu of a countywide tax levy for the debt service fund under section 475.61.

Sec. 40. Minnesota Statutes 1988, section 383B.73, subdivision 1, is amended to read:

Subdivision 1. [LEVY.] To provide funds for the purposes of the Hennepin county park reserve district as set forth in its annual budget, in lieu of the levies authorized by any other special law for such purposes, the board of park district commissioners may levy taxes on all the taxable property in the county and park district at a rate not exceeding 1.3 mills on the gross tax capacity thereof 0.03224 percent of market value. Notwithstanding section 398.16, on or before October 1 of each year, after public hearing, the board of park district commissioners shall adopt a budget for the ensuing year and shall determine the total amount necessary to be raised from ad valorem tax levies to meet its budget. The board of park district commissioners shall submit the budget to the county board. The county board may veto or modify an item contained in the budget. If the county board determines to veto or to modify an item in the budget, it must, within 15 days after the budget was submitted by the district board, state in writing the specific reasons for its objection to the item vetoed or the reason for the modification. The park reserve district board, after consideration of the county board's objections and proposed modifications, may reapprove a vetoed item or the original version of an item with respect to which a modification has been proposed, by a two-thirds majority. If the district board does not reapprove a vetoed item, the item shall be deleted from the budget. If the district board does not reapprove the original version of a modified item, the item shall be included in the budget as modified by the county board. After adoption of the final budget and no later than October 1, the superintendent of the park district shall certify to the office of the Hennepin county director of tax and public records exercising the functions of the county auditor the total amount to be raised from ad valorem tax levies to meet its budget for the ensuing year. The director of tax and public records shall add the amount of any levy certified by the district to other tax levies on the property of the county within the district for collection by the director of tax and public records with other taxes. When collected, the director shall make settlement of such taxes with the district in the same manner as other taxes are distributed to the other political subdivisions in Hennepin county. The levy authorized by this section shall be in addition to any other taxes authorized by law.

Sec. 41. Minnesota Statutes 1988, section 383B.73, subdivision 2, is amended to read:

Subd. 2. [BONDS.] To provide funds for the acquisition and

betterment of park properties and facilities of the district in accordance with plans filed by it under section 398.19, upon request of the board of park district commissioners by a resolution or resolutions regularly adopted by a majority of all members thereof, the board of county commissioners of Hennepin county may, prior to August 1, 1985, in addition to bonds issued by the county for this purpose before January 1, 1973, by resolution issue and sell general obligation bonds of the county in the manner provided in sections 475.60 to 475.753, in an aggregate amount not exceeding \$2,500,000. Taxes for the payment of the principal of and interest on such bonds shall be assessed and extended upon all taxable property in the county. Such bonds shall not be subject to the limitations of sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year on the bonds authorized by this law and all bonds issued by the county for the purposes of the district before January 1, 1973, shall not exceed an amount equal to three-tenths of one mill times the gross tax capacity of a levy of 0.00725 percent of market value on all taxable property in the county as last finally equalized before the issuance of the new series. Taxes for the payment of principal and interest on bonds issued after August 1, 1985 shall be assessed and extended upon all taxable property in the park district.

Sec. 42. Minnesota Statutes 1988, section 383C.42, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] To provide necessary funds to construct and maintain county or regional juvenile detention and/or treatment centers and to provide matching funds for any federal, state or regional grant, the county boards of St. Louis, Carlton, Cook, Lake, Itasca, Koochiching and Aitkin counties may levy annually upon all taxable property in their respective counties, a special tax in excess of any tax capacity rate, per capita, or other statutory limitation, but such levy shall that does not exceed 1½ mills 0.01209 percent of market value.

Sec. 43. Minnesota Statutes 1988, section 398A.04, subdivision 8, is amended to read:

Subd. 8. [TAXATION.] Before deciding to exercise the power to tax, the authority shall give six weeks published notice in all municipalities in the region. If a number of voters in the region equal to five percent of those who voted for candidates for governor at the last gubernatorial election present a petition within nine weeks of the first published notice to the secretary of state requesting that the matter be submitted to popular vote, it shall be submitted at the next general election. The question prepared shall be:

"Shall the regional rail authority have the power to impose a property tax?

Yes
No"

If a majority of those voting on the question approve or if no petition is presented within the prescribed time the authority may thereafter levy a tax at any annual rate not exceeding two mills on the gross tax capacity 0.04835 percent of market value of all taxable property situated within the municipality or municipalities named in its organization resolution. Its recording officer shall file in the office of the county auditor of each county in which territory under the jurisdiction of the authority is located a certified copy of the board of commissioners' resolution levying the tax, and each county auditor shall assess and extend upon the tax rolls of each municipality named in the organization resolution the portion of the tax that bears the same ratio to the whole amount that the gross tax capacity of taxable property in that municipality bears to the gross tax capacity of taxable property in all municipalities named in the organization resolution. Collections of the tax shall be remitted by each county treasurer to the treasurer of the authority.

Sec. 44. Minnesota Statutes 1988, section 412.251, is amended to read:

412.251 [ANNUAL TAX LEVY.]

The council shall make its annual tax levy by resolution within the per capita limits established by statute. The amount of taxes levied for general city purposes shall not exceed 11 $\frac{3}{4}$ mills on each dollar of the gross tax capacity of the property taxable in the city 0.28207 percent of taxable market value in cities having a gross tax capacity taxable market value of less than \$1,500,000 \$6,200,000 and ten mills on each dollar 0.24177 percent of taxable market value in cities having a gross tax capacity taxable market value of more than \$1,500,000 \$6,200,000. In calculating such limit property used for homestead purposes shall be figured as provided in section 273.13, subdivision 7a. The following taxes may be levied in addition to the levies above authorized:

(1) a tax for the payment of principal and interest on outstanding obligations of the city as provided by sections 475.61, 475.73 and 475.74;

(2) a tax for the payment of judgments as authorized by section 465.14;

(4) (3) a maximum of one-third of one mill 0.00805 percent of taxable market value but not to exceed \$500 to provide musical

entertainment to the public in public buildings or on public grounds;

(5) (4) a tax for band purposes as authorized by section 449.09;

(6) (5) a tax for the support of a municipal forest, as authorized by section 459.06;

(7) (6) a tax for advertising purposes, as authorized by section 469.189;

(8) (7) a tax for forest fire protection in any city in a forest area, as authorized by section 88.04;

(9) (8) a maximum of ~~1 3/4 mills~~ 0.04030 percent of taxable market value for the utilities fund in any city whose utilities are under the jurisdiction of a public utilities commission. ~~Such~~ The tax shall be levied for the purpose of paying the cost of the utility service or other services supplied to the city;

(10) (9) a tax for the support of a public library, as authorized by section 134.07;

(11) (10) a tax for firefighters' relief association purposes as authorized by sections 69.772, subdivision 4, 69.773, subdivision 5, or other statutes; and

(12) ~~Such~~ (11) other special taxes as may be authorized by law.

Nothing in this section shall be construed to reduce levies of any municipality below the per capita levy spread in 1970.

Sec. 45. Minnesota Statutes 1988, section 412.531, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT, TRANSFER; TAX LEVIES.] For the purpose of carrying out the powers of the park board there shall be established in the city treasury a special fund to be called a park fund. The council may transfer to the park fund ~~such moneys as it shall consider the money it deems~~ necessary for park purposes. No later than September 1 of each year the park board shall present to the council in ~~such~~ the detail as the council ~~shall require~~ requires its estimate of the financial needs of the board for the ensuing fiscal year. In any county having a population of more than 200,000 the council of any city, whether having a park board or not, may annually ~~at the time of levying other taxes~~ levy a special tax of not to exceed ~~two-thirds of one mill~~ 0.01620 percent of taxable market value for park purposes. The proceeds of this tax shall be placed in the park fund.

Sec. 46. Minnesota Statutes 1988, section 414.035, is amended to read:

414.035 [DIFFERENTIAL TAXATION.]

Whenever a board order, under section 414.031, 414.0325, or 414.033, annexes part or all of a township to a municipality, the board may provide that the mill levy tax rate of the annexing municipality on the area annexed shall be increased in substantially equal proportions over not more than six years to equality with the mill levy tax rate on the property already within the municipality. The appropriate period, if any, shall be based on the time reasonably required to effectively provide full municipal services to the annexed area.

Sec. 47. Minnesota Statutes 1988, section 414.041, subdivision 7, is amended to read:

Subd. 7. [DIFFERENTIAL TAXATION.] Where one municipality is receiving substantially fewer municipal services, the board may provide that the mill levy tax rate of such a the municipality shall be increased in substantially equal proportions over a period of not more than five years to equality with the mill levy tax rate in the remainder of the new municipality; ~~such~~. The period ~~to~~ shall be determined by the board on the basis of the period reasonably required effectively to provide substantially equal municipal services.

Sec. 48. Minnesota Statutes 1988, section 426.04, is amended to read:

426.04 [TAXES FOR GENERAL PURPOSES.]

The governing body of any home rule charter city of the third or fourth class in this state is hereby ~~authorized to~~ may levy taxes ~~annually against the taxable property in any such city~~ for all general fund purposes, not exceeding 13 $\frac{1}{4}$ mills on the dollar of the gross tax capacity of the city, computed as permitted under section 273.13, subdivision 7a. If 0.32237 percent of taxable market value unless the charter of ~~such~~ the city authorizes it to levy taxes for general fund purposes in excess of 13 $\frac{1}{4}$ mills on the dollar; these provisions ~~shall not limit any such city that amount~~. This section does not apply to a third class city which is contiguous to a city of the first class located in a different county or to a fourth class city in a county containing a first class city.

Sec. 49. Minnesota Statutes 1988, section 447.10, is amended to read:

447.10 [TAX LEVY FOR OPERATING AND MAINTAINING HOSPITAL.]

The governing body of a city of the first class owning a hospital may annually levy a tax to operate and maintain the hospital. The tax must not exceed one-third of one mill on each dollar of the city's taxable property 0.00806 percent of taxable market value.

Sec. 50. Minnesota Statutes 1988, section 449.06, is amended to read:

449.06 [ENTERTAINMENT TAX IN CITIES OF THE FOURTH CLASS.]

The governing body of any city of the fourth class in this state operating under a home rule charter of commission form of government, is hereby authorized to annually may levy a tax not exceeding one-half of one mill on the dollar in excess of existing mill limitations but not in excess of any existing per capita limitations against taxable property in the city 0.01209 percent of taxable market value for the purpose of providing musical entertainments to the public in public buildings or upon public grounds. The total sum that may be levied or expended in any year shall not exceed the sum of \$3,500.

Sec. 51. Minnesota Statutes 1988, section 449.08, is amended to read:

449.08 [TAX LEVY FOR MUSICAL ENTERTAINMENTS IN CITIES OF THE THIRD CLASS.]

The council of any city of the third class is hereby authorized and empowered to may levy a tax of not exceeding one-third of one mill on all the taxable property within the city 0.00806 percent of taxable market value for the purpose of providing free musical entertainment for the general public. This tax shall be levied by the council in the same manner and at the same times as taxes for other purposes are levied, and shall be collected in the same manner. The proceeds of this tax shall be used only for the purpose of providing free musical entertainment for the public. The annual expenditure for this purpose is hereby limited to the sum of \$3,000.

Sec. 52. Minnesota Statutes 1988, section 449.09, is amended to read:

449.09 [BANDS, ORCHESTRAS OR CHORUSES, TAX LEVY.]

Cities of the second, third, or fourth class, statutory cities, or towns, however organized, may, when authorized as hereinafter provided in section 449.10, levy each year a tax not to exceed one mill 0.02418 percent of taxable market value for the purpose of

providing a fund for the maintenance, transportation, or employment of a band, orchestra, or chorus for municipal purposes. No levy by any municipality shall exceed, in any one year, \$10,000 except in cities of the second class, situated in a county having over 45,000 and less than 49,000 inhabitants according to the 1950 federal census, ~~wherein such~~ in which the levy shall not exceed \$25,000 in any one year. No levy by any town shall exceed \$1,500. All sums shall be separately levied and when collected these sums shall be paid into a special fund and used for these purposes. When taxes are levied and collected for the maintenance or employment of a band, orchestra, or chorus for municipal purposes and the band, orchestra, or chorus is discontinued or the city or town by a vote of the people as now provided by law decide not to employ a band, orchestra, or chorus, the governing body may transfer the sums so levied and collected to the general fund. No levy shall be made of for any such fund when there is in the fund an unexpended balance equal to the maximum levy permitted by law ~~therefor~~ this section.

Sec. 53. Minnesota Statutes 1988, section 449.10, is amended to read:

449.10 [TAX LEVY ELECTION; PETITION.]

~~Such~~ The authority shall be initiated by a petition signed by ten percent of the legal voters of the city or town, as shown by the last regular municipal election. This petition shall be filed with the governing body of the city or town, and shall request that the following question be submitted to the voters: "Shall a tax of not exceeding . . . mills percent of tax capacity be levied each year for the purpose of furnishing a band, orchestra, or chorus fund?"

Sec. 54. Minnesota Statutes 1988, section 450.19, is amended to read:

450.19 [TOURIST CAMPING GROUNDS.]

All cities and towns in the state are hereby authorized and empowered to A home rule charter or statutory city or town may establish and maintain public tourist camping grounds and. The ~~council or other legislative or governing body thereof is hereby empowered to may~~ acquire, by lease, purchase, or by gift, suitable lands located either within or without the corporate limits for use as public tourist camping grounds and to provide for the equipment, operation, and maintenance of the same. The amount that may be expended for the maintenance, improvement, or operation of tourist camping grounds shall not exceed, in any one year, a sum equal to the amount which may be raised by a one-third of one mill tax upon the taxable property of the municipality of 0.00806 percent of taxable market value.

Sec. 55. Minnesota Statutes 1988, section 450.25, is amended to read:

450.25 [MUSEUM, GALLERY, OR SCHOOL OF ARTS OR CRAFTS; TAX LEVY.]

After the ~~acquisition~~ acquisition of any museum, gallery or school of arts or crafts, ~~there shall be annually levied and it shall be the duty of the board of park commissioners of the city in which it is located any museum, gallery, or school of arts or crafts to shall cause to be included in the annual tax levy, upon all the taxable property of the county in which is located said the museum, gallery, or school of arts or crafts is located, a tax of .35 mills upon each dollar of the gross tax capacity of property in the county in which is located said museum, gallery, or school of arts or crafts subject to taxation, and of 0.00846 percent of market value. The board shall certify the levy to the county auditor of the county in which the museum, gallery, or school of arts or crafts is situated, and the same it shall be added to, and collected with and as part of, the general, real, and personal property taxes, with like penalties and interest, in case of nonpayment and default, and all provisions of law in respect to the levy, collection, and enforcement of other taxes shall, so far as applicable, be followed in respect of these taxes. All of these taxes, penalties, and interest, when collected, shall be paid to the city treasurer of the city in which is located said the museum, gallery, or school of arts or crafts and shall be credited to a fund to be known and denominated as the park museum fund, and shall be used only for the purposes specified in sections 450.23 to 450.25, and for no other purpose. Any part of the proceeds of the levy not expended for the purposes specified in section 450.24 may be used for the erection of new buildings for the same purposes. The tax capacity rate referred to herein shall be mills as determined after the adoption of section 273.1102.~~

Sec. 56. Minnesota Statutes 1988, section 458A.10, is amended to read:

458A.10 [PROPERTY TAX.]

The commission shall ~~subject to the further provisions hereof, annually levy a direct tax not to exceed five mills 0.12089 percent of market value on all the taxable property in the transit area at a rate sufficient to produce an amount necessary for the purposes of sections 458A.01 to 458A.15, other than the payment of principal and interest due on any revenue bonds issued pursuant to section 458A.05. Property taxes levied under this section shall be certified by the commission to the county auditors of the transit area, extended, assessed, and collected in like the manner as provided by law for the regular property taxes levied by the governing bodies of cities. The proceeds of the taxes levied under this section shall be remitted by the respective county treasurers to the treasurer of the~~

commission, who shall credit the same to the funds of the commission for use for the purposes of sections 458A.01 to 458A.15 subject to any applicable pledges or limitations on account of tax anticipation certificates or other specific purposes. At any time after making a tax levy under this section and certifying the same to the county auditors, the commission may issue general obligation certificates of indebtedness in anticipation of the collection of such the taxes upon like procedure and subject to the provisions and limitations as provided by section 412.261.

Sec. 57. Minnesota Statutes 1988, section 458A.31, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding anything to the contrary contained in the charter of the city of Duluth, any ordinance thereof, or any statute applicable thereto, limiting the amount levied in any one year for general or special purposes, the city council of the city of Duluth shall each year, at the time the tax levies for the support of the city are made, levy a tax on all taxable property in an amount not to exceed three mills in any year 0.07253 percent of taxable market value, by ordinance. An ordinance fixing the levy shall take effect immediately upon its passage and approval. The proceeds from such of the levy shall be paid into the city treasury, and shall be deposited in the operating fund provided for in section 458A.24, subdivision 3.

Sec. 58. Minnesota Statutes 1988, section 459.06, subdivision 1, is amended to read:

Subdivision 1. [ACCEPT DONATIONS.] Any county, city, or town in this state, may by resolution of the its governing body thereof, may accept donations of land that such the governing body may deem deems to be better adapted for the production of timber and wood than for any other purpose, for a forest, and may manage the same it on forestry principles. The donor of not less than 100 acres of any such land shall be entitled to have the same land perpetually bear the donor's name. The governing body of any city, or town in this state, when funds are available or have been levied therefor, may, when authorized by a majority vote by ballot of the voters voting at any general or special city election or town meeting where such the question is properly submitted, purchase or obtain by condemnation proceedings, and preferably at the sources of streams, any tract of land for a forest which is better adapted for the production of timber and wood than for any other purpose, and which is conveniently located for the purpose, and manage the same it on forestry principles. The selection of such the lands and the plan of management thereof shall have the approval of must be approved by the director of lands and forestry. Such The city or town is authorized to may levy and collect an annual a tax of not exceeding 1 1/2 mills on the dollar of its real estate gross tax capacity, in addition to all other taxes authorized or permitted by law, 0.04030

percent of taxable market value to procure and maintain such forests.

Sec. 59. Minnesota Statutes 1988, section 459.14, subdivision 2, is amended to read:

Subd. 2. [FINANCING.] ~~Any such~~ The municipality may pay for any portion of the cost of providing automobile parking facilities by:

(a) (1) appropriating ~~moneys therefor~~ money as authorized in subdivision 1;

(b) (2) levying a tax, not exceeding ~~one-sixth of one mill in any one year, on all taxable property in the municipality~~ 0.00403 percent of taxable market value;

(c) (3) levying special assessments against benefited property;

(d) (4) appropriating any or all net revenues derived from the operation of its parking facilities;

(e) (5) classifying the users of ~~such~~ the facilities as a subject for taxation, and imposing taxes thereon computed according to the extent of use of the facilities;

(f) (6) imposing reasonable rates, rents, fees and charges for the use of any on-street or off-street parking privilege or facility, which may be in excess of actual cost of operation, maintenance, regulation and supervision of parking at the particular location where the privilege is exercised;

(g) (7) leasing any off-street facilities at specified or determinable rents to be paid to the municipality under a lease made as ~~herein~~ after authorized and limited provided in subdivision 4;

(h) (8) borrowing money and issuing bonds as authorized and limited by subdivision 3; or

(i) (9) any combination of ~~all or any~~ of the foregoing.

Sec. 60. Minnesota Statutes 1988, section 462.396, subdivision 2, is amended to read:

Subd. 2. On or before August 20, 1971, and each year thereafter, the commission shall submit its proposed budget for the ensuing calendar year showing anticipated receipts, disbursements and ad valorem tax levy with a written notice of the time and place of the public hearing on the proposed budget to each county auditor and municipal clerk within the region and those town clerks who in advance have requested a copy of the budget and notice of public

hearing. On or before October 1, 1971, and each year thereafter, the commission shall adopt, after a public hearing held not later than September 20, a budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. After adoption of the budget and no later than October 1, the secretary of the commission shall certify to the auditor of each county within the region the county share of ~~such~~ the tax, which shall be an amount bearing the same proportion to the total levy agreed on by the commission as the gross tax capacity of the county bears to the gross tax capacity of the region. The maximum amount of any levy made for the purposes of sections 462.381 to 462.398 shall not exceed ~~one-sixth of one mill on each dollar of gross tax capacity of 0.00403 percent of market value on all taxable property~~ in the region. The auditor of each county in the region shall add the amount of any levy made by the commission within the limits imposed by this subdivision to other tax levies of the county for collection by the county treasurer with other taxes. When collected the county treasurer shall make settlement of ~~such~~ the taxes with the commission in the same manner as other taxes are distributed to political subdivisions. The levy authorized by this section shall be in addition to any other county taxes authorized by law.

Sec. 61. Minnesota Statutes 1988, section 469.033, subdivision 6, is amended to read:

Subd. 6. [OPERATION AREA AS TAXING DISTRICT, SPECIAL TAX.] All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by projects to the extent of the special taxes levied under this subdivision. Subject to the consent by resolution of the governing body of the city in and for which it was created, an authority may levy each year a special tax upon all taxable property, both real and personal, within that taxing district. The authority shall cause certify the tax ~~so levied each year to be certified~~ to the auditor of the county in which the taxing district is located on or before October 10 each year. The tax shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs. As the tax, including any penalties, interest, and costs, is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "housing and redevelopment project fund." The money in the fund shall be turned over to the authority at the same time and in the same manner that the tax collections for the city are turned over to the city, and shall be expended and applied only for the purposes of sections 469.001 to 469.047, ~~and for no other purpose~~. It shall be paid out upon vouchers signed by the chair of the authority or an

authorized representative. The amount of the ~~special tax~~ levy shall be an amount approved by the governing body of the city, but shall not exceed ~~ten cents on each \$100 of gross tax capacity in the area of operation;~~ .0081 percent of taxable market value except that in cities of the first class having a population of less than 200,000, the ~~special tax~~ levy shall not exceed ~~five cents on each \$100 of gross tax capacity in the area of operation~~ .00403 percent of taxable market value. The authority may levy an additional levy, not to exceed ~~one cent on each \$100 of gross tax capacity in the area of operation~~ .0008 percent of taxable market value, to be used to defray costs of providing informational service and relocation assistance as set forth in section 462.445, subdivision 4. The authority shall each year formulate and file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city or, if no budgets are required to be filed, by August 1. The amount of the tax levy for the following year shall be based on that budget and shall be approved by the governing body.

Sec. 62. Minnesota Statutes 1988, section 469.053, subdivision 4, is amended to read:

Subd. 4. [MANDATORY CITY LEVY.] A city shall, at the request of the port authority, levy a tax in any year for the benefit of the port authority. The tax must not exceed ~~.75 mill times the gross tax capacity of taxable property in the city~~ 0.01813 percent of taxable market value. ~~The tax is not subject to levy limits.~~ The amount levied must be paid by the city treasurer to the treasurer of the port authority, to be spent by the authority.

Sec. 63. Minnesota Statutes 1988, section 469.053, subdivision 6, is amended to read:

Subd. 6. [DISCRETIONARY CITY LEVY.] Upon request of a port authority, the port authority's city may levy a tax to be spent by and for its port authority. The tax must enable the port authority to carry out efficiently and in the public interest sections 469.048 to 469.068 to create and develop industrial development districts. The levy must not be for more than ~~7/60 of one mill on each dollar of gross tax capacity of taxable property in the city~~ 0.00282 percent of taxable market value. The county treasurer shall pay the proceeds of the tax to the port authority treasurer. The money may be spent by the authority in performance of its duties to create and develop industrial development districts. In spending the money the authority must judge what best serves the public interest. The levy in this subdivision is in addition to the levy in subdivision 4 ~~and is not subject to levy limits.~~

Sec. 64. Minnesota Statutes 1988, section 469.107, subdivision 1, is amended to read:

Subdivision 1. [CITY TAX LEVY.] A city may, at the request of the

authority, levy a tax in any year for the benefit of the authority. The tax must be for not more than ~~.75 mill times the gross tax capacity of taxable property in the city~~ 0.01813 percent of taxable market value. The tax is not subject to ~~levy limits~~. The amount levied must be paid by the city treasurer to the treasurer of the authority, to be spent by the authority.

Sec. 65. Minnesota Statutes 1988, section 469.180, subdivision 2, is amended to read:

Subd. 2. [TAX LEVIES.] Notwithstanding any law, the county board of any county may appropriate from the general revenue fund a sum not to exceed $\frac{1}{30}$ of a mill ~~on the gross tax capacity of the a~~ county levy of 0.00080 percent of taxable market value to carry out the purposes of this section.

Sec. 66. Minnesota Statutes 1988, section 469.187, is amended to read:

469.187 [EXPENDITURE FOR PUBLICITY; PUBLICITY BOARD; FIRST CLASS CITIES.]

Any city of the first class may expend money for city publicity purposes. The city may levy a tax, at a rate not exceeding $\frac{1}{30}$ of one mill ~~upon the gross tax capacity of the taxable property of the city~~ 0.00080 percent of taxable market value. The proceeds of the levy shall be expended in the manner and for the city publicity purposes the council directs. The council may establish and provide for a publicity board or bureau to administer the fund, subject to the conditions and limitations the council prescribes by ordinance.

Sec. 67. Minnesota Statutes 1988, section 469.188, is amended to read:

469.188 [TAX FOR ADVERTISING RESOURCES; CITIES OF SECOND OR THIRD CLASS.]

The governing body of any city of the second or third class in this state may levy a tax of not to exceed ~~one-third of one mill against the taxable property in the city~~ 0.00806 percent of taxable market value for the purpose of advertising agricultural, industrial business, and all other resources of the community ~~subject to the city's levy limits~~.

Sec. 68. Minnesota Statutes 1988, section 471.191, subdivision 2, is amended to read:

Subd. 2. Any such city may issue bonds pursuant to chapter 475, for the acquisition and betterment of land, buildings, and facilities for the purpose of carrying out the powers granted by this section. Such bonds, unless authorized as general obligations of the issuer

pursuant to approval of the electors or pursuant to another law or charter provision permitting such issuance without an election, shall be payable solely from the income of land, buildings, and facilities used or useful for the operation of the program, but may be secured by a pledge to the bondholders, or to a trustee, of all income and revenues of whatsoever nature derived from any such land, buildings, and facilities, as a first charge on the gross revenues thereof to the extent necessary to pay the bonds and interest thereon when due and to accumulate and maintain an additional reserve for that purpose in an amount equal to the total amount of ~~such~~ payments to become due in any fiscal year. In this event the governing body of the issuer may by resolution or trust indenture define the land, buildings, or facilities, the revenues of which are pledged, and establish covenants and agreements to be made by the issuer for the security of the bonds, including a covenant that the issuer will establish, maintain, revise when necessary, and collect charges for all services, products, use, and occupancy of the land, buildings, and facilities, in the amounts and at the times required to produce the revenues pledged, and also sufficient, with any other funds appropriated by the governing body from time to time, to provide adequately for the operation and maintenance of the land, buildings, and facilities. ~~From and~~ After the issuance of any bonds for which revenues are so pledged, the governing body of the issuer shall provide in its budget each year for any anticipated deficiency in the revenues available for such operation and maintenance. For this purpose any issuer other than a city of the first class may levy a tax of not more than ~~two-thirds of one mill on the gross tax capacity of all taxable property within its corporate limits~~ 0.01612 percent of taxable market value, in excess of taxes which may otherwise be levied within legal and charter limitations, provided ~~such~~ the excess levy is approved by a majority of its electors voting on ~~such~~ the question at a regular or special election. The authority to levy additional taxes granted herein shall not apply to cities or towns in which the gross tax capacity consists in part of iron ore or lands containing taconite or semitaconite.

Sec. 69. Minnesota Statutes 1988, section 471.1921, is amended to read:

471.1921 [CITIES AND TOWNS; PLAYGROUNDS AND RECREATION; TAX LEVY.]

Whenever any city or town in which the gross tax capacity consists in part of iron ore or lands containing taconite or semitaconite operates a program of public recreation and playgrounds or other recreational facilities and expends funds for the operation of the program pursuant to sections 471.15 to 471.19, in addition to funds otherwise provided therefor, the governing body of the city or town may levy a tax in excess of any charter or statutory limitation, except the limitation imposed in sections 275.50 to 275.58, for the

support of this program of public recreation and playgrounds as follows:

(a) (1) in cities the council or governing body may levy a tax of not exceeding ~~two-ninths of a mill and not exceeding the lesser of (i) 0.00537 percent of taxable market value; (ii) \$3 per capita and not exceeding; or (iii) \$15,000; and~~

(b) (2) in towns the governing body may levy a tax of not exceeding ~~two-ninths of a mill and not exceeding the lesser of (i) 0.00537 percent of taxable market value; or (ii) \$10,000.~~

Sec. 70. Minnesota Statutes 1988, section 471.571, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] This section applies to each city in which the gross tax capacity of real and personal property consists in part of iron ore or lands containing taconite or semitaconite and in which the total gross tax capacity taxable market value of real and personal property exceeds \$200,000 \$2,500,000.

Sec. 71. Minnesota Statutes 1988, section 471.571, subdivision 2, is amended to read:

Subd. 2. [CREATION OF FUND, TAX LEVY.] The governing body of ~~such~~ the city may create a permanent improvement and replacement fund to be maintained by an annual tax levy. The governing body may levy a tax in excess of any charter or statutory limitation and in excess of the per capita limitation imposed under section 275.11 for the support of ~~such~~ the permanent improvement and replacement fund, but not exceeding the following:

(a) In cities having a population of not more than 500 inhabitants, the lesser of \$20 per capita or ~~3¼ mills~~ 0.08059 percent of taxable market value;

(b) In cities having a population of more than 500 and less than 2500, the greater of \$12.50 per capita or \$10,000 but not exceeding ~~3¼ mills~~ 0.08059 percent of taxable market value;

(c) In cities having a population of more than 2500 inhabitants, the greater of \$10 per capita or \$31,500 but not exceeding ~~3¼ mills~~ 0.08059 percent of taxable market value.

Sec. 72. Minnesota Statutes 1988, section 473.325, subdivision 2, is amended to read:

Subd. 2. The metropolitan council shall sell and issue ~~such~~ the bonds in the manner provided in chapter 475, and shall have the same powers and duties as a municipality issuing bonds under that

law, except that the approval of a majority of the electors shall not be required and the net debt limitations therein shall not apply. The terms of each series of such bonds shall be fixed so that the amount of principal and interest on all outstanding and undischarged bonds, together with the bonds proposed to be issued, due in any year shall not exceed ~~5 mills times the gross tax capacity~~ 0.01209 percent of market value of all taxable property in the metropolitan area as last finally equalized prior to a proposed issue. The bonds shall be secured in accordance with section 475.61, subdivision 1, and any taxes required for their payment shall be levied by the council, shall not affect the amount or rate of taxes which may be levied by the council for other purposes, shall be spread against all taxable property in the metropolitan area and shall not be subject to limitation as to rate or amount. Any taxes certified by the council to the county auditors for collection shall be reduced by the amount received by the council from the commissioner of finance or the federal government for the purpose of paying the principal and interest on bonds to which the levy relates. The council shall certify the fact and amount of all money so received to the county auditors, and the auditors shall reduce the levies ~~theretofore~~ previously made for ~~such~~ the bonds in the manner and to the extent provided in section 475.61, subdivision 3.

Sec. 73. Minnesota Statutes 1988, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.404 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the regional transit board shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the commission under section 473.436, subdivision 6;

(b) an additional amount, if any, as the board determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and

(c) an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council or board has specifically pledged tax levies under this clause.

The property tax levied by the regional transit board for general purposes under clause (a) must not exceed the following amount for the years specified:

(1) for taxes payable in 1988, the product of two mills multiplied by the total assessed valuation of all taxable property located within the metropolitan transit taxing district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(2) for taxes payable in 1989, the product of (i) the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (1) multiplied by (ii) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan transit taxing district divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan transit taxing district; and

(3) for taxes payable in 1990 and subsequent years, the product of (i) the regional transit board's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous assessment year.

For the purpose of determining the regional transit board's property tax levy limitation for general purposes for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan transit taxing district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of ~~0.5 mills~~ 0.01209 percent of market value on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of ~~0.75 mills~~ 0.01813 percent of market value on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29.

Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section 273.1398. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments in fiscal year 1987 and thereafter.

For the purposes of this subdivision, "full peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

Sec. 74. Minnesota Statutes 1988, section 473.661, subdivision 3, is amended to read:

Subd. 3. In any budget certified by the commissioners, pursuant to any of the provisions of under this section, the amount included for operation and maintenance shall not exceed an amount which, when extended against the gross tax capacity of property then taxable therefor under the provisions of section 473.621, subdivision 5, will require a levy at the a rate of one-third of one mill upon such gross tax capacity 0.00806 percent of market value. Taxes levied by the corporation shall not affect the amount or rate of taxes which may be levied by any other local government unit within the metropolitan area under the provisions of any law or charter.

Sec. 75. Minnesota Statutes 1988, section 473.667, subdivision 9, is amended to read:

Subd. 9. [ADDITIONAL TAXES.] Nothing herein shall prevent the commission from levying a tax not to exceed in any year 1/20 of one mill on the gross tax capacity of 0.00121 percent of market value on taxable property within its taxing jurisdiction, over and above in addition to any levies found necessary for the debt service fund as authorized by section 473.671. Nothing herein shall prevent the levy and appropriation for purposes of the commission of any other tax on property or on any income, transaction, or privilege, when and if authorized by law. All collections of any taxes so levied shall be included in the revenues appropriated for the purposes referred to in this section, unless otherwise provided in the law authorizing such the levies; but no covenant as to the continuance or as to the rate and amount of any such levy shall be made with the holders of the commission's bonds unless specifically authorized by law.

Sec. 76. Minnesota Statutes 1988, section 473.671, is amended to read:

473.671 [LIMIT OF TAX LEVY.]

The taxes levied against the property of the metropolitan area in any one year shall not exceed ~~one-third of one mill upon the gross tax capacity thereof~~ 0.00806 percent of taxable market value, exclusive of the taxes it may be necessary to levy levied to pay the principal or interest on any bonds or indebtedness of said the city issued by it under the provisions of Laws 1943, chapter 500, and exclusive of any amounts required taxes levied to pay the share of such the city for payments on bonded indebtedness of the corporation provided for in Laws 1943, chapter 500. The levy of taxes authorized in Laws 1943, chapter 500, shall be in addition to the maximum rate allowed to be levied to defray the cost of government under the provisions of the charter of any city affected by Laws 1943, chapter 500.

Sec. 77. Minnesota Statutes 1988, section 473.882, subdivision 3, is amended to read:

Subd. 3. [TAX.] After adoption of the ordinance under subdivision 2, a local government unit may annually levy a tax on all taxable property in the district for the purposes for which the tax district is established. The tax levied may not exceed ~~one mill~~ 0.02418 percent of market value on taxable property located in rural towns other than urban towns, unless allowed by resolution of the town electors. The proceeds of the tax shall be paid into a fund reserved for these purposes. Any proceeds remaining in the reserve fund at the time the tax is terminated or the district is dissolved shall be transferred and irrevocably pledged to the debt service fund of the local unit to be used solely to reduce tax levies for bonded indebtedness of taxable property in the district. A tax levied in accordance with this subdivision for paying capital costs is a levy for the payment of principal and interest on bonded indebtedness within the meaning of section 275.50, subdivision 5, clause (e).

Sec. 78. Minnesota Statutes 1988, section 473.883, subdivision 6, is amended to read:

Subd. 6. [TAX.] For the payment of principal and interest on the bonds issued under subdivision 5 and the payment required under subdivision 4, the county shall irrevocably pledge and appropriate the proceeds of ~~an ad valorem~~ a tax levied on all taxable property located within the territory of the watershed management organization or minor watershed unit for which the bonds are issued. Each year until the reserve for payment of the bonds is sufficient to retire the bonds, the county shall levy on all taxable property in the territory of the organization or unit, without respect to any statutory or other limitation on taxes, an amount of taxes sufficient to pay principal and interest on the bonds and to restore any deficiencies in reserves required to be maintained for payment of the bonds. The tax levied on rural towns other than urban towns may not exceed ~~one~~

mill 0.02418 percent of taxable market value, unless approved by resolution of the town electors. If at any time the amounts available from the levy on property in the territory of the organization are insufficient to pay principal and interest on the bonds when due, the county shall make payment from any available funds in the county treasury. The amount of any taxes which are required to be levied outside of the territory of the watershed management organization or unit or taken from the general funds of the county to pay principal or interest on the bonds shall be reimbursed to the county from taxes levied within the territory of the watershed management organization or unit.

Sec. 79. Minnesota Statutes 1988, section 641.23, is amended to read:

641.23 [FUNDS, HOW PROVIDED.]

Before any contract is made for the erection of a county jail, sheriff's residence, or both, the county board shall either levy a sufficient tax to provide the necessary funds, or issue county bonds therefor in accordance with the provisions of chapter 475, provided that the amount of all bonds issued for this purpose and interest on them which are due and payable in any year shall not exceed an amount equal to four mills times the gross tax capacity 0.09671 percent of market value of taxable property within the county, as last determined before the bonds are issued.

Sec. 80. [REPEALER.]

Minnesota Statutes 1988, sections 69.36; 423.376; 423.47; 423.807; 424.12; and 424.13, are repealed.

Sec. 81. [EFFECTIVE DATE.]

Sections 30, 35, 39, 41, 72, 78, and 79 are effective for bonds and other obligations issued after June 30, 1989, provided that the limitations in those sections include the amount of debt service on obligations issued before that date. Section 33 is effective for obligations issued after the date of enactment of this act."

Delete the title and insert:

"A bill for an act

relating to taxation; making technical corrections, clarifications and administrative and enforcement changes to property taxes, premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, taxes on flight property, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; correcting

dates relating to income maintenance aids; providing for unmarked vehicles for use by the department of revenue; providing for cancellation of sales tax permits; providing for sales of unstamped tobacco products and liquor to Indian tribes; repealing obsolete or unnecessary terms or provisions; changing terms; repealing certain gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; changing cigarette distribution licensing requirements; converting mill rate limitations to percentages of market value; changing assessor senior accreditation requirements; exempting certain property from property taxes; changing requirements for valuation and tax deferment for certain property; allowing homestead classification in certain cases; providing for subordinate service districts; authorizing the cities of Mankato and Hopkins to establish special service districts; increasing and imposing fees; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 3.983, subdivision 3; 16B.54, subdivision 2; 18.022, subdivision 2; 18.111, subdivision 1; 38.27, subdivision 1; 40A.15, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 88.04, subdivision 3; 93.55, subdivision 4; 110.71, subdivision 2; 110B.20; 112.61, subdivisions 2, 3, and 8; 124.155, subdivision 2; 124.2139; 138.053; 162.07, subdivisions 3 and 4; 162.081, subdivision 4; 164.04, subdivision 3; 164.05, subdivision 1; 168.012, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 256.82, subdivision 1; 256.871, subdivision 6; 256B.041, subdivision 5; 270.06; 270.071, subdivision 6; 270.072, subdivisions 2 and 3; 270.075, subdivision 2; 270.12, subdivision 2; 270.485; 270.60; 272.01, subdivision 2; 272.02, subdivision 1; 273.01; 273.061, subdivisions 1 and 2; 273.1102, subdivision 3; 273.111, subdivision 3; 273.112, subdivision 3, and by adding a subdivision; 273.124, subdivisions 1, 8, 9, 12, 13, and by adding a subdivision; 273.13, subdivisions 22 and 23; 273.135, subdivision 2; 273.1391, subdivision 2; 273.1393; 273.1398, subdivisions 1, 4, 5, and 6; 275.011, subdivisions 1 and 2; 275.07, subdivision 3; 275.077, subdivision 2; 275.28, subdivision 1; 275.56; 275.58, subdivision 1; 278.01, subdivision 1; 278.03; 278.05, subdivisions 4 and 5; 279.01, subdivisions 1 and 3; 279.37, subdivision 7; 290A.03, subdivision 12; 296.18, subdivision 1; 297.01, subdivision 13, and by adding a subdivision; 297.03, subdivision 6; 297.04, subdivisions 4, 5, and 6; 297.041, subdivisions 1, 2, and 4; 297.08, subdivision 1; 297.31, by adding a subdivision; 297.33, subdivisions 4, 5, 6, 7, and 8; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.025, subdivision 2; 297B.03; 297C.03, subdivision 1; 297C.09; 297D.13, by adding a subdivision; 298.28, subdivisions 3 and 4; 298.282, subdivision 2; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 366.27; 373.40, subdivisions 4 and 6; 375.167, subdivision 1; 375.18, subdivision 3; 375.192, subdivision 2; 375.555; 383A.03, subdivision 4; 383A.411, subdivision 5; 383A.49, subdivision 2; 383B.152; 383B.245; 383B.73, subdivisions 1 and 2; 383C.42, subdivision 1; 398A.04, subdivision 8;

412.251; 412.531, subdivision 1; 414.035; 414.041, subdivision 7; 426.04; 447.10; 449.06; 449.08; 449.09; 449.10; 450.19; 450.25; 458A.10; 458A.31, subdivision 1; 459.06, subdivision 1; 459.14, subdivision 2, and by adding a subdivision; 462.396, subdivision 2; 469.012, by adding a subdivision; 469.033, subdivision 6; 469.040, subdivision 2; 469.053, subdivisions 4 and 6; 469.107, subdivision 1; 469.174, subdivision 8; 469.175, subdivision 7; 469.176, subdivision 4c; 469.180, subdivision 2; 469.187; 469.188; 469.190, subdivision 1; 471.191, subdivision 2; 471.1921; 471.571, subdivisions 1 and 2; 473.325, subdivision 2; 473.446, subdivision 1; 473.661, subdivision 3; 473.667, subdivision 9; 473.671; 473.843, subdivision 1; 473.882, subdivision 3; 473.883, subdivision 6; 475.53, subdivision 4; 477A.011, subdivision 15; 477A.013, subdivision 1; 641.23; Laws 1988, chapter 719, articles 7, section 9; 8, section 37; and 12, section 29; proposing coding for new law in Minnesota Statutes, chapters 276; 297; 297A; 297C; 297D; 325D; and 365B; repealing Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; 38.28; 69.36; 275.57; 275.58, subdivision 4; 276.13; 276.14; 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; 297A.19; 297A.253; 297C.03, subdivisions 4 and 4a; 423.376; 423.47; 423.807; 424.12; 424.13; 477A.018; and 477A.019; Laws 1988, chapter 719, article 8, section 35."

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

House Conferees: DEE LONG, ALAN W. WELLE AND JOHN HIMLE.

Senate Conferees: LEROY A. STUMPF, JOHN BERNHAGEN AND A. W. "BILL" DIESSNER.

Long moved that the report of the Conference Committee on H. F. No. 266 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 266, A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and

sleeping car company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.012, subdivision 1; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.03; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

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

RECESS

RECONVENED

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

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Wynia, from the Committee on Rules and Legislative Administration, pursuant to House Rule No. 1.9, designated the following bills as Special Orders to be acted upon immediately preceding General Orders for today, Friday, May 19, 1989, and that the Special Orders Calendar previously designated for Friday, May 19, 1989, be discontinued:

S. F. Nos. 530, 1582, 542, 462 and 738; H. F. No. 1163; S. F. No. 536; H. F. No. 1443; S. F. Nos. 491, 613 and 895; H. F. Nos. 618, 871, 782 and 1194; S. F. Nos. 481, 809, 499, 470, 1394, 143, 1074, 659 and 564; H. F. Nos. 962, 404, 1396, 207, 619, 376 and 1201; S. F. No. 775; H. F. No. 1066; S. F. Nos. 1378, 661 and 258; H. F. Nos. 851 and 1636; and S. F. Nos. 1009 and 1435.

SPECIAL ORDERS

S. F. No. 530 was reported to the House.

Long moved to amend S. F. No. 530, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1988, section 115A.03, is amended by adding a subdivision to read:

Subd. 36a. [WASTE REDUCTION.] “Waste reduction” means any activity that prevents generation of waste including at least reusing a product in its original form, increasing the life span of a product, reducing material used in production or packaging, or changing procurement, consumption, or waste generation habits to result in smaller quantities of waste generated.

Sec. 2. Minnesota Statutes 1988, section 115A.12, subdivision 1, is amended to read:

Subdivision 1. [SOLID AND HAZARDOUS WASTE MANAGE-

MENT.] The chair of the board shall establish a solid waste management advisory council and a hazardous waste management planning council broadly representative of the geographic areas and interests of the state. The councils shall have not less than nine nor more than 18 members each. The membership of the solid waste council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives from private solid waste management firms. The solid waste council shall contain at least one member experienced in each of the following areas: state and municipal finance; solid waste collection, processing, and disposal; and solid waste reduction and resource recovery. The membership of the hazardous waste advisory council shall consist of one-third citizen representatives, one-third representatives from local government units, and one-third representatives of hazardous waste generators and private hazardous waste management firms. The chairs of the advisory councils shall be appointed by the chair of the board. The chair of the board shall provide administrative and staff services for the advisory councils. The advisory councils shall have such duties as are assigned by law or the chair of the board. The solid waste advisory council shall make recommendations to the board on its solid waste management activities. The hazardous waste advisory council shall make recommendations to the board on its activities under sections 115A.08, 115A.09, 115A.10, 115A.11, 115A.20, 115A.21, and 115A.24. Members of the advisory councils shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the chair of the board. The solid waste management advisory council and the hazardous waste management planning council expire as provided in section 15.059, subdivision 5 June 30, 1994.

Sec. 3. Minnesota Statutes 1988, section 115A.14, subdivision 2, is amended to read:

Subd. 2. [STAFF.] The commission is authorized, without regard to the civil service laws and rules, to appoint and fix the compensation of such additional legal and other personnel and consultants as may be necessary to enable it to carry out its functions, or to contract for services to supply necessary data, except that any state employees subject to the civil service laws and rules who may be assigned to the commission shall retain civil service status without interruption or loss of status or privilege. The staff shall be hired and supervised for the commission by the executive director of the legislative commission on Minnesota resources.

Sec. 4. Minnesota Statutes 1988, section 115A.46, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The plans shall describe existing collection, processing, and disposal systems, including schedules of rates and charges, financing methods, environmental acceptability, and

opportunities for improvements in the systems. The plans shall include an estimate of the land disposal capacity in acre-feet which will be needed through the year 2000, on the basis of current and projected waste generation practices. The plans shall require the most feasible and prudent reduction of the need for and practice of land disposal of mixed municipal solid waste. The plans shall address at least waste reduction, separation, recycling, and other resource recovery options, and shall include specific and quantifiable objectives, immediately and over specified time periods, for reducing the land disposal of mixed municipal solid waste and for the implementation of feasible and prudent reduction, separation, recycling, and other resource recovery options. The objectives must be consistent with statewide objectives identified in statute. In assessing the need for additional resource recovery or disposal capacity, plans must take into account the characteristics of waste stream components and must give priority to waste reduction, separation, and recycling. The plans shall describe specific functions to be performed and activities to be undertaken to achieve the abatement, reduction, separation, recycling, and other resource recovery objectives and shall describe the estimated cost, proposed manner of financing, and timing of the functions and activities. The plans shall include a comparison of the costs of the activities to be undertaken, including capital and operating costs, and the effects of the activities on the cost to generators and on persons currently providing solid waste collection, processing, and disposal services. The plans shall include alternatives which could be used to achieve the abatement objectives if the proposed functions and activities are not established. The plans shall designate how public education shall be accomplished. The plans shall, to the extent practicable and consistent with the achievement of other public policies and purposes, encourage ownership and operation of solid waste facilities by private industry. For solid waste facilities owned or operated by public agencies or supported primarily by public funds or obligations issued by a public agency, the plans shall include criteria and standards to protect comparable private and public facilities already existing in the area from displacement unless the displacement is required in order to achieve the waste management objectives identified in the plan. The plans shall establish a siting procedure and development program to assure the orderly location, development, and financing of new or expanded solid waste facilities and services sufficient for a prospective ten-year period, including estimated costs and implementation schedules, proposed procedures for operation and maintenance, estimated annual costs and gross revenues, and proposals for the use of facilities after they are no longer needed or usable. The plans shall describe existing and proposed county and municipal ordinances and license and permit requirements relating to solid waste management and shall describe existing and proposed regulation and enforcement procedures.

Sec. 5. Minnesota Statutes 1988, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. [SOLID WASTE MANAGEMENT PROJECTS.] (a) The board shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or \$2,000,000, whichever is less.

(c) A recycling project or a project to compost or co-compost waste may receive grant assistance up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less.

(d) Projects without resource recovery are not eligible for assistance. The agency may award grants for transfer stations that will initially transfer waste to landfills provided those transfer stations are part of a planned resource recovery project, and provided the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the agency and that plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within five years of the date of the grant award, the recipient shall repay the grant amount to the state.

(e) In addition to any assistance received under clause (b) or (c), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

(f) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

(g) For the purposes of this subdivision, a "project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility. The board shall adopt rules for the program by July 1, 1985.

Sec. 6. Minnesota Statutes 1988, section 115A.80, is amended to read:

115A.80 [DESIGNATION OF RESOURCE RECOVERY SOLID WASTE MANAGEMENT FACILITIES; PURPOSE.]

In order to further the state policies and purposes expressed in section 115A.02, and to advance the public purposes served by resource recovery effective solid waste management, the legislature finds and declares that it may be necessary pursuant to sections 115A.80 to 115A.89 to authorize a qualifying solid waste management district or county to designate a resource recovery solid waste processing or disposal facility.

Sec. 7. Minnesota Statutes 1988, section 115A.81, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] "Designation" means a requirement by a waste management district or county that all or any portion of the mixed municipal solid waste that is generated within its boundaries or any service area thereof be delivered to a resource recovery processing or disposal facility identified by the district or county.

Sec. 8. Minnesota Statutes 1988, section 115A.83, is amended to read:

115A.83 [EXEMPTION.]

The designation may not apply to or include: (1) materials that are separated from solid waste and recovered for reuse in their original form or for use in manufacturing processes; or (2) materials that are processed at ~~another~~ a resource recovery facility at the capacity in operation at the time that the designation plan is approved by the reviewing authority.

Sec. 9. Minnesota Statutes 1988, section 115A.84, is amended to read:

115A.84 [DESIGNATION PLAN.]

Subdivision 1. [REQUIREMENT.] Before commencing the designation procedure under section 115A.85, the district or county shall adopt a comprehensive solid waste management plan or, under chapter 473, a master plan. The comprehensive or master plan must include county or district shall then submit a plan for designation to be approved under this section. A county or district's designation plan must be consistent with its solid waste management plan or master plan and with regional and statewide waste management goals.

Subd. 2. [DESIGNATION; PLAN CONTENTS.] (a) The designation plan must evaluate (1) the benefits of the designation, including the public purposes achieved by the conservation and recovery of

resources, the furtherance of local and any district or regional waste management plans and policies, and the furtherance of the state policies and purposes expressed in section 115A.02; and (2) the estimated costs of the designation, including the direct capital, operating, and maintenance costs of the facility designated, the indirect costs, and the long-term effects of the designation.

(b) In particular the designation plan must evaluate:

(1) whether the designation will result in the recovery of resources or energy from materials which would otherwise be wasted;

(2) whether the designation will lessen the demand for and use of indiscriminate land disposal;

(3) whether the designation is necessary for the financial support of the facility;

(4) whether less restrictive methods for ensuring an adequate solid waste supply are available; ~~and~~

(5) other feasible and prudent waste ~~processing management~~ alternatives for accomplishing the purposes of the proposed designation, the direct and indirect costs of the alternatives, including capital and operating costs, and the effects of the alternatives on the cost to generators; and

(6) whether the designation takes into account and promotes local, regional, and state waste management goals.

(c) When the plan proposes designation to disposal facilities, the designation plan must also evaluate:

(1) whether the disposal facility is part of an integrated waste management system involving a processing facility and the designation is necessary for the financial support of the processing facility;

(2) whether the designation will better serve to protect public health and safety;

(3) the impacts upon other disposal facilities and collectors inside and outside the area;

(4) whether the designation is necessary to promote regional waste management programs and cooperation; and

(5) the extent to which the design and operation of the disposal facility protects the environment including whether it is permitted

under current agency rules and whether any portion of the facility's site is listed under section 115B.17, subdivision 13.

(d) When the plan proposes designation to disposal facilities, all of the mixed municipal solid waste generated in the affected area must be subject to the designation unless it is subject to a contract between a hauler and a different facility and that contract is in force on the date designation is implemented.

Subd. 3. [PLAN APPROVAL.] A district or county planning a designation for waste generated wholly within the metropolitan area defined in section 473.121 shall submit its designation plan to the metropolitan council for review and approval or disapproval. Other districts or counties shall submit the designation plan to the waste management board for review and approval or disapproval. The reviewing authority shall complete its review and make its decision within 120 days following submission of the plan for review. The reviewing authority shall approve the designation plan if the plan satisfies the requirements of subdivision 2 and, in the case of designation to disposal facilities, if the reviewing authority finds that the plan has demonstrated that the designation is necessary and is consistent with section 115A.02. The reviewing authority may attach conditions to its approval that relate to matters required in a designation ordinance under section 115A.86, subdivision 1, paragraph (a), clauses (1) to (4), and paragraph (b). Amendments to plans must be submitted for review in accordance with this subdivision.

Subd. 4. [EXCLUSION OF CERTAIN MATERIALS.] When it approves the designation plan the reviewing authority shall exclude from the designation materials that the reviewing authority determines will be processed at ~~another~~ a resource recovery facility separate from the designated facility if:

(1) the ~~other~~ resource recovery facility requesting the exclusion is substantially completed or will be substantially completed within 18 months of the time that the designation plan is approved by the reviewing authority; and

(2) the ~~other~~ facility requesting the exclusion has or will have contracts for purchases of its product; and

(3) the materials are or will be under contract for delivery to the ~~other~~ facility requesting the exclusion at the time the ~~other~~ that facility is completed.

In order to qualify for the exclusion of materials under this subdivision, the operator or owner of the ~~other~~ resource recovery facility requesting the exclusion shall file with the reviewing authority and the district or county or counties a written description of the facility, its intended location, its waste supply sources,

purchasers of its products, its design capacity and other information that the reviewing authority and the district or county or counties may reasonably require. The information must be filed as soon as it becomes available but not later than 30 days following the date when the county or district submits its designation plan for approval.

The reviewing authority may revoke the exclusion granted under this subdivision when it approves the designation ordinance under section 115A.86 if in its judgment the excluded materials will not be processed at the other facility.

Sec. 10. Minnesota Statutes 1988, section 115A.85, subdivision 2, is amended to read:

Subd. 2. [HEARING.] The district or county shall hold a public hearing to take testimony on the designation. Notice of the hearing must be published in a newspaper of general circulation in the area for two successive weeks ending at least 15 days before the date of the hearing and must be mailed to political subdivisions, landfill processing and disposal facility operators, and licensed solid waste collectors who may be expected to use the facility. The notification must: (1) describe the area in which the designation will apply and the plans for the use of the solid waste; (2) specify the point or points of delivery of the solid waste; (3) estimate the types and quantities of solid waste subject to the designation; and (4) estimate the fee to be charged for the use of the facilities and for any products of the facilities. A designation or contract for use is not invalid by reason of the failure of the district or county to provide written notice to an entity listed in this subdivision.

Sec. 11. Minnesota Statutes 1988, section 115A.86, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] The designation may be placed into effect no less than 60 days following the approval required in subdivision 2. The effective date of the designation must be specified at least 60 days in advance. If the designation is not placed into effect within two years of approval, the designation must be resubmitted to the reviewing authority for approval or disapproval under subdivision 2, unless bonds have been issued to finance the resource recovery facility to which the designation applies.

Sec. 12. Minnesota Statutes 1988, section 115A.86, subdivision 5, is amended to read:

Subd. 5. [AMENDMENTS.] (a) Amendments to a designation ordinance must be submitted to the reviewing authority for approval. The reviewing authority shall approve the amendment if the amendment is in the public interest and in furtherance of the state policies and purposes expressed in section 115A.02. If the reviewing

authority finds that the proposed amendment is a substantive change from the existing designation plan, the reviewing authority may require that the county or solid waste management district submit a revised designation plan to the reviewing authority for approval. After receiving approval for the designation plan amendment from the reviewing authority, the county or district shall follow the procedure outlined in section 115A.85 prior to submitting the amended designation ordinance to the reviewing authority for approval. If the reviewing authority does not act within 90 days after receiving the proposed amendment to the designation ordinance, the amendment is approved.

(b) Prior to amending an ordinance to designate solid waste to a disposal facility, a county or district shall submit an amended designation plan to the reviewing authority for approval, and shall follow the procedures outlined in section 115A.85.

Sec. 13. Minnesota Statutes 1988, section 115A.893, is amended to read:

115A.893 [PETITION FOR EXCLUSION.]

Any person proposing to own or operate a ~~resource recovery~~ processing facility using waste materials subject to a designation ordinance may petition the waste district or county for exclusion of the materials from the designation ordinance. In order to qualify for the exclusion of materials under this section, the petitioner shall submit with the petition a written description of the proposed facility, its intended location, its waste supply sources, purchasers of its products, its design capacity, and other information that the district or county may reasonably require. The district or county, after appropriate notice and hearing, shall issue a written decision with findings of fact and conclusions on all material issues. The district or county shall grant the petition if it determines that: (a) the materials will be processed at the ~~resource recovery~~ facility, and (b) the exclusion can be implemented without impairing the financial viability of the designated facility or impairing contractual obligations or preventing the performance of contracts by the facility owner or operator, the district or county, or users of the facility. Any person aggrieved by the decision of the district or county may appeal to the reviewing authority. The review is confined to the record. The decision of the reviewing authority must be based on the standards stated in this section. If the reviewing authority approves the petition, the designation ordinance must be amended in conformance with the decision of the reviewing authority. The petition may be amended during the proceedings by agreement between the petitioner and the district or county.

Sec. 14. Minnesota Statutes 1988, section 115A.906, is amended by adding a subdivision to read:

Subd. 2a. [EMERGENCY ABATEMENT.] The commissioner may take emergency action to abate a waste tire nuisance without following the procedures of subdivision 2 if the commissioner determines that the nuisance constitutes a clear and immediate danger of uncontrollable fire, mosquito infestation, or other hazard requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment. Before taking an action under this subdivision, the commissioner shall make all reasonable efforts, taking into account the urgency of the situation and any historical pattern of responses by the tire collector to any past problems or abatement orders, to follow as much of the procedure in subdivision 2 as is practical. Emergency action under this subdivision may include all of the activities authorized for an abatement order.

Sec. 15. Minnesota Statutes 1988, section 115A.94, is amended by adding a subdivision to read:

Subd. 6. [EFFECT.] Except as provided in subdivision 5, nothing in this section requires a city, town, or county to organize collection, or prevents a city, town, or county from organizing collection, for either solid waste or recyclable material.

Sec. 16. [115A.981] [SOLID WASTE DISPOSAL FACILITIES ANNUAL REPORTING.]

Subdivision 1. [RECORD KEEPING REQUIREMENTS.] The owner or operator of a solid waste disposal facility must maintain the records necessary to comply with the requirements of subdivisions 2 and 3.

Subd. 2. [ANNUAL REPORTING.] (a) The owner or operator of a solid waste disposal facility must:

(1) submit an annual report to the agency under section 115A.32, and Minnesota Rules, part 7035.2585;

(2) annually certify that it has established financial assurance for closure, postclosure care, and corrective action at the facility by using one or more of the financial assurance mechanisms specified by rule; and

(3) file a fee schedule with the agency with the annual report.

(b) The fee schedule must list all tipping fees, rates, charges, surcharges, and any other fees charged by each classification of customer. The owner or operator of a facility may not increase fees until 30 days after the owner or operator has submitted a fee schedule amendment to the agency.

Subd. 3. [CLASSIFICATION OF DATA.] Information declared proprietary information by the submitter that is received by the agency under subdivision 2 is nonpublic data as defined in section 13.02, subdivision 9, except that the attorney general has access to the information.

Subd. 4. [AGENCY REPORT.] The agency shall report to the legislative commission on waste management by July 1 of each even-numbered year on the viability of the state's waste processing and disposal capability, the status of competitive forces in the market including recycling, composting, waste reduction and incineration, the extent to which existing fees for services are sufficient for facility development, engineering, environmental and safety factors, the progress of the industry in meeting the state's waste management goals, and recommendations for regulations to ensure protection of human health and the environment. In preparing the report, the agency shall consider information received under subdivision 2.

Sec. 17. Minnesota Statutes 1988, section 115B.04, subdivision 4, is amended to read:

Subd. 4. [LIABILITY OF POLITICAL SUBDIVISIONS.] (a) The liability of a political subdivision under this section is subject to the limits imposed under section 466.04, subdivision 1-, except when the political subdivision is liable under this section as the owner or operator of a disposal facility as defined in section 115A.03, subdivision 10.

(b) Except as provided in paragraph (c), when a political subdivision is liable as an owner or operator of a disposal facility as defined in section 115A.03, subdivision 10, including a facility owned or operated under a valid joint powers agreement to which the political subdivision is a party, the liability of the political subdivision under this section is limited to \$400,000 for the facility; provided that, if a facility is owned or operated under a joint powers agreement by three or more political subdivisions, the aggregate liability for the facility of all political subdivisions that are parties to the joint powers agreement is limited to \$1,200,000.

(c) The limits under paragraph (b) apply to response costs incurred between the date a request for response action is issued to the political subdivision by the agency and the date one year after the construction certificate of completion for the response action is approved by the commissioner. The limits under paragraph (b) do not apply to response costs incurred outside the dates set forth in this paragraph or to costs incurred to negotiate a consent order or other agreement with the agency concerning any response action.

(d) When a political subdivision subject to the liability limits under paragraph (b) incurs response costs between the dates in

paragraph (c) for response actions under a work plan approved by the agency:

(1) the liability of the political subdivision for response costs to which limits apply under paragraph (c) is reduced by the amount spent; and

(2) the agency may reimburse the political subdivision for any amount spent that exceeds the applicable limit under paragraph (b).

Sec. 18. Minnesota Statutes 1988, section 115B.17, is amended by adding a subdivision to read:

Subd. 15. [ACQUISITION OF PROPERTY.] The agency may acquire, by purchase or donation, an interest in real property, including easements and leases, that the agency determines is necessary for response action. The agency may acquire an easement by condemnation only if the agency is unable, after reasonable efforts, to acquire an interest in real property by purchase or donation. The provisions of chapter 117 govern condemnation proceedings by the agency under this subdivision. A donation of an interest in real property to the agency is not effective until the agency executes a certificate of acceptance. The state is not liable under this chapter solely as a result of acquiring an interest in real property under this subdivision.

Sec. 19. Minnesota Statutes 1988, section 115B.20, subdivision 2, is amended to read:

Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] Subject to appropriation by the legislature the money in the fund may be spent for any of the following purposes:

(a) Preparation by the agency for taking removal or remedial action under section 115B.17, including investigation, monitoring and testing activities, enforcement and compliance efforts relating to the release of hazardous substances, pollutants or contaminants under section 115B.17 or 115B.18;

(b) Removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17, including related enforcement and compliance efforts under section 115B.17 or 115B.18, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to facilities other than commercial hazardous waste facilities located under the siting authority of chapter 115A;

(c) Reimbursement to any private person for expenditures made before July 1, 1983 to provide alternative water supplies deemed necessary by the agency and the department of health to protect the public health from contamination resulting from the release of a hazardous substance;

(d) Removal and remedial actions taken or authorized by the agency or the commissioner of the pollution control agency under section 115B.17 including related enforcement and compliance efforts under section 115B.17 or 115B.18, and payment of the state share of the cost of remedial action which may be carried out under a cooperative agreement with the federal government pursuant to the Federal Superfund Act, under United States Code, title 42, section 9604(c)(3) for actions related to commercial hazardous waste facilities located under the siting authority of chapter 115A;

(e) Compensation as provided by law, after submission by the waste management board of the report required under section 115A.08, subdivision 5, to mitigate any adverse impact of the location of commercial hazardous waste processing or disposal facilities located pursuant to the siting authority of chapter 115A;

(f) Planning and implementation by the commissioner of natural resources of the rehabilitation, restoration or acquisition of natural resources to remedy injuries or losses to natural resources resulting from the release of a hazardous substance;

(g) Inspection, monitoring and compliance efforts by the agency, or by political subdivisions with agency approval, of commercial hazardous waste facilities located under the siting authority of chapter 115A;

(h) Grants by the agency or the waste management board to demonstrate alternatives to land disposal of hazardous waste including reduction, separation, pretreatment, processing and resource recovery, for education of persons involved in regulating and handling hazardous waste;

(i) Intervention and environmental mediation by the legislative commission on waste management under chapter 115A; and

(j) Grants by the agency to study the extent of contamination and feasibility of cleanup of hazardous substances and pollutants or contaminants in major waterways of the state;

(k) Acquisition of a property interest under section 115B.17, subdivision 15;

(l) Reimbursement, in an amount to be determined by the agency in each case, to a political subdivision that is not a responsible

person under section 115B.03 for reasonable and necessary expenditures resulting from an emergency caused by a release or threatened release of a hazardous substance, pollutant, or contaminant; and

(m) Reimbursement to a political subdivision for expenditures over the limit on political subdivision liability under section 115B.04, subdivision 4.

Sec. 20. Minnesota Statutes 1988, section 115B.25, subdivision 1, is amended to read:

Subdivision 1. [~~GENERAL APPLICATION.~~] The terms used in sections 115B.25 to 115B.37 have the definitions meanings given them in ~~section 115B.02~~ and this section.

Sec. 21. Minnesota statutes 1988, section 115B.25, subdivision 2 is amended to read:

Subd. 2. [BOARD.] "Board" means the ~~hazardous~~ harmful substance ~~injury~~ compensation board established in section 115B.27.

Sec. 22. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 6a. [FACILITY.] "Facility" has the meaning given it in section 115B.02, subdivision 5.

Sec. 23. Minnesota Statutes 1988, section 115B.25, subdivision 7, is amended to read:

Subd. 7. [FUND.] "Fund" means the ~~hazardous~~ harmful substance ~~injury~~ compensation fund established in section 115B.26.

Sec. 24. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 7a. [HARMFUL SUBSTANCE.] "Harmful substance" means:

(1) any commercial chemical designated under the Federal Water Pollution Control Act, United States Code, title 33, section 1321(b)(2)(A);

(2) any hazardous air pollutant listed under the Clean Air Act, United States Code, title 42, section 7412;

(3) any hazardous waste; and

(4) petroleum as defined in section 115C.02, subdivision 10.

Sec. 25. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 7b. [HAZARDOUS WASTE.] "Hazardous waste" has the meaning given it in section 115B.02, subdivision 9.

Sec. 26. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 7c. [PERSON.] "Person" has the meaning given it in section 115B.02, subdivision 12.

Sec. 27. Minnesota Statutes 1988, section 115B.25, is amended by adding a subdivision to read:

Subd. 9. [RELEASE.] "Release" has the meaning given it in section 115B.02, subdivision 15. Release does not include discharges or designed venting of petroleum from a tank allowed under rules of the pollution control agency.

Sec. 28. Minnesota Statutes 1988, section 115B.26, is amended to read:

115B.26 [HAZARDOUS HARMFUL SUBSTANCE INJURY COMPENSATION FUND.]

Subdivision 1. [ESTABLISHMENT.] A hazardous harmful substance injury compensation fund is established as an account in the state treasury. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the fund.

Subd. 2. [APPROPRIATION.] The amount necessary to pay for staff assistance, administrative services, and office space under section 115B.28, subdivision 4, and to pay claims of compensation granted by the board under sections 115B.25 to 115B.37 is appropriated to the board from the hazardous harmful substance injury compensation fund.

Subd. 3. [PAYMENT OF CLAIMS WHEN FUND INSUFFICIENT.] If the amount of the claims granted exceeds the amount in the fund, the board shall request a transfer from the general contingent account to the hazardous harmful substance injury compensation fund as provided in section 3.30. If no transfer is approved, the board shall pay the claims which have been granted in the order granted only to the extent of the money remaining in the fund. The board shall pay the remaining claims which have been granted after additional money is credited to the fund.

Subd. 4. [FUND TRANSFER REQUEST.] At the end of each fiscal year, the board shall submit a request to the petroleum tank release compensation board for transfer to the fund from the petroleum tank release cleanup fund under section 115C.08, subdivision 5 of an amount equal to the compensation granted by the board for claims related to petroleum releases plus administrative costs related to determination of those claims.

Sec. 29. Minnesota Statutes 1988, section 115B.27, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF BOARD.] The hazardous harmful substance injury compensation board is established. The board consists of five members who will serve part time and who will be appointed by the governor with the advice and consent of the senate. One member must be a physician knowledgeable in toxicology; one member must be a member of the bar of this state; one member must be a health professional knowledgeable in the area of hazardous harmful substance injuries; and two members must be members of the general public. The board shall annually elect a member to serve as chair for a term of one year. Filling of vacancies on the board and removal of members are governed by section 15.0575.

Sec. 30. Minnesota Statutes 1988, section 115B.28, subdivision 2, is amended to read:

Subd. 2. [POWERS.] In addition to exercising any powers specified in sections 115B.25 to 115B.37 or in other law, the board may:

(1) in reviewing a claim, consider any information relevant to the claim, in accordance with the evidentiary standards contained in section 115B.35;

(2) contract for consultant or other services necessary to carry out the board's duties under sections 115B.25 to 115B.37;

(3) grant reasonable partial compensation on an emergency basis pending the final decision on a claim; subject to the adoption of rules by the board, if the claim is one with respect to which an award will probably be made and undue hardship will result to the claimant if immediate payment is not made;

(4) limit access to information collected and maintained by the board and take any other action necessary to protect privileged or confidential not public data as defined in section 13.02, subdivision 8a, and protected information, in accordance with the limitations contained in section 115B.35.

Sec. 31. Minnesota Statutes 1988, section 115B.29, subdivision 1, is amended to read:

Subdivision 1. [PERSONAL INJURY AND CERTAIN PROPERTY CLAIMS.] A person may file a claim with the board pursuant to this section for compensation for an eligible injury, or for eligible property damage described in section 115B.34, subdivision 2, paragraph (a), clause (1), that could reasonably have resulted from an exposure in Minnesota to a ~~hazardous~~ harmful substance released from a facility.

Sec. 32. Minnesota Statutes 1988, section 115B.30, subdivision 3, is amended to read:

Subd. 3. [TIME FOR FILING CLAIM.] A claim is not eligible for compensation from the fund unless it is filed with the board within the time provided in this subdivision.

(a) A claim for compensation for personal injury must be filed within two years after the injury and its connection to exposure to a ~~hazardous~~ harmful substance was or reasonably should have been discovered.

(b) A claim for compensation for property damage must be filed within ~~six~~ two years after the ~~damage was or reasonably should have been discovered~~ full amount of compensable losses can be determined.

Notwithstanding the provisions of this subdivision, claims for compensation that would otherwise be barred by any statute of limitations provided in sections 115B.25 to 115B.37 may be filed not later than January 1, 1988 1992.

Sec. 33. Minnesota Statutes 1988, section 115B.34, subdivision 2, is amended to read:

Subd. 2. [PROPERTY DAMAGE LOSSES.] (a) Losses compensable by the fund for property damage are limited to the following losses caused by damage to the principal residence of the claimant:

(1) the reasonable cost of replacing or decontaminating the primary source of drinking water for the property not to exceed the amount actually expended by the claimant or assessed by a local taxing authority, if the department of health has determined confirmed that the remedy provides safe drinking water and advised that the water is contaminated not be used for drinking or has included the property in a well advisory area and has certified determined that the replacement or decontamination of the source of drinking water effectively has or will eliminate the contamination was necessary, up to a maximum of \$25,000; and

(2) losses incurred as a result of a bona fide sale of the property at less than the appraised market value under circumstances that constitute a hardship to the owner, limited to 75 percent of the difference between the appraised market value and the selling price, but not to exceed \$25,000; and

(3) losses incurred as a result of the inability of an owner in hardship circumstances to sell the property due to the presence of harmful substances, limited to the increase in costs associated with the need to maintain two residences, but not to exceed \$25,000. In computation of the loss, the board shall offset the loss by the amount of any income received by the claimant from the rental of the property.

(b) For purposes of paragraph (a), the following definitions apply:

(1) "appraised market value" means an appraisal of the market value of the property disregarding any decrease in value caused by the presence of a hazardous harmful substance in or on the property; and

(2) "hardship" means an urgent need to sell the property based on a special circumstance of the owner including catastrophic medical expenses, inability of the owner to physically maintain the property due to a physical or mental condition, and change of employment of the owner or other member of the owner's household requiring the owner to move to a different location.

(c) Appraisals are subject to board approval. The board may adopt rules governing approval of appraisals, criteria for establishing a hardship, and other matters necessary to administer this subdivision.

Sec. 34. Minnesota Statutes 1988, section 115C.08, subdivision 4, is amended to read:

Subd. 4. [EXPENDITURES.] Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in sections 115C.03 to 115C.10;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04; and

(4) for training, certification, and rulemaking under sections 116.46 to 116.50; and

(5) for reimbursement of the harmful substance compensation fund under sections 115B.26, subdivision 4, and 115C.08, subdivision 5.

Sec. 35. Minnesota Statutes 1988, section 115C.08, is amended by adding a subdivision to read:

Subd. 5. [FUND TRANSFER.] The board shall authorize the commissioner of finance to transfer to the harmful substance compensation fund the amount requested by the harmful substance compensation board under section 115B.26, subdivision 4. Transfer of the amount must be made at the earliest practical date after authorization by the board unless the unexpended balance in the fund is less than \$1,000,000 in which case transfer must be made at the earliest practical date after the unexpended balance in the fund exceeds that amount.

Sec. 36. Minnesota Statutes 1988, section 116.07, is amended by adding a subdivision to read:

Subd. 4j. [PERMITS; SOLID WASTE FACILITIES.] The agency may not issue a permit for new or additional capacity for a mixed municipal solid waste resource recovery or disposal facility as defined in section 115A.03 unless each county projected in the permit to use the facility has in place a solid waste management plan approved under section 115A.46 or section 473.803. The agency shall issue the permit only if the capacity of the facility is consistent with the needs for resource recovery or disposal capacity identified in the approved plan or plans. Consistency must be determined by the metropolitan council for counties in the metropolitan area and by the agency for counties outside the metropolitan area. Plans approved before January 1, 1990, need not be revised if the capacity sought in the permit is consistent with the approved plan or plans.

The agency shall require as part of the permit application for a waste incineration facility identification of preliminary plans for ash management and ash leachate treatment or ash utilization. The permit issued by the agency must include requirements for ash management and ash leachate treatment.

Sec. 37. Minnesota Statutes 1988, section 466.04, subdivision 1, is amended to read:

Subdivision 1. [LIMITS; PUNITIVE DAMAGES.] Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed

(a) \$200,000 when the claim is one for death by wrongful act or omission and \$200,000 to any claimant in any other case;

(b) \$600,000 for any number of claims arising out of a single occurrence;

(c) Twice the limits provided in clauses (a) and (b), ~~but not less than \$300,000 per claim,~~ when the claim arises out of the release or threatened release of a hazardous substance, whether the claim is brought under sections 115B.01 to 115B.15 or under any other law.

No award for damages on any such claim shall include punitive damages.

Sec. 38. Minnesota Statutes 1988, section 473.149, subdivision 2d, is amended to read:

Subd. 2d. [LAND DISPOSAL ABATEMENT PLAN.] ~~By January 1, 1985,~~ After considering any county land disposal abatement proposals and waste stream analysis that have been submitted by ~~that date, pursuant to under~~ section 473.803, subdivision 1b, the council shall amend its policy plan to include specific and quantifiable metropolitan objectives for abating to the greatest feasible and prudent extent the need for and practice of land disposal of mixed municipal solid waste and of specific components of the solid waste stream, including residuals and ash, either by type of waste or class of generator. The objectives must be stated in annual increments through the year 1990 and thereafter in five-year increments ~~through the year 2000~~ for a period of at least 20 years from the date of adoption of policy plan revisions. The plan must identify the capacity, based on the council's abatement objectives, needed for the disposal of various types of waste in each five-year increment and the general area of the region where the capacity should be developed. The plan must include a reduced estimate, based on the council's abatement objectives, of the added solid waste disposal capacity needed in appropriate sectors of the metropolitan area, stated in annual increments through the year 1990 and thereafter in five year increments through the year 2000. The plan must include objectives for waste reduction and measurable objectives for local abatement of solid waste through resource recovery and waste reduction, recycling and source separation programs and activities for each metropolitan county and for cities of the first class, the second class, and the third class, respectively, stated in annual increments through the year 1990 and in five-year increments through the year 2000 for a period of at least 20 years. The standards must be based upon and implement the council's metropolitan abatement objectives. The council's plan must include standards and procedures to be used by the council in determining whether a metropolitan county or class of cities within a metropolitan county has implemented the council's metropolitan land dis-

posal abatement plan and has achieved the objectives for local abatement.

Sec. 39. Minnesota Statutes 1988, section 473.149, subdivision 2e, is amended to read:

Subd. 2e. [SOLID WASTE DISPOSAL FACILITIES DEVELOPMENT SCHEDULE.] By January 1, 1985, After requesting and considering recommendations from the counties, cities, and towns, the council as part of its policy plan shall determine the number of sites and the capacity of sites to be acquired within each the metropolitan county area for solid waste disposal facilities in accordance with section 473.833. The council shall adopt a schedule of disposal capacity to be developed in each county through the year 2000 within the metropolitan area in five-year increments for a period of at least 20 years from adoption of development schedule revisions. The schedule may not allow capacity in excess of the council's reduced estimate of the disposal capacity needed because of the council's land disposal abatement plan, except as the council deems necessary to allow reallocation of capacity as required by this subdivision. The council shall make the implementation of elements of the schedule, including the disposal capacity allocated to each county, contingent on actions of each county and class of city in that county in adopting and implementing abatement plans pursuant to section 473.803, subdivision 1b. The council shall may review the development schedule every year and shall revise the development schedule and the allocation of disposal capacity required for each county based on the progress made in that county in the implementation of the council's abatement plans and achievement of metropolitan and local abatement objectives. The council shall review and revise, by resolution following public hearing, the development schedule and the allocation of disposal capacity required based on significant changes in the landfill capacity of the metropolitan area. The schedule may include procedures to be used by counties in selecting sites for acquisition pursuant to section 473.833. The schedule must include standards and procedures for council certification of need pursuant to section 473.823. The schedule must include a facility closure schedule and plans for postclosure management and disposition, for the use of property after acquisition and before facility development, and for the disposition of property and development rights, as defined in section 473.833, no longer needed for disposal facilities. The schedule must also include a closure schedule and plans for postclosure management for facilities in existence before the adoption of the development schedule.

Sec. 40. Minnesota Statutes 1988, section 473.803, is amended by adding a subdivision to read:

Subd. 2a. [WASTE ABATEMENT.] The council may require any county that fails to meet the waste abatement objectives contained in the council's policy plan to amend its master plan to address

methods to achieve the objectives. The master plan amendment is subject to council review and approval as provided in subdivision 2 and must consider at least:

- (1) minimum recycling service levels for solid waste generators;
- (2) mandatory generator participation in recycling programs including separation of recyclable material from mixed municipal solid waste;
- (3) use of organized solid waste collection under section 115A.94; and
- (4) waste abatement participation incentives including provision of storage bins, weekly collection of recyclable material, expansion of the types of recyclable material for collection, collection of recyclable material on the same day as collection of solid waste, and financial incentives such as basing charges to generators for waste collection services on the volume of waste generated and discounting collection charges for generators who separate recyclable material for collection separate from their solid waste.

Sec. 41. Minnesota Statutes 1988, section 473.811, subdivision 4, is amended to read:

Subd. 4. [COUNTY CONTRACTS.] Each metropolitan county may contract for the acquisition or use of existing public or private solid waste facilities or any facilities deemed necessary or useful for resource recovery from solid waste and may contract with any person for the operation or maintenance, or both, of any solid waste facility owned by the county. The contract shall provide for the operation or maintenance, or both, of the facility in accordance with any regulations, criteria, and standards of the agency, the metropolitan council and the county relating thereto. Any contract for the operation or maintenance of a solid waste facility may provide for the sale of solid waste, materials, electric energy, steam or other product to the operator or for a fee payable to the operator, which may be a fixed fee, or a fee based on tonnage or a percentage of income or other measure, or any combination thereof. A metropolitan county may warrant to the operator of a solid waste facility or contract purchaser of any solid waste, materials, electric energy, steam or other product the quality, composition and available quantity of the solid waste, materials, electric energy, steam or other product to be sold or delivered. A metropolitan county may enter into an agreement with a local government unit or the University of Minnesota for the purpose of compensating for the local risks, costs, or other effects of a waste processing facility.

Sec. 42. Minnesota Statutes 1988, section 473.823, subdivision 3, is amended to read:

Subd. 3. [SOLID WASTE FACILITIES; REVIEW PROCEDURES.] The agency shall request applicants for solid waste facility permits to submit all information deemed relevant by the council to its review, including without limitation information relating to the geographic areas and population served, the need, the effect on existing facilities and services, the effectiveness of proposed buffer areas to ensure at least protection of surrounding land uses from adverse impacts due to landfill operation and related activities, the anticipated public cost and benefit, the anticipated rates and charges, the manner of financing, the effect on metropolitan plans and development programs, the supply of waste, anticipated markets for any product, and alternative means of disposal or energy production. No permit may be issued for the operation of a solid waste facility in the metropolitan area which is not in accordance with the metropolitan council's solid waste policy plan. The metropolitan council shall determine whether a permit is in accordance with the policy plan. In making its determination, the council shall consider the areawide need and benefit of the applicant facility and the effectiveness of proposed buffer areas to adequately protect surrounding land uses in accordance with its policy plan, and may consider, without limitation, the effect of the applicant facility on existing and planned solid waste facilities described in a waste control commission implementation plan or county report or master plan. If the council determines that a permit is in accordance with its policy plan, the council shall approve the permit. If the council determines that a permit is not in accordance with its policy plan, it shall disapprove the permit. The council's approval of permits may be subject to conditions necessary to satisfy criteria and standards in its policy plan, including conditions respecting the type, character, and quantities of waste to be processed at a solid waste facility used primarily for resource recovery and the geographic territory from which a resource recovery facility or transfer station serving such a facility may draw its waste. For the purpose of this review and approval by the council, the agency shall send a copy of each permit application and any supporting information furnished by the applicant to the metropolitan council within 15 days after receipt of the application and all other information requested from the applicant. Within 60 days after the application and supporting information are received by the council, unless a time extension is authorized by the agency, the council shall issue to the agency in writing its determination whether the permit is disapproved, approved, or approved with conditions. If the council does not issue its determination to the agency within the 60-day period, unless a time extension is authorized by the agency, the permit shall be deemed to be in accordance with the council's policy plan. No permit shall be issued in the metropolitan area for a solid waste facility used primarily for resource recovery or a transfer station serving such a facility, if the facility or station is owned or operated by a public agency or if the acquisition or betterment of the facility or station is secured by public funds or obligations issued by a public agency, unless the council finds and determines that adequate markets exist for the products recovered and that establishment of the facility is consis-

tent with the criteria and standards in the metropolitan and county plans respecting the protection of existing resource recovery facilities and transfer stations serving such facilities.

Sec. 43. Minnesota Statutes 1988, section 473.831, subdivision 2, is amended to read:

Subd. 2. [USE OF PROCEEDS.] The proceeds of bonds issued under subdivision 1 shall be used by the council:

(a) to provide funds for the environmental analysis of solid waste disposal sites; and

(b) to make grants to metropolitan counties to pay for: (1) the cost of the environmental review of sites, (2) the acquisition of development rights for all or part of the period that the development limitation imposed by section 473.806 is in effect, (3) the acquisition of permanent or temporary right, title, or interests in property, including easements and development rights, for solid waste disposal sites and surrounding buffer areas required to be acquired by the county, pursuant to sections 473.833 and 473.840, by the council's policy plan and development schedule adopted pursuant to section 473.149, subdivision 2e, and (4) the acquisition and improvement of resource recovery facilities; and

(c) to reimburse a city or town that contains a solid waste disposal site identified by the council under section 473.149, subdivision 2b, for costs incurred by the city or town after publication of an environmental impact statement preparation notice for the site. Reimbursement may not exceed \$100,000 for a city or town. Costs eligible for reimbursement under this paragraph are those incurred for data collection, technical review, and analysis necessary to evaluate the draft environmental impact statement prepared by the county under section 473.833, subdivision 2a and the site selection decision made under section 473.833, subdivision 3. Legal fees are not eligible for reimbursement under this paragraph.

If the council is required by law or rule to prepare environmental analyses on one or more solid waste disposal sites and surrounding buffer areas, the council may use the proceeds of the bonds issued under subdivision 1 to contract for consultant services in the preparation of such analyses only upon a finding that equivalent expertise is not available among its own staff.

Sec. 44. Minnesota Statutes 1988, section 473.833, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENT.] Each metropolitan county shall select and acquire sites and buffer areas for solid waste disposal facilities in accordance with this section and the council's policy plan and

development schedule adopted pursuant to section 473.149, subdivision 2e. Each county in which a site is selected and acquired must ensure development of the site in accordance with the landfill development schedule in the council's policy plan if the site is permittable by the agency and if its development is prudent as determined by the council.

Sec. 45. Minnesota Statutes 1988, section 473.833, subdivision 2a, is amended to read:

Subd. 2a. [ENVIRONMENTAL IMPACT STATEMENT.] Each metropolitan county shall complete an environmental impact statement on the environmental effects of the decision required by subdivision 3. The statement shall be prepared and reviewed in accordance with chapter 116D and the rules issued pursuant thereto, except as otherwise required by section 473.149 and this section. The determination of adequacy must be made within one year following the council's adoption of the facilities development schedule pursuant to section 473.149, subdivision 2e. The statement must be consistent with the establishment of facilities in accordance with the requirements of the council's development schedule, must not address or reconsider alternatives eliminated from consideration under sections 473.149, 473.803, subdivisions 1, 1a, and 1b, and this section, and must not address matters to be determined by the council under section 473.823, subdivision 6. The statement must address matters respecting permitting under section 473.823 only to the extent deemed necessary for the siting decision required by subdivision 3. The pollution control agency and the council shall assist and advise counties in the scoping decision and the preparation notice. The site selection authority established in subdivision 3, or the council, if it makes the selection under subdivision 3, shall prepare a record of decision, including specific findings of fact, that identifies how the environmental impact statement required by this subdivision was used by the site selection authority to make its site selection decision.

Sec. 46. Minnesota Statutes 1988, section 473.843, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF FEE; APPLICATION.] The operator of a mixed municipal solid waste disposal facility in the metropolitan area shall pay a fee on solid waste accepted and disposed at the facility as follows:

(a) A facility that weighs the waste that it accepts must pay a fee of ~~50 cents~~ \$2 per cubic yard based on equivalent cubic yards of waste accepted at the entrance of the facility.

(b) A facility that does not weigh the waste but that measures the volume of the waste that it accepts must pay a fee of ~~50 cents~~ \$2 per cubic yard of waste accepted at the entrance of the facility.

(c) Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse, or from recycling facilities at which recyclable materials are separated or processed for the purposes of recycling, is exempt from ~~one-half of the amount of the fee imposed by this subdivision if there is at least an 85 percent volume reduction in the solid waste processed.~~ To qualify for exemption under this clause, waste residue must be brought to a disposal facility separately. The commissioner of revenue, with the advice and assistance of the council and the agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption.

Sec. 47. Minnesota Statutes 1988, section 473.843, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF PROCEEDS.] After reimbursement to the department of revenue for costs incurred in administering this section, the proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:

(a) ~~one-half three-fourths~~ of the proceeds must be deposited in the landfill abatement fund established in section 473.844; and

(b) ~~one-half one-fourth~~ of the proceeds must be deposited in the metropolitan landfill contingency action fund established in section 473.845.

Sec. 48. Minnesota Statutes 1988, section 473.844, subdivision 1a, is amended to read:

Subd. 1a. [USE OF FUNDS.] (a) The money in the fund may be spent only for the following purposes:

(1) assistance to any person for resource recovery projects funded under subdivision 4 or projects to develop and coordinate markets for reusable or recyclable waste materials, including related public education, planning, and technical assistance;

(2) grants to counties under section 473.8441; and

(3) program administration by the metropolitan council;

(4) public education on solid waste reduction and recycling; and

(5) solid waste research.

(b) The council shall allocate 50 percent of the annual revenue received by the fund for grants to counties under section 473.8441.

Sec. 49. Minnesota Statutes 1988, section 473.8441, subdivision 5, is amended to read:

Subd. 5. [GRANT ALLOCATION PROCEDURE.] (a) The council shall distribute the funds annually so that each qualifying county receives a base amount of \$25,000 an equal share of 50 percent of the council's allocation to the program described in this section, plus a proportionate share of the remaining funds available for the program. A county's proportionate share is an amount that has the same proportion to the total remaining funds as the number of households in the county has to the total number of households in all metropolitan counties. The council shall distribute the funds in two parts.

(b) The first distribution consists of the base amount plus one-third of the county's proportionate share. To qualify for the first distribution, a county must submit an application for council approval before December 1, 1987. Not more than one-half of the first distribution may be spent for planning and consultants.

(c) The second distribution consists of the remaining funds available for the program. To qualify for the second distribution, a county must have received funds under the first distribution and must submit for council approval by December 1, 1988, a report on expenditures and activities under the program, a local recycling implementation strategy as required by section 473.803, subdivision 1c, and a proposed performance funding system that will allocate all of the remaining funds available under the program for recycling implementation activities in accordance with performance. To qualify for distribution of funds, a county, by August 15 of each year, must submit for council approval a report on expenditures and activities under the program during the preceding fiscal year and any proposed changes in its recycling implementation strategy or performance funding system.

Sec. 50. Minnesota Statutes 1988, section 473.845, subdivision 2, is amended to read:

Subd. 2. [WATER SUPPLY MONITORING AND HEALTH ASSESSMENTS.] Up to ten percent of the money in the fund may be appropriated to the commissioner of health for water supply monitoring and health assessments. The commissioner shall monitor the quality of water in public water supply wells and may monitor private water supply wells in the metropolitan area that may be affected by their location in relation to a facility for mixed municipal solid waste. Testing under this subdivision must be for substances not funded under the Federal Safe Drinking Water Act. The health assessments may be conducted in areas that may be affected by contaminants from mixed municipal solid waste facilities.

Sec. 51. Minnesota Statutes 1988, section 473.848, is amended to read:

473.848 [RESTRICTION ON DISPOSAL.]

Subdivision 1. [RESTRICTION.] After January 1, 1990, no person may dispose of unprocessed mixed municipal solid waste at waste disposal facilities located in the metropolitan area may not accept mixed municipal solid waste for disposal unless:

(1) the waste has been certified as unprocessable by a county under subdivision 2; or

(2)(i) the waste has been transferred to the disposal facility from a resource recovery facility identified by the council;

(ii) no other resource recovery facility in the metropolitan area is capable of processing the waste; and

(iii) the waste has been certified as unprocessable by the operator of the resource recovery facility under subdivision 3.

For purposes of this section, mixed municipal solid waste does not include street sweepings, construction debris, mining waste, foundry sand, and other materials, if they are not capable of being processed by resource recovery as determined by the council.

Subd. 2. [COUNTY CERTIFICATION; COUNCIL APPROVAL.] Each county that has not implemented designation of all or a portion of its mixed municipal solid waste to a resource recovery facility shall submit a semiannual certification report to the council detailing the quantity of waste generated in the county that was not processed prior to transfer to a disposal facility during the six months preceding the report, the reasons the waste was not processed, a strategy for development of techniques to ensure processing of waste including a specific timeline for implementation of those techniques, and any progress made by the county in reducing the amount of unprocessed waste.

The council shall approve a county's report if it determines that the county is reducing and will continue to reduce the amount of unprocessed waste, based on the report and the county's progress in development and implementation of techniques to reduce the amount of unprocessed waste transferred to disposal facilities. If the council does not approve a county's report, it shall negotiate with the county to develop and implement specific techniques to reduce unprocessed waste. If the council does not approve three or more consecutive reports from any one county, the council shall develop specific reduction techniques that are designed for the particular

needs of the county. The county shall implement those techniques by specific dates to be determined by the council.

Subd. 3. [FACILITY CERTIFICATION; COUNTY REPORTS.] The operator of each resource recovery facility that receives waste from counties in the metropolitan area shall certify as unprocessable each load of mixed municipal solid waste it does not process. Certification must be made to each county that sends its waste to the facility at intervals specified by the county. Certification must include at least the number and size of loads certified as unprocessable, including those that would otherwise have been processed but were not processed because the facility was not in operation, and the reasons the waste is unprocessable.

Each county that sends its waste to a resource recovery facility shall submit a semiannual report to the council detailing the quantity of waste generated within the county that was not processed during the six months preceding the report, the reasons the waste was not processed, and a strategy for reducing the amount of unprocessed waste.

Subd. 4. [COUNCIL REPORT.] The council shall include, as part of its report to the legislative commission on waste management required under section 473.149, an accounting of the quantity of unprocessed mixed municipal solid waste transferred to disposal facilities, the reasons the waste was not processed, a strategy for reducing the amount of unprocessed waste, and progress made by counties to reduce the amount of unprocessed waste. The council may adopt standards for determining when waste is unprocessable and procedures for expediting certification and reporting of unprocessed waste.

Sec. 52. Laws 1984, chapter 644, section 85, as amended by Laws 1987, chapter 348, section 50, is amended to read:

Sec. 85. [EFFECTIVE DATE.]

Sections 1 to 45, 48 to 51, 56 to 72, and 78 to 84 are effective the day following final enactment. Sections 46, 47, and 73 to 77 are effective January 1, 1985, except that the fees imposed in sections 46, 47, and 73 shall be effective January 1, 1990 1991, with respect to nonhazardous solid waste from metalcasting facilities. Prior to January 1, 1990 1991, an operator of a facility that is located in the metropolitan area for the disposal of mixed municipal solid waste shall deduct from the disposal charge for nonhazardous solid waste from metalcasting facilities the fee imposed under sections 46, 47, and 73.

Section 52 is effective for taxable years after December 31, 1983. Section 55 is effective for sales after June 30, 1984. Sections 53 and 54 are effective for taxable years after December 31, 1984.

Sec. 53. [SOLID WASTE MANAGEMENT DISTRICT; STUDY.]

The agency shall conduct a study of the legislation authorizing the establishment of solid waste management districts, Minnesota Statutes, sections 115A.62 to 115A.72, and related mechanisms, such as joint powers agreements authorized by section 471.59, to determine their effectiveness in the area of solid waste management. By December 1, 1989, the agency shall report its findings, together with any recommendation for legislation, to the legislative commission on waste management.

Sec. 54. [METROPOLITAN COUNCIL; SOLID WASTE POLICY PLAN.]

At the earliest practical date, the metropolitan council shall amend its solid waste management policy plan, required under section 473.149, to include a definition of and standards and criteria for a buffer area as that term is used in relation to the inventory of solid waste disposal sites in section 473.149, subdivision 2b, and other related state law. The standards and criteria for a buffer area must ensure, at a minimum, protection of surrounding land uses from adverse or incompatible impacts due to landfill operation and related activities.

Sec. 55. [CLOSED MUNICIPAL LANDFILLS; FINANCIAL ASSURANCE AND CLOSURE REQUIREMENTS.]

A publicly operated mixed municipal solid waste landfill that stops accepting waste before July 1, 1990, is exempt from Minnesota Rules, parts 7035.2665 to 7035.2805, relating to financial assurance requirements.

Nothing in this section may be construed to eliminate public owner or operator responsibility and liability for closure or postclosure care required of facilities under Minnesota Statutes, section 116.07 and the rules adopted under it.

The pollution control agency shall study additional alternatives within the financial assurance requirements set forth in Minnesota Rules, parts 7035.2665 to 7035.2805 and report to the legislative commission on waste management by January 1, 1990.

Sec. 56. [ASH DEMONSTRATION PROJECTS; STATE INDEMNIFICATION.]

Subdivision 1. [SEWAGE SLUDGE ASH PROJECT; REPORT.] The metropolitan waste control commission and the commissioner of transportation shall jointly conduct one or more demonstration projects to determine the long-term potential and effects of the use of sewage sludge ash generated by the commission as a fine

aggregate in asphalt for use in state paving projects. The commission and the commissioners of transportation and the pollution control agency shall assess the practicality, costs, and potential environmental effects of use of the ash in asphalt and shall report to the legislative commission on waste management by November 1, 1990. The report must include a description of the projects undertaken, findings, and recommendations for further research needs and the future use of sewage sludge ash in asphalt.

Subd. 2. [SOLID WASTE ASH PROJECT; REPORT.] The Hennepin county board and the commissioner of transportation may jointly conduct a demonstration project to determine the long-term potential and effects of using solid waste ash as an aggregate in asphalt for use in road projects. The commissioners of transportation and the pollution control agency shall assess the practicality, costs, and potential effects of the use of the ash in asphalt and shall submit a report to the legislative commission on waste management by May 1, 1990, to include a description of the projects undertaken, findings, and recommendations for the future research needs and future use of solid waste ash in asphalt.

Subd. 3. [INDEMNIFICATION.] The state, through the general fund, assumes any and all liability related to the projects authorized in this section that is imposed on the metropolitan waste control commission, the commissioner of transportation, the county of Hennepin, and their employees, agents, and contractors, if the liability is based on classification of the ash as hazardous waste or a pollutant or contaminant under state or federal law. The state assumes the liability only if:

(1) the project is conducted in compliance with a permit issued by the pollution control agency; and

(2) if the entity held liable used due care in implementing the project.

The commissioner of transportation and the commissioner's agents and contractors are not responsible parties under chapters 115 and 115B for a release that occurs as a result of a project authorized by this section.

Sec. 57. [COLLECTOR COMPENSATION REPORT.]

The legislative commission on waste management with the participation of representatives of local government and of the solid waste collection industry shall prepare a report which examines whether and under what circumstances a local unit of government shall ensure just and reasonable compensation to solid waste collectors who are displaced when a local unit of government organizes solid waste collection under Minnesota Statutes, section 115A.94. The commission shall complete its report and recommend

for legislative action any compensation mechanism found necessary by January 31, 1990.

Sec. 58. [APPROPRIATION.]

\$10,000 is appropriated for fiscal year 1990 from the general fund for the purposes of section 57.

Sec. 59. [REPEALER.]

Minnesota Statutes 1988, sections 115A.98; and 115B.29, subdivision 2, are repealed.

Sec. 60. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the words "hazardous substance" whenever they appear in Minnesota Statutes, sections 13.771 and 115B.28 to 115B.33, to "harmful substance" in Minnesota Statutes 1990 and subsequent editions to the statutes.

Sec. 61. [EFFECTIVE DATE; APPLICATION.]

Section 4 is effective January 1, 1990.

Section 16 is effective June 30, 1989.

Sections 17 and 37 are effective the day following final enactment and apply to all response actions initiated or pending on or after that date.

Sections 18 and 19 are effective the day following final enactment and section 19, paragraph (l), applies to expenditures resulting from emergencies that occur after January 1, 1988.

Sections 45 and 54 are effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to waste management; defining waste reduction; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substances compensation fund; authorizing transfer of money from the petro-

leum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metalcasters are not liable for payment of solid waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115A.46, subdivision 2; 115A.54, subdivision 2a; 115A.80; 115A.81, subdivision 2; 115A.83; 115A.84; 115A.85, subdivision 2; 115A.86, subdivisions 3 and 5; 115A.893; 115A.906, by adding a subdivision; 115A.94, by adding a subdivision; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, 7, and by adding subdivisions; 115B.26; 115B.27, subdivision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4, and by adding a subdivision; 116.07, by adding a subdivision; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e; 473.803, by adding a subdivision; 473.811, subdivision 4; 473.823, subdivision 3; 473.831, subdivision 2; 473.833, subdivisions 2 and 2a; 473.843, subdivisions 1 and 2; 473.844, subdivision 1a; 473.8441, subdivision 5; 473.845, subdivision 2; and 473.848; Laws 1984, chapter 644, section 85, as amended; proposing coding for new law in Minnesota Statutes, chapter 115A; repealing Minnesota Statutes 1988, sections 115A.98; and 115B.29, subdivision 2."

The motion prevailed and the amendment was adopted.

McPherson and Lynch moved to amend S. F. No. 530, as amended, as follows:

Page 27, after line 26, insert:

"Sec. 41. [473.8061] [ELIMINATION OF SOLID WASTE DISPOSAL SITE INVENTORY.]

The inventory of sites suitable for mixed municipal solid waste disposal facilities under sections 473.803, subdivision 1a, and 473.806, is eliminated and metropolitan counties may release the proposed sites.

Sec. 41. [473.8062] [PLAN FOR SOLID WASTE DISPOSAL VOLUNTEER SITES.]

The pollution control agency shall develop a plan to provide adequate incentives to metropolitan counties to volunteer sites suitable for mixed municipal solid waste disposal facilities.

Sec. 42. Minnesota Statutes 1988, section 473.811, subdivision 1a, is amended to read:

Subd. 1a. [RIGHT OF ACCESS.] Whenever the county or county site selection authority deems it necessary to the evaluation of a waste facility for enforcement purposes or to the evaluation of a site or buffer area for inclusion in the inventory of disposal sites pursuant to section 473.149, subdivision 2b, and section 473.803, subdivision 1a, or for selection or final acquisition under section 473.833, or for the accomplishment of any other purpose under sections 473.149, 473.153, and 473.801 to 473.834, the county, county site selection authority or any member, employee, or agent thereof, when authorized by it, may enter upon any property, public or private, for the purpose of obtaining information or conducting surveys or investigations, provided that the entrance and activity is undertaken after reasonable notice and during normal business hours and provided that compensation is made for any damage to the property caused by the entrance and activity."

Page 27, after line 26, insert:

"Sec. 44. Minnesota Statutes 1988, section 473.823, subdivision 6, is amended to read:

Subd. 6. [COUNCIL; CERTIFICATION OF NEED.] No new mixed municipal solid waste disposal facility or capacity shall be permitted in the metropolitan area without a certificate of need issued by the council indicating the council's determination that the additional disposal capacity planned for the facility is needed in the metropolitan area. The council shall amend its policy plan, adopted pursuant to section 473.149, to include standards and procedures for certifying need that conform to the certification standards stated in this subdivision. The standards and procedures shall be based on the council's disposal abatement plan adopted pursuant to section 473.149, subdivision 2d, the council's solid waste disposal facilities development schedule adopted under section 473.149, subdivision 2e, and the provisions of any master plans of counties that have been approved by the council under section 473.803, subdivision 2, and that are consistent with the council's abatement plan and development schedule. The council shall certify need only to the extent that there are no feasible and prudent alternatives to the disposal facility, including waste reduction, source separation and resource recovery which would minimize adverse impact upon natural resources. Alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of alternatives. In its certification the council shall not consider alternatives which have been eliminated from consideration by the adoption of the inventory pursuant to section 473.149, subdivision 2b, or the selection of sites under section 473.833, subdivision 3."

Page 27, line 34, after (2) strike "the"

Page 27, strike lines 35 and 36

Page 28, line 1, strike "effect, (3)"

Page 28, line 7, strike "(4)" and insert "(3)"

Page 29, after line 31, insert:

"Sec. 48. Minnesota Statutes 1988, section 473.840, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) "Qualifying property" is a parcel of real property any part of which is located within the site or buffer area of a candidate site under section 473.153, or a site included in the metropolitan inventory adopted under section 473.149, subdivision 2b, for the purposes of environmental review under section 473.833, subdivision 2a.

(b) An "eligible owner" is a person who: (1) owns the entire parcel of qualifying property; (2) owned the entire parcel of property at the time the site was selected as a candidate site or included in the metropolitan inventory; and (3) has not previously entered a contract under subdivision 4 for the sale of any or all of the parcel."

Page 35, line 31, delete "and"

Page 35, line 32, before the comma insert "473.149, subdivision 2b; 473.803, subdivision 1a; and 473.806"

Page 36, line 15, after the period insert "Sections 40, 41, 42, 44, and 48 are effective July 1, 1989."

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 McPherson and Lynch amendment and the roll was called. There were 28 yeas and 102 nays as follows:

Those who voted in the affirmative were:

Beard	Girard	Limmer	Onnen	Stanis
Bennett	Gutknecht	Lynch	Poppenhagen	Sviggum
Carlson, D.	Haukoos	McDonald	Richter	Swenson
Dempsey	Hugoson	McPherson	Runbeck	Weaver
Frederick	Johnson, V.	Miller	Schafer	
Frerichs	Lasley	Omann	Schreiber	

Those who voted in the negative were:

Abrams	Greenfield	Lieder	Otis	Solberg
Anderson, G.	Gruenes	Long	Ozment	Sparby
Anderson, R.	Hartle	Macklin	Pappas	Steensma
Battaglia	Hasskamp	Marsh	Pauly	Tjornhom
Bauerly	Heap	McEachern	Pellow	Tompkins
Begich	Henry	McGuire	Pelowski	Trimble
Bertram	Himle	McLaughlin	Peterson	Tunheim
Blatz	Jacobs	Milbert	Price	Uphus
Boo	Janezich	Morrison	Pugh	Valento
Brown	Jaros	Munger	Redalen	Vellenga
Burger	Jefferson	Murphy	Reding	Wagenius
Carlson, L.	Jennings	Nelson, C.	Rest	Waltman
Carruthers	Johnson, A.	Nelson, K.	Rice	Welle
Clark	Johnson, R.	O'Connor	Rodosovich	Wenzel
Conway	Kahn	Ogren	Rukavina	Williams
Cooper	Kalis	Olsen, S.	Sarna	Winter
Dauner	Kelly	Olson, E.	Scheid	Wynia
Dawkins	Kelso	Olson, K.	Seaberg	Spk. Vanasek
Dille	Kinkel	Orenstein	Segal	
Dorn	Knickerbocker	Osthoff	Simoneau	
Forsythe	Krueger	Ostrom	Skoglund	

The motion did not prevail and the amendment was not adopted.

Wenzel was excused while in conference.

Sparby; Carlson, D., and Abrams moved to amend S. F. No. 530, as amended, as follows:

Page 40, after line 7, insert:

"Sec. 58. [INTERIM PERMITTING AND USE REQUIREMENTS FOR COMBUSTION OF REFUSE DERIVED FUEL.]

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

(b) "Refuse derived fuel" means a product resulting from the processing of mixed municipal solid waste in a manner that reduces the quantity of noncombustible material present in the waste, reduces the size of waste components through shredding or other mechanical means, and produces a fuel suitable for combustion in existing or new solid fuel fired boilers.

(c) "Solid fuel fired boiler" means a device that is designed to combust solid fuel, including but not limited to: wood, coal, biomass, or lignite to produce steam or heat water.

(d) "Minor physical or operational modifications" means physical or operational changes that do not increase the rated energy production capacity of a solid fuel fired boiler and which do not involve capital costs in excess of 20 percent of a new solid fuel fired boiler having the same rated capacity.

Subd. 2. [INTERIM PERMITTING AND USE OF REFUSE DERIVED FUEL.] (a) The provisions in this subdivision are applicable to the permitting and use of refuse derived fuel in solid fuel fired boilers for an interim period that expires on occurrence of the earliest of the following events:

(1) final promulgation of rules by the United States Environmental Protection Agency establishing new permitting, emissions or performance requirements for municipal waste combustion facilities;

(2) final promulgation of rules by the pollution control agency establishing new standards of performance for incinerators or solid waste energy recovery facilities; or

(3) June 30, 1991.

(b) Existing or new solid fuel fired boilers may utilize refuse derived fuel for up to 25 percent of their rated heat input capacity during the interim period under the following conditions:

(1) utilization of refuse derived fuel involves no modification or only minor modification to the solid fuel fired boiler;

(2) utilization of refuse derived fuel does not cause a violation of existing emissions limitations or ambient air quality standards applicable to the solid fuel fired boiler; and

(3) the solid fuel fired boiler has a valid permit to operate."

Renumber the sections in sequence

Correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Kahn moved to amend the Sparby et al amendment to S. F. No. 530, as amended, as follows:

Page 2, line 19, after "existing" insert "United States Environmental Protection Agency"

Page 2, line 20, delete "and"

Page 2, line 22, after "operate" insert "; and"

(4) the boiler meets reasonable test burn requirements set by the pollution control agency.

The results from the test burn must be used solely for purposes of determining permitting for purposes of this provision and for no other purpose"

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Sparby et al amendment and the roll was called. There were 124 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Kahn	Pappas	Trimble
Munger	Rukavina	Wagenius

The motion prevailed and the amendment was adopted.

Sparby and Carlson, D., moved to amend S.F. No. 530, as amended, as follows:

Page 2, line 14, before "The" insert "(a)"

Page 2, line 16, strike "and" and insert a comma

Page 2, line 17, after "council" insert "and a market development coordinating council, that are"

Page 2, line 19, before "The" insert "(b)"

Page 2, line 27, before "The" insert "(c)"

Page 2, line 31, before "The" insert:

"(d) The market development coordinating council shall consist of one representative from the department of trade and economic development, the department of administration, the pollution control agency, the Greater Minnesota Corporation, the metropolitan council, and the legislative commission on waste management. The other members shall represent local government units, private recycling markets, and private collectors. The market development coordinating council expires June 30, 1994.

(e)"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 530, A bill for an act relating to waste management; defining waste reduction; extending the expiration date of waste advisory councils; authorizing counties to designate waste to landfills; requiring financial reports from landfills; clarifying the limits of political subdivision liability for superfund cleanup at landfills; authorizing the pollution control agency to acquire interests in real estate necessary for superfund; authorizing superfund to reimburse political subdivisions for costs incurred in responding to emergency releases of hazardous materials; making claims for injuries due to petroleum contamination eligible for compensation by the harmful substance compensation fund; authorizing transfer of money from the petroleum tank release cleanup fund; altering the metropolitan council's authority for solid waste planning; raising the solid waste disposal fee in the metropolitan area; clarifying the 1990 ban on disposal of unprocessed waste in the metropolitan area; extending the date until which metalcasters are not liable for payment of solid waste generator fees; requiring a study of solid waste management district legislation; amending Minnesota Statutes 1988, sections 115A.01; 115A.02; 115A.03, by adding a subdivision; 115A.12, subdivision 1; 115A.14, subdivision 2; 115A.46, subdivision 2; 115A.54, subdivision 2a; 115A.80; 115A.81, subdivision 2; 115A.83; 115A.84; 115A.85, subdivision 2; 115A.86, subdivisions 3 and 5; 115A.893; 115A.906, by adding a subdivision; 115A.919; 115A.921; 115A.94, by adding subdivisions; 115B.04, subdivision 4; 115B.17, by adding a subdivision; 115B.20, subdivision 2; 115B.25, subdivisions 1, 2, 7, and by adding subdivisions; 115B.26; 115B.27, subdivi-

vision 1; 115B.28, subdivision 2; 115B.29, subdivision 1; 115B.30, subdivision 3; 115B.34, subdivision 2; 115C.08, subdivision 4, and by adding a subdivision; 116.07, by adding a subdivision; 400.04, subdivision 3; 466.04, subdivision 1; 473.149, subdivisions 2d and 2e, and by adding a subdivision; 473.803, by adding a subdivision; 473.811, subdivisions 1a and 4; 473.823, subdivisions 3 and 6; 473.831, subdivision 2; 473.833, subdivision 2a; 473.840, subdivision 2; 473.843, subdivisions 1 and 2; 473.844, subdivision 1a; 473.8441, subdivision 5; 473.845, subdivisions 1 and 2; and 473.848; Laws 1984, chapter 644, section 85, as amended; proposing coding for new law in Minnesota Statutes, chapters 115A and 473; repealing Minnesota Statutes 1988, sections 115A.98; 115B.29, subdivision 2; 473.149, subdivision 2b; 473.803, subdivision 1a; and 473.806.

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

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

Those who voted in the affirmative were:

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

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1764

A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; 168.013, subdivision 1a; and 297B.09, subdivision 1.

May 18, 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. 1764, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1764 be further amended as follows:

Page 5, line 16, strike "20" and insert "40"

Page 5, line 17, strike "15" and insert "30"

Pages 5 and 6, delete section 6 and insert:

"Sec. 6. Minnesota Statutes 1988, section 297B.09, subdivision 1, is amended to read:

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

(b) Thirty percent of the money collected and received under this chapter after June 30, 1988, and before July 1, 1991, must be

deposited in transferred to the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be ~~credited transferred~~ to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be ~~credited transferred~~ to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.

(c) Thirty Five percent of the money collected and received under this chapter after June 30, 1989 and before July 1, 1991, must be transferred as follows: 75 percent must be transferred to the trunk highway fund and 25 percent must be transferred to the transit assistance fund.

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

(d) (e) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period."

Page 8, line 4, delete "\$5,700,000" \$18,400,000"

and insert "\$5,800,000" \$17,600,000"

Page 8, line 7, after "fund" insert "and is for highway develop-
ment"

Page 8, after line 7, insert:

"(b) Trunk highways \$1,000,000 \$3,100,000

This appropriation is from the trunk
highway fund and is for program deliv-
ery."

Page 8, line 8, delete "(b)" and insert "(c)"

and delete "\$2,950,000" \$9,400,000"

and insert "\$11,500,000" \$18,100,000"

Page 8, line 13, delete "(c)" and insert "(d)"

and delete "\$850,000" \$2,700,000"

and insert "\$900,000" \$2,900,000"

Page 8, line 19, delete "5" and insert "4, 6,"

Page 8, line 20, delete "November 15, 1989" and insert "January
1, 1990"

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

House Conferees: HENRY J. KALIS, HAROLD LASLEY, ELTON R. RE-
DALEN, CHUCK BROWN AND ANDY STEENSMA.

Senate Conferees: KEITH LANGSETH, MARILYN M. LANTRY, JAMES P.
METZEN AND GARY M. DECramer

Kalis moved that the report of the Conference Committee on H. F.
No. 1764 be adopted and that the bill be repassed as amended by the
Conference Committee.

Seaberg moved that the House refuse to adopt the Conference Committee report on H. F. No. 1764, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Seaberg motion and the roll was called. There were 58 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Gutknecht	Lynch	Orenstein	Seaberg
Beard	Hartle	Macklin	Ozment	Stanis
Bennett	Haukoos	Marsh	Pauly	Swigum
Bishop	Heap	McDonald	Pellow	Swenson
Blatz	Henry	McEachern	Poppenhagen	Tjornhom
Boo	Himle	McPherson	Quinn	Tompkins
Burger	Hugoson	Milbert	Richter	Valento
Dempsey	Jacobs	Miller	Runbeck	Waltman
Forsythe	Johnson, V.	O'Connor	Sarna	Weaver
Frerichs	Kelso	Olsen, S.	Schafer	Williams
Girard	Knickerbocker	Omann	Scheid	
Gruenes	Limmer	Onnen	Schreiber	

Those who voted in the negative were:

Anderson, G.	Dawkins	Kelly	Ostrom	Simoneau
Anderson, R.	Dille	Kinkel	Otis	Skoglund
Battaglia	Dorn	Kostohryz	Pappas	Solberg
Bauerly	Frederick	Krueger	Pelowski	Sparby
Begich	Greenfield	Lasley	Peterson	Steenasma
Bertram	Hasskamp	Lieder	Price	Trimble
Brown	Janezich	Long	Redalen	Tunheim
Carlson, L.	Jaros	McGuire	Reding	Uphus
Carruthers	Jennings	McLaughlin	Rest	Vellenga
Clark	Johnson, A.	Munger	Rice	Wagenius
Conway	Johnson, R.	Nelson, C.	Rodosovich	Welle
Cooper	Kahn	Ogren	Rukavina	Winter
Dauner	Kalis	Olson, E.	Segal	Wynia
				Spk. Vanasek

The motion did not prevail.

The question recurred on the Kalis motion that the report of the Conference Committee on H. F. No. 1764 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1764, A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain city streets and town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; appropriating money; amending Minnesota Statutes 1988, sections

161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 162.081, subdivision 1; 168.013, subdivision 1a; and 297B.09, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 69 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Dorn	Krueger	Olson, E.	Simoneau
Anderson, R.	Frederick	Lasley	Omann	Solberg
Battaglia	Greenfield	Lieder	Ostrom	Sparby
Bauerly	Gruenes	Long	Otis	Steensma
Bertram	Hasskamp	Marsh	Pappas	Trimble
Brown	Janezich	McEachern	Pelowski	Tunheim
Carlson, D.	Jaros	McGuire	Peterson	Uphus
Carlson, L.	Jennings	McLaughlin	Price	Vellenga
Clark	Johnson, A.	Munger	Redalen	Welle
Conway	Johnson, R.	Murphy	Reding	Williams
Cooper	Kahn	Nelson, C.	Rest	Winter
Dauner	Kalis	Nelson, K.	Rice	Wynia
Dawkins	Kelso	O'Connor	Rodosovich	Spk. Vanasek
Dille	Kinkel	Ogren	Segal	

Those who voted in the negative were:

Abrams	Girard	Limmer	Ozment	Schreiber
Beard	Gutknecht	Lynch	Pauly	Seaberg
Begich	Hartle	Macklin	Pellow	Skoglund
Bennett	Haukoos	McDonald	Poppenhagen	Stanisus
Bishop	Heap	McPherson	Pugh	Sviggum
Blatz	Henry	Milbert	Quinn	Swenson
Boo	Himle	Miller	Richter	Tjornhom
Burger	Hugoson	Morrison	Rukavina	Tompkins
Carruthers	Jacobs	Olsen, S.	Runbeck	Valento
Dempsey	Jefferson	Olson, K.	Sarna	Wagenius
Forsythe	Johnson, V.	Onnen	Schafer	Waltman
Frerichs	Knickerbocker	Orenstein	Scheid	Weaver

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

The Speaker called Rest to the Chair.

SPECIAL ORDERS, Continued

S. F. No. 738 was reported to the House.

Tunheim moved to amend S. F. No. 738, as follows:

Page 4, after line 23, insert:

"Sec. 3. Minnesota Statutes 1988, section 219.071, subdivision 2, is amended to read:

Subd. 2. [PAYMENT OF COSTS.] If a grade-crossing surface, as defined in section 219.16, needs improvement, repair or maintenance, the cost for the improvement, repair or maintenance may be paid jointly by the owner or lessee of the track, the road authority having jurisdiction over the public highway involved and funds available to the department for grade-crossing surfaces from the following sources:

(1) money appropriated to the department in the future for the purposes of this section;

(2) available federal funds allocated for the grade-crossing program established by this section; and

(3) money acquired by the department by gift, grant, or contribution from any source for purposes of this section.

Sec. 4. Minnesota Statutes 1988, section 219.072, is amended to read:

219.072 [ESTABLISHMENT OF NEW GRADE CROSSINGS.]

The establishment of all new grade crossings must be approved by the commissioner. When establishment of a new grade crossing is desired, either by the public officials having the necessary authority or by the railroad company, and the public officials and the railroad company cannot agree as to need, location, or type of warning devices required, either party may file a petition with the commissioner setting forth the facts and submitting the matter for determination. The commissioner, after notice as the commissioner deems reasonable, shall conduct a hearing and issue an order determining the matters submitted. If the commissioner approves the establishment of a new grade crossing, the commissioner may in the same order direct that the costs, including the costs of the type of warning devices required, be divided between the railroad company and the public authority involved as the parties may agree, or, if they fail to agree, then as determined by the commissioner on the basis of benefit to the users of each. However, the commissioner may defer determination of the division of costs to a subsequent order to be made on the basis of evidence previously taken.

Sec. 5. [219.265] [MAINTENANCE COSTS.]

A railroad company that incurs expenses for the maintenance of signals or other safety devices used at grade crossings may annually file a claim for reimbursement with the commissioner. The commissioner shall reimburse claimants for up to 50 percent of the costs, as

determined by the commissioner, from funds made available for this purpose. The commissioner shall designate by rule the expenses that may be reimbursed under this section.

Sec. 6. Minnesota Statutes 1988, section 222.49, is amended to read:

222.49 [RAIL SERVICE IMPROVEMENT ACCOUNT.]

The rail service improvement account is created in the special revenue fund in the state treasury. The commissioner shall deposit in this account all money appropriated to or received by the department for the purpose of rail service improvement, including bond proceeds as authorized by Article XI, Section 5, Clause (i) of the Minnesota Constitution and federal money, but excluding proceeds of state bonds or other funds appropriated to the commissioner from the state transportation fund for the acquisition or betterment of property pertaining to the state rail bank established by section 222.63, and excluding income of the state rail bank and any other funds appropriated for its maintenance or improvement. All money so deposited is appropriated to the department for expenditure for rail service improvement in accordance with applicable state and federal law. This appropriation shall not lapse but shall be available until the purpose for which it was appropriated has been accomplished. No money appropriated to the department for the purposes of administering the rail service improvement program shall be deposited in the rail service improvement account nor shall such administrative costs be paid from the account.

Sec. 7. Minnesota Statutes 1988, section 222.50, subdivision 4, is amended to read:

Subd. 4. The commissioner may negotiate and enter into contracts for the purpose of rail line rehabilitation and for the purpose of assisting in the payment of up to 50 percent of the nonfederal share of a rehabilitation project under service improvement and may incorporate funds available from the federal rail service continuation program. The participants in these contracts shall be railroads, rail users and the department, and may be political subdivisions of the state and the federal government. In such contracts, participation by all parties shall be voluntary. The commissioner may provide a portion of the money required to carry out the terms of any such contract by expenditure from the rail service improvement account.

Sec. 8. Minnesota Statutes 1988, section 222.50, subdivision 5, is amended to read:

Subd. 5. In making any contract pursuant to subdivision 4 the commissioner may:

(a) Stipulate minimum operating standards for rail lines designed to achieve reasonable transportation service for shippers and to achieve best use of funds invested in rail line rehabilitation;

(b) Require a portion of the total assistance for improving a rail line to be loaned to the railroad by rail users and require the railroad to reimburse rail users for any loan on the basis of use of the line and the revenues produced when the line has been improved; and

(c) Determine the terms and conditions under which all or any portion of state funds allocated shall be repaid to the department by the railroads. Reimbursement may be made as a portion of the increased revenue derived from the improved rail line. Any reimbursement received by the department pursuant to this clause shall be deposited in the rail service improvement account and shall be appropriated exclusively for rehabilitating other rail lines in the state pursuant to subdivision 4; and.

(d) Require, in lieu of reimbursement as provided in clause (c) of this subdivision, that the railroad establish and maintain a separate railroad fund to be used exclusively for rehabilitation of other rail lines in Minnesota, to which a portion of the increase in revenue derived from the improved rail line shall be credited. The terms and conditions for use of money in the fund shall be stipulated in the contract. The contract shall also stipulate a penalty for use of such money in a manner other than as set forth in the contract and require the railroad to report to the department at such times as the commissioner requires, concerning the disbursement of money from the fund and the general status of rail line improvements.

Sec. 9. Minnesota Statutes 1988, section 222.50, subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to ~~subdivision 8~~ and the state rail bank program;

(d) To provide for aerial photography survey of proposed and

abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in place track; or

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 10. Minnesota Statutes 1988, section 222.63, subdivision 8, is amended to read:

Subd. 8. [RAIL BANK MAINTENANCE AND IMPROVEMENT ACCOUNTS.] A special ~~accounts~~ account shall be maintained in the state treasury, designated as the rail bank maintenance account ~~and the rail bank improvement account~~, to record the receipts and expenditures of the commissioner of transportation for the maintenance ~~and for the acquisition and betterment~~ of rail bank property. ~~Expenditures of proceeds of state transportation bonds and any other amounts appropriated to the commissioner from the state transportation fund shall be recorded in the improvement account.~~ Funds received by the commissioner of transportation from rentals, fees, or charges for the use of rail bank property shall be credited to the maintenance account and used for the maintenance of that property and held as a reserve for maintenance expenses in an amount determined by the commissioner, and amounts received in the maintenance account in excess of the reserve requirements shall be transferred to the rail service improvement account. All proceeds of the sale of abandoned rail lines shall be deposited in the rail service improvement account. ~~The improvement account shall be used only for the acquisition and betterment of abandoned rail lines and right-of-way.~~ All money to be deposited in ~~these accounts~~ this rail service improvement account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations shall not lapse but shall be available until the purposes for which the funds are appropriated are accomplished.

Sec. 11. Minnesota Statutes 1988, section 398A.02, is amended to read:

398A.02 [PURPOSE.]

The purpose of the regional railroad authorities act is to provide a means whereby one or more municipalities, with state and federal aids as may be available, may provide for the preservation and improvement of local rail service for agriculture, industry, or passenger traffic and provide for the preservation of abandoned rail

right-of-way for future transportation uses, when determined to be practicable and necessary for the public welfare, particularly in the case of abandonment of local rail lines.

Sec. 12. [REPEALER.]

Minnesota Statutes 1988, section 222.50, subdivision 8, is repealed."

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 738, A bill for an act relating to traffic regulations; providing for special permits for vehicles transporting pole-length pulpwood; setting a fee; amending Minnesota Statutes 1988, section 169.86, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 169.

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

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

Those who voted in the affirmative were:

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

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

H. F. No. 1163, A bill for an act relating to resource development; requiring a research study on the effect of aspen thinning; appropriating money.

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

The bill was passed and its title agreed to.

S. F. No. 536 was reported to the House.

Milbert moved to amend S. F. No. 536, as follows:

Page 2, line 20, before the period insert "if one or more of the factors in paragraph (b) are present"

The motion prevailed and the amendment was adopted.

S. F. No. 536, A bill for an act relating to consumer protection; providing for enhanced civil penalties for deceptive acts targeted at senior citizens or handicapped persons; providing factors a court may consider in determining to impose an enhanced civil penalty; providing that sums collected must be credited to the account of the state board on aging; amending Minnesota Statutes 1988, section 256.975, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

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

H. F. No. 1443 was reported to the House.

Jefferson moved to amend H. F. No. 1443, the second engrossment, as follows:

Page 10, line 33, delete "6" and insert "5, clause (4) or this subdivision"

Page 10, line 35, delete "6" and insert "5, clause (4) or this subdivision"

Page 14, line 24, strike "MINORITY"

Page 18, line 13, reinstate ". For purposes of this section,"

Page 18, line 14, reinstate "economically disadvantaged"

Page 18, line 24, delete "as" and insert "small business has the meaning"

Page 19, line 11, strike "at"

Page 19, line 12, strike "least" and "percent" and delete "15" and insert "a portion"

Page 19, line 13, strike "a" and insert "an economically disadvantaged"

Page 21, line 34, after the period insert "For the purpose of certifying economically disadvantaged small businesses, the commissioner of administration may use, without further rulemaking, Minnesota Rules, Parts 1230.1400, 1230.1500, subparts 1, 2, 4-11, 1230.1600, 1230.1700, 1230.1900, subparts 1 to 5. The phrase "socially or economically disadvantaged" in those rules must be read to mean "economically disadvantaged" as defined in section 645.445, subdivision 5. The phrase "set-aside program" in those rules must be read to mean the preference programs created in this act."

Page 22, line 4, delete "21" and insert "22"

Amend the title as follows:

Page 1, line 10, delete "by adding a subdivision" and insert "subdivision 5"

Page 1, line 12, after "sections" insert "137.31, subdivision 3;"

Page 1, lines 12 and 13, delete "645.445, subdivision 5;"

The motion prevailed and the amendment was adopted.

H. F. No. 1443, 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, subdivisions 4, 6, and by adding a subdivi-

sion; 161.321, subdivisions 2, 3, and 6; 161.3211; 241.27, subdivision 2; 471.345, subdivision 8; 473.142; 645.445, subdivision 5; proposing coding in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1988, sections 137.31, subdivision 3; 473.406; and Laws 1984, chapter 654, article 2, section 49.

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 118 yeas and 13 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frerichs	Hugoson	McPherson	Poppenhagen	Sviggrum
Haukoos	Jennings	Miller	Richter	
Heap	McDonald	Ostrom	Sparby	

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

Anderson, R., was excused while in conference.

S. F. No. 491 was reported to the House.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state

of Minnesota, Ogren moved that the rule therein be suspended and an urgency be declared so that S. F. No. 491 be given its third reading and be placed upon its final passage. The motion prevailed.

Ogren moved that the Rules of the House be so far suspended that S. F. No. 491 be given its third reading and be placed upon its final passage. The motion prevailed.

Ogren moved to amend S. F. No. 491, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [62J.01] [FINDINGS.]

The legislature finds that substantial numbers of Minnesotans have no health care coverage and that most of these residents are wage earners or their dependents. One-third of these individuals are children.

The legislature further finds that when these individuals enter the health care system they have often foregone preventive care and are in need of more expensive treatment that often exceeds their financial resources. Much of the cost for these uncompensated services to the uninsured are already in the health care system in the form of increased insurance and provider rates and property and income taxes.

The legislature further finds that these costs, spread among the already insured, represent a woefully inefficient method for providing basic preventive and acute care for the uninsured and represent an added cost to employers now providing health insurance to their employees.

The legislature further finds that it is essential for the state to initiate and participate in a program of last resort to ensure basic and affordable health care to all Minnesotans while addressing the economic pressures on the health care system as a whole in Minnesota.

Sec. 2. [62J.02] [HEALTH CARE ACCESS COMMISSION.]

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] The Minnesota health care access commission consists of seven members. Three members are appointed by the governor, one of whom must be an experienced health care professional, one of whom must be a representative of small business, and one of whom must be a

representative of consumers. Beginning on February 2, 1990, the two members appointed under the rules of the senate and the two members appointed under the rules of the house shall become ex officio, nonvoting members. The commissioners of health, human services, employee relations, and commerce, or their designated representatives are also members. The governor shall appoint the chair of the commission after considering the commission's recommendation.

In addition, two ex officio, nonvoting members shall be appointed under the rules of the senate and two ex officio, nonvoting members shall be appointed under the rules of the house.

The terms, compensation, and removal of the members appointed by the governor are as provided in section 15.0575.

Subd. 2. [STAFF.] The commission shall select a director to serve at its pleasure as the chief administrative officer of the commission. The director may hire advisors, consultants, and employees, as authorized by the commission, and prescribe their duties. Employees are not state employees, but are covered by section 3.736. At the option of the commission, the employees may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans.

Subd. 3. [INITIAL DUTIES.] The health care access commission shall:

(1) develop a system to estimate the total number of uninsured Minnesotans by age, sex, employment status, income level, geography, and other relevant characteristics;

(2) explore all potential insurance options including size and makeup of risk groups;

(3) prepare a legal analysis of restrictions and other potential legal issues of the Employee Retirement Income Security Act, United States Code, title 29, sections 1001 to 1461;

(4) study and make recommendations on insurance and health care law changes including a review of all state imposed mandates on health care coverage that will improve access to health care;

(5) study and make recommendations on incentives and disincentives to ensure that employers continue to provide health insurance coverage;

(6) identify cost savings to public programs that will result from implementation of the health care access program;

(7) develop a cost containment policy after reviewing cost containment methods such as hospital admission precertification, concurrent review of hospital stays, discharge planning, hospital bill audit prior to discharge, primary gatekeepers, claims data analysis, a drug formulary, pharmacy data analysis, bulk discounts, emergency room use, outpatient surgery oversight, protocols for preventive care and common acute care, practice data compared to peers, practitioner rewards and penalties, and other cost containment methods;

(8) develop a financial plan for implementing the health care access program, including an actuarial analysis; a sliding fee scale analysis; reserve fund requirements; revenue projections from a payroll tax or other funding sources in an amount sufficient to generate one-half of the total costs of the health care access program, but not more than \$150,000,000 per year; and recommendations;

(9) develop a system to administer the health care access program;

(10) define the number, functions, and duties of administrative staff;

(11) study alternatives for financing the state share of the cost of the premiums, including, but not limited to, a payroll tax that is imposed primarily on employers who do not provide health coverage to their employees; and

(12) develop a system for collection of premium payments.

This subdivision is repealed February 1, 1990.

Subd. 4. [REPORT.] The commission shall report to the legislature by February 1, 1990, with the results of its study and its specific recommendations pursuant to subdivision 3.

This subdivision is repealed February 1, 1990.

Subd. 5. [GENERAL DUTIES.] The commission shall:

(1) implement and administer the health care access program created in sections 1 to 11, including its coordination with other government-subsidized programs;

(2) administer the health care access account created in section 11;

(3) subject to chapter 14, adopt, amend, and repeal rules, including emergency rules, necessary to implement and administer sections 1 to 11;

(4) conduct necessary investigations and inquiries and compel the submission of information, documents, and records it considers necessary to carry out its duties;

(5) report annually to the legislature and the governor on its activities and on recommended insurance and health care law changes to improve access to health care for residents of this state;

(6) employ and supervise staff;

(7) make every effort to ensure representation in service delivery by eligible practitioners, without regard to race, color, or sex; and

(8) conduct other activities it considers necessary to carry out the intent of the legislature as expressed in sections 1 to 11.

The commission shall be treated as an executive branch agency for purposes of sections 16A.095, 16A.10, 16A.11, 16A.123, 16A.14, and 16A.15.

Sec. 3. [62J.03] [CONTRACTING AUTHORITY.]

Subdivision 1. [GENERAL.] The commission may request bids from, and negotiate and contract with, carriers the commission determines are best qualified to underwrite and service health care plans that meet the requirements of section 4. The commission may also contract directly with health care providers. The commission may establish any conversion and continuation privileges for those plans it considers appropriate. The commission may negotiate premium rates and coverage provisions with all carriers regulated under chapters 62A, 62C, and 62D. The commission may negotiate separate contracts to cover eligible persons who are in need of, and receive, immediate medical treatment but who have not as yet selected a health care plan. The commission shall also negotiate reasonable cost containment measures to be applied to all carriers under chapters 62A, 62C, and 62D. Contracts to manage enrollment and plan selection must be bid or negotiated separately from contracts to service the plans, which shall be awarded only on the basis of competitive bids. The commission shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, financial position, and reputation of the carriers and other factors the commission considers appropriate including, but not limited to, plan utilization review provisions, case management provisions, and preauthorization requirements. Each contract must be for a uniform term of at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commission shall, to the extent feasible, offer a choice of plans available from two or more carriers regulated under chapters 62A, 62C, and 62D. The commission may offer only one plan in an area of the state if only one acceptable bid exists or if offering more than one would result in substantial,

additional administrative costs. Payments from the commission to a carrier are exempt from the tax imposed by section 60A.15 and are not included in the carrier's premiums for the purposes of assessments under 62E.11.

Subd. 2. [COMMUNITY CLINICS.] The commission, or an entity selected by the commission to administer health care plans on its behalf, shall to the extent appropriate contract with community clinics.

For purposes of this subdivision, "community clinics" means an entity that:

(1) through its staff and supporting resources or through its contracts or cooperative arrangements with other public or private entities, provides primary health services for all intended residents of its service area;

(2) was established to serve the primary health needs of low-income population groups;

(3) uses a sliding fee scale based on ability to pay, and does not limit access or care because of the financial limitations of the client;

(4) has nonprofit status under chapter 317; and

(5) has a governing board, for which at least 51 percent of the membership resides in and represents the local community served by the clinic.

Subd. 3. [CONTRACT TO CONTAIN STATEMENT OF BENEFITS.] A contract under this section must contain a detailed statement of benefits offered and must include any maximums, limitations, exclusions, and other provisions the commission considers necessary or desirable.

A contract providing only the coverage specified in section 4, subdivision 2, shall not contain a provision denying coverage for any preexisting conditions.

Subd. 4. [ACTUARIAL DATA.] The commission shall estimate, on an actuarially sound basis, the expected cost of providing coverage under the health care access program, recognizing variations in the cost of providing coverage through various systems and in different areas in the state. The commission shall make this actuarial data available to potential carriers under the health care access program.

Sec. 4. [62J.04] [BENEFITS.]

Subdivision 1. [AVAILABILITY.] The commission shall make available to all residents of this state health care plans meeting the requirements of subdivisions 2 and 3.

Subd. 2. [MINIMUM CORE COVERAGE.] The commission shall make available a health care plan that provides the following benefits:

(a) Covered expenses include only the following services and articles:

(1) inpatient and outpatient hospital services, but coverage for inpatient hospital services shall not exceed 30 days in any calendar year;

(2) professional services for the diagnosis or treatment of injuries, illnesses, or conditions covered under this subdivision, other than dental, which are rendered by a physician or at a physician's direction;

(3) prenatal and well child care and other preventive health services, including screenings, immunizations, and yearly disease detection;

(4) diagnostic x-rays and laboratory tests;

(5) prostheses, not including eye glasses and hearing aids;

(6) maternity benefits, subject to section 62A.041;

(7) transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition; and

(8) drugs requiring a physician's prescription, but not to exceed \$500 in any year. This dollar limitation does not apply to maintenance drugs prescribed by a physician for chronic conditions.

The commission may examine and make recommendations to the legislature on alternative gatekeeping mechanisms for access to health care services, different benefit and service packages for the minimum core coverage plan, and alternative dollar limitations for prescription drug costs.

(b) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be

contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, Medicare or any other governmental program except as otherwise provided by section 62A.04, subdivision 3, clause (4);

(2) any charge for treatment for cosmetic purposes other than for reconstructive surgery when the service is incidental to or follows surgery resulting from injury, sickness, or other diseases of the involved part or when the service is performed on a covered dependent child because of congenital disease or anomaly which has resulted in a functional defect as determined by the attending physician;

(3) care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under Medicare;

(4) any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semiprivate room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semiprivate rooms, its most common semiprivate room charge is considered to be 90 percent of its lowest private room charge;

(5) that part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) any charge for services or articles that are not within the scope of authorized practice of the institution or individual providing the services or articles.

The commission may also consider alternative or additional limits on provider reimbursement and covered services, and make recommendations to the legislature.

(c) The commission shall establish copayment requirements and a dollar limitation per person on the total annual out-of-pocket expenses for covered services. Copayments shall be imposed for prescription drug benefits at a level of \$5 per prescription. Copayments shall be imposed for routine office visits at a level of \$5 per visit. Copayments shall be imposed for ambulance transportation covered under this subdivision at a level of \$25 per use of those services, if there is no admittance to a hospital within 24 hours after the services. Copayments shall be imposed for emergency room services at a level of \$25 per visit if there is no admittance to a hospital within 24 hours after the visit. No copayments shall be imposed on preventive health services covered under paragraph (a), clause (3). The commission may examine the effect of different

copayment levels on access to health care for persons with low incomes, and provide recommendations to the legislature based on this analysis.

(d) Coverage under a minimum core coverage plan is subject to a maximum lifetime benefit of \$50,000 per individual. The commission may also examine and make recommendations to the legislature on alternative maximum lifetime benefits.

(e) Coverage under this subdivision does not include any coverages otherwise required under chapters 62A, 62C, 62D, or 62E unless they are specifically referred to in this subdivision.

Subd. 3. [OPTIONAL COVERAGES.] The commission shall make available a number one qualified plan, a number two qualified plan, a number three qualified plan, and a qualified medicare supplement plan under chapter 62E and other optional coverages provided by carriers selected by the commission. Eligible persons may elect to purchase optional coverages.

Sec. 5. [62J.05] [MANDATORY HEALTH INSURANCE; ENROLLMENT IN HEALTH CARE ACCESS PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 1 to 11, the following terms have the meanings given:

(1) "Dependent child" means a person who is: (1) under 18 years old, or under 22 years old and a student regularly attending school, college, or training; (2) not married; and (3) not the head of a household.

(2) "Enrollee" means an eligible resident who is enrolled in the health care access plan.

(3) "Family" means one or more people who live together and between whom there is a legal duty of support. "Family" includes dependent children, whether or not they live in the household of the parent.

(4) "Income" means income as defined in the federal poverty income guidelines. Income considered available to a dependent child whose parents are not enrollees is determined under chapter 256B.

(5) "Resident" means a person who is currently living in Minnesota and has been living in Minnesota for the six months immediately preceding the date of receipt by the commission or its carrier of a completed application for coverage and who meets the eligibility requirements of subdivision 2.

Subd. 2. [MANDATORY HEALTH INSURANCE.] By January 1,

1992, every resident of the state is required to have coverage under a health care plan that provides benefits at least equivalent to the minimum core coverage in section 4, subdivision 2.

For purposes of this subdivision, health coverage under Medicare; medical assistance; general assistance medical care; a plan of coverage as defined by section 62E.02, subdivision 9, that meets the requirements of a qualified plan under chapter 62E; or the state comprehensive health insurance plan, is considered at least equivalent to the minimum core coverage in section 4, subdivision 2.

Subd. 3. [HEALTH CARE ACCESS PROGRAM.] A Minnesota resident must enroll in the health care access program if the resident:

(1) does not have coverage available under:

(i) a policy, plan, or contract of health or accident insurance regulated under chapter 62A, 62C, 62D, 62H, or 64B; or

(ii) Medicare, medical assistance, general assistance medical care, an employment-based insurance program, or other subsidized health insurance program; or

(2) has coverage under a health care plan that does not meet the level of minimum core benefits in section 4, subdivision 2; or

(3) does not have coverage available under an employment-based group insurance program, and for whom all income received is self-employment income; or

(4) has coverage from the comprehensive health insurance plan under chapter 62E.

Sec. 6. [62J.06] [EMPLOYER PARTICIPATION.]

(a) The following employers are eligible to participate in the health care access program:

(1) an employer who does not provide or make available a health care plan to employees; or

(2) an employer who provides or makes available to employees a health care plan, including plans under section 62E.03. However, if the employer chooses to participate in the health care access program, the employer must obtain and provide employees with at least the level of coverage required under section 62E.03.

(b) An employee enrolled in the health care access program

pursuant to this subdivision is not eligible for any premium subsidy under section 8.

Sec. 7. [62J.07] [UNINSURED PERSONS REQUIRED TO PARTICIPATE; RECOVERY OF PAYMENTS BY COMMISSION.]

A resident who has no coverage under a health care plan who seeks medical care from a health care provider is enrolled in the health care access program from the time the person first seeks treatment. The commission may recover from the person the costs of the treatment if the person is financially able to pay for the costs. The commission may also recover the annual premium amount the person would owe for coverage under the health care access program.

Sec. 8. [62J.08] [PREMIUMS.]

Subdivision 1. [GENERALLY.] An enrollee in the health care access program shall pay the first installment of the premium for coverage upon the effective date of the coverage. The premium payment must be deposited in the account in section 11. The enrollee's share of the premium for minimum core coverage under section 4, subdivision 2, is determined by the income-based sliding fee schedule in subdivision 2. The remainder of the premium for this coverage is paid by the health care access account established in section 11. An enrollee who chooses optional coverage under section 4, subdivision 3, must pay the entire premium for the optional coverage and minimum core coverage.

Subd. 2. [SLIDING FEE SCHEDULE FOR PREMIUMS.] An enrollee's share of premium for minimum core coverage is based on the federal poverty income guidelines and the income of the enrollee's family, according to the following table:

<u>Family Income as a Percent of Poverty Income Guidelines</u>	<u>Enrollee's Share of Premium</u>
<u>Under 125 percent</u>	<u>0 percent</u>
<u>126 to 200 percent</u>	<u>15 percent</u>
<u>201 to 250 percent</u>	<u>50 percent</u>
<u>251 to 300 percent</u>	<u>75 percent</u>
<u>301 percent +</u>	<u>100 percent</u>

The commission may also consider and make recommendations to the legislature on alternative sliding fee scales.

Sec. 9. [62J.09] [ENROLLMENT AND PREMIUM PAYMENTS.]

The time, manner, conditions, limitations, and terms of eligibility and payment of premiums for enrollment of eligible residents for coverage under section 6 shall be determined by the commission in rule.

The rules shall: (1) include a procedure for referring persons eligible for coverage under the comprehensive health insurance plan to that plan if the commission considers it appropriate; and

(2) provide for the withholding by employers of premiums payable under section 8 from the wages of employees.

Sec. 10. [62J.10] [PROGRAM INFORMATION AND ENROLLMENT.]

Subdivision 1. [SOLICITATION OF ELIGIBLE PERSONS.] The commission shall disseminate appropriate information to the residents of this state about the existence of the program and the means of enrollment. Means of communication must include use of the press, radio, and television, as well as publication in appropriate state offices and publications.

The commission shall devise and implement methods to maintain public awareness of the provisions of sections 1 to 11 and shall administer sections 1 to 11 in a manner that facilitates public participation.

Subd. 2. [HEALTH INSURANCE INFORMATION; PENALTY.] A resident of the state shall furnish to the health care access commission the information required by the commission to determine the health care coverage of the person and the person's dependents. The commission may require proof of coverage. An employer shall distribute evidence of insurance forms to all employees. The commission shall establish civil penalties for the failure to supply information or the supplying of false information. Information furnished to the commission is classified as nonpublic data under chapter 13.

Subd. 3. [HEALTH CARE APPLICATIONS.] The health care access commission shall prepare and distribute information and evidence of insurance and application forms for health insurance under sections 1 to 11. The applications and other information must be made available to employers, health care provider offices and facilities, local human services agencies, public and community health offices and clinics, school clinics, county extension offices, and women, infants, and children (WIC) program sites. Employers must furnish applications and information to employees.

Sec. 11. [62J.11] [HEALTH CARE ACCESS ACCOUNT.]

Subdivision 1. [CREATION.] An account is established in the state treasury to be known as the health care access account. There is annually appropriated from the account to the commission the amount needed to pay for implementing and administering the health care access program established under sections 1 to 11, including payment of approved claims, refunds, administrative costs, and other related service charges.

This appropriation may not exceed \$150,000,000 in any fiscal year. The commission may, however, recommend to the legislature a different maximum appropriation level, based upon its examination of issues related to financing a health care program for the uninsured.

Subd. 2. [FUNDING.] The account is funded with revenue from the sources specified in subdivision 5 and section 8.

Subd. 3. [INVESTMENT OF ACCOUNT ASSETS.] Except as otherwise provided in subdivision 6, when there are funds in the account in excess of the amount the commission determines is currently needed, the commission shall direct the state treasurer to certify this amount to the state board of investment for investment subject to section 11A.24. Investment income and losses attributable to the account must be credited to the account.

Subd. 4. [ALLOCATION.] The commission shall allocate the appropriation to ensure that eligible persons of every income level for which there is a premium subsidy are enrolled and the appropriation is not used to disproportionately subsidize any particular income group.

Subd. 5. [ASSESSMENT ON EMPLOYERS THAT DISCONTINUE COVERAGE.] An employer that discontinues all plans of health coverage provided or made available to employees employed in this state and does not provide actuarially equivalent coverage to replace it shall pay a special assessment to the account.

The special assessment consists of an amount equal to two times the total annual premium or financing obligation of that employer for the previous calendar year.

One-half of the assessment must be paid to the account by January 1 of the year following the discontinuance, and one-half of the assessment must be paid to the account by January 1 of the next year.

The commission has all the powers under chapter 290 to impose and collect the assessment under this subdivision.

The commissioner of revenue shall provide the commission with

information necessary to allow the commission to administer and enforce this subdivision.

Subd. 6. [SURPLUS.] Surplus remaining in the fund at the end of a fiscal year may be used by the commission, in its discretion, to increase the premium subsidies.

Sec. 12. [APPROPRIATION.]

\$2,000,000 is appropriated from the general fund to the health care access commission to pay for the administrative and operating expenses of the commission. Of this appropriation, \$500,000 must be used by the commission for a subsidy program for community clinics meeting the definition in section 3, subdivision 2. In allocating this money between clinics, the commission shall take into account each clinic's financial condition and the proportion of low-income persons served by each clinic.

The appropriation is available until June 30, 1991, at which time the commission shall repay this amount to the general fund from the account created in section 11.

Sec. 13. [EFFECTIVE DATES.]

Sections 2, subdivisions 1 to 4; and 12 are effective July 1, 1989.

Section 2, subdivision 5, is effective July 1, 1990.

Sections 3 and 11 are effective May 15, 1991.

Sections 1 and 4 to 10 are effective January 1, 1992.

ARTICLE 2

Section 1. [SEVERABILITY.]

If any provision of article 1 of this act is found to be unconstitutional and void, the remainder of the article shall remain valid.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health care; providing a program of affordable health care coverage for Minnesota residents; creating a health care access commission to implement and administer the program; establishing eligibility requirements and funding sources;

modifying income eligibility requirements for medical assistance; requiring a report; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 62J."

The motion prevailed and the amendment was adopted.

Ogren moved to amend S. F. No. 491, as amended, as follows:

Page 2, line 9, delete "seven" and insert "11"

Page 2, line 13, delete everything after the period

Page 2, delete lines 14 and 15

Page 2, line 16, delete everything before the period and insert "Two members are appointed under the rules of the senate and two members are appointed under the rules of the house"

Page 2, delete lines 21 to 24 and insert:

"Beginning on February 2, 1990, the four legislative members become ex officio, nonvoting members."

Page 15, line 20, delete ", at" and insert a period

Page 15, delete lines 21 and 22

Page 15, line 24, delete "July"

Page 15, line 25, delete everything before the period and insert "the day following final enactment"

The motion prevailed and the amendment was adopted.

Dorn, Ogren and Pelowski moved to amend S. F. No. 491, as amended, as follows:

Page 4, line 8, delete "and"

Page 4, line 9, delete the period and insert ";

(13) examine and make recommendations to the legislature on alternative gatekeeping mechanisms for access to health care services, different benefit and service packages for the minimum core coverage plan, and alternative dollar limitations for prescription drug costs;

(14) consider alternative or additional limits on provider reimbursement and covered services, and make recommendations to the legislature;

(15) examine the effect of different copayment levels on access to health care for persons with low incomes, and provide recommendations to the legislature based on this analysis;

(16) examine and make recommendations to the legislature on alternative maximum lifetime benefits; and

(17) consider and make recommendations to the legislature on alternative sliding fee schedules."

Page 7, delete lines 31 to 35

Page 8, delete line 36

Page 9, delete lines 1 and 2

Page 9, line 16, delete everything after the period

Page 9, delete lines 17 to 19

Page 9, line 21, delete "The"

Page 9, delete lines 22 and 23

Page 12, delete lines 26 and 27

The motion prevailed and the amendment was adopted.

Forsythe moved to amend S. F. No. 491, as amended, as follows:

Page 4, lines 12 and 14, delete "1990" and insert "1991"

A roll call was requested and properly seconded.

The question was taken on the Forsythe amendment and the roll was called. There were 51 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson, D.	Gruenes	Himle	Lynch
Bauerly	Dempsey	Gutknecht	Hugoson	Macklin
Bennett	Forsythe	Hartle	Jennings	Marsh
Bertram	Frederick	Haukoos	Johnson, V.	McDonald
Blatz	Frerichs	Heap	Knickerbocker	McPherson
Boo	Girard	Henry	Limmer	Miller

Morrison	Pellow	Schafer	Stanisus	Weaver
Olsen, S.	Poppenhagen	Schreiber	Swenson	
Omann	Redalen	Seaberg	Tjornhom	
Ozment	Richter	Skoglund	Tompkins	
Pauly	Runbeck	Sparby	Valento	

Those who voted in the negative were:

Anderson, G.	Hasskamp	Long	Otis	Solberg
Battaglia	Jacobs	McEachern	Pappas	Steensma
Beard	Janezich	McGuire	Pelowski	Swiggum
Begich	Jaros	McLaughlin	Peterson	Trimble
Brown	Jefferson	Milbert	Price	Tunheim
Burger	Johnson, A.	Munger	Pugh	Vellenga
Carlson, L.	Johnson, R.	Murphy	Quinn	Wagenius
Carruthers	Kahn	Nelson, C.	Reding	Waltman
Clark	Kalis	O'Connor	Rest	Welle
Conway	Kelly	Ogren	Rice	Williams
Cooper	Kelso	Olson, E.	Rodosovich	Winter
Dauner	Kinkel	Olson, K.	Rukavina	Wynia
Dawkins	Kostohryz	Onnen	Sarna	Spk. Vanasek
Dille	Krueger	Orenstein	Scheid	
Dorn	Lasley	Osthoff	Segal	
Greenfield	Lieder	Ostrom	Simoneau	

The motion did not prevail and the amendment was not adopted.

Marsh and Bertram moved to amend S. F. No. 491, as amended, as follows:

Page 6, line 5, delete "COMMUNITY" and insert "COMMUNITY-BASED"

Page 6, lines 8 and 9, delete "community" and insert "community-based"

Renumber the remaining clauses

Page 6, line 22, delete "and represents"

The motion prevailed and the amendment was adopted.

S. F. No. 491, A bill for an act relating to health care; creating a health care access commission; requiring a health care access study; appropriating money.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

The Speaker resumed the Chair.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 95, A bill for an act relating to crime victims; clarifying certain criminal fine provisions; authorizing the deposit of unclaimed and abandoned restitution payments in the crime victim and witness account; increasing the maximum amount of reparations payable for funeral, burial, or cremation expenses; authorizing the payment of reparations under certain circumstances to Minnesota residents injured by crimes committed elsewhere; clarifying the authority of the reparations board to deny reparations on the basis of claimant's contributory misconduct; amending Minnesota Statutes 1988, sections 345.48, subdivision 1; 609.101, subdivision 2;

611A.52, subdivision 8; 611A.53, by adding a subdivision; and 611A.54.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 245, A bill for an act relating to environment; exempting generators of small amounts of hazardous waste from administrative regulation; amending Minnesota Statutes 1988, section 116.07, subdivision 2.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 266, A bill for an act relating to taxation; making technical corrections and clarifications and administrative changes to premium taxes, cigarette taxes, sales taxes, motor vehicle excise taxes, gasoline and special fuel taxes, liquor taxes, marijuana and controlled substances taxes, lodging taxes, and the metropolitan solid waste landfill fee; providing for unmarked vehicles for use by the department of revenue; providing for sales of unstamped tobacco products and liquor to Indian tribes; providing for cancellation of sales tax permits; repealing obsolete or unnecessary terms or provisions; repealing express company, freight line company, and sleeping car company gross earnings taxes; requiring notification of the commissioner prior to selling cigarettes at prices other than those presumed by law; amending Minnesota Statutes 1988, sections 16B.54, subdivision 2; 41A.09, subdivision 3; 69.011, subdivision 2; 69.54; 168.012, subdivision 1; 270.06; 270.60; 296.18, subdivision 1; 297.041, subdivisions 1, 2, and 4; 297A.06; 297A.17; 297A.20; 297A.21, subdivision 4; 297A.25, subdivisions 11 and 16; 297B.01, subdivision 5; 297B.02, subdivision 1; 297B.03; 297D.13, by adding a subdivision; 325D.32, subdivision 10; 325D.37, by adding a subdivision; 469.190, subdivision 1; 473.843, subdivision 1; proposing

coding for new law in Minnesota Statutes, chapters 297, 297A, 297C, and 297D; repealing Minnesota Statutes 1988, sections 295.01, subdivisions 4, 5, 6, 7, and 8; 295.15; 295.21; 295.23; 295.24; 295.25; 295.27; 295.29; 295.30; 295.31; 297A.19; 297A.253; 477A.018; and 477A.019.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 700, A bill for an act relating to crimes; increasing penalties for certain crimes when committed because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability, age, political affiliation, membership or lack of membership in a labor union, or national origin; increasing penalties for using the mail or making telephone calls and falsely impersonating another for the purpose of harassing, abusing, or threatening another person; amending Minnesota Statutes 1988, sections 609.2231, by adding a subdivision; 609.595, subdivisions 2, 3, and by adding a subdivision; 609.605, by adding a subdivision; 609.746, by adding a subdivision; 609.79, by adding a subdivision; and 609.795.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 811, A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97A.475, subdivision 41; 97C.605, subdivisions 2 and 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

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

is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1016, A bill for an act relating to juvenile justice; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1160, A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1435, A bill for an act relating to liquor; authorizing issuance of a certain on-sale license in Todd county.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1530, A bill for an act relating to commerce; regulating business relations between manufacturers of heavy and utility equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 1618.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate

File is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1618

A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; 473.384, subdivision 7; and 473.386, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

May 19, 1989

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 1618, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1618 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1989," "1990," and "1991," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1989, June 30, 1990, or June 30, 1991, respectively.

SUMMARY BY FUND

	1990	1991	TOTAL
General	\$ 94,998,000	\$ 94,533,000	\$ 189,531,000
Special Revenue	5,827,000	5,988,000	11,815,000
Airports	14,099,000	13,927,000	28,026,000
M.S.A.S.	76,800,000	78,200,000	155,000,000
C.S.A.H.	237,400,000	242,000,000	479,400,000
Tr. Hwy.	796,051,000	813,602,000	1,609,653,000
Hwy. User	11,047,000	11,287,000	22,334,000
Transit Assistance	23,344,000	23,344,000	46,688,000
Motor Vehicle Transfer	869,000	869,000	1,738,000
Petroleum Cleanup	56,000	56,000	112,000
Transfers to Other Direct	(2,789,000)	(2,543,000)	(5,332,000)
TOTAL \$	\$1,257,702,000	\$1,281,263,000	\$2,538,965,000

APPROPRIATIONS
Available for the Year
Ending June 30.

1990 1991

Sec. 2. TRANSPORTATION

Subdivision 1.

Total Appropriation **\$1,076,057,000** **\$1,101,119,000**

Approved Complement - 4,767

General - 14

State Airports - 40

Trunk Highway - 4,697

Federal - 16

The appropriations in this section are from the trunk highway fund, except

1990

1991

\$

\$

where another fund is named.

Summary by Fund

General

\$ 4,205,000 \$ 4,203,000

Airports

\$ 14,099,000 \$ 13,927,000

M.S.A.S.

\$ 76,800,000 \$ 78,200,000

C.S.A.H.

\$237,400,000 \$242,000,000

Trunk Highway

\$734,607,000 \$753,843,000

Transit Assistance Fund

\$ 8,077,000 \$ 8,077,000

Motor Vehicle Transfer

\$ 869,000 \$ 869,000

The amounts that may be spent from
this appropriation for each program are
specified in the following subdivisions.

Subd. 2. Highway Development 750,467,000 791,014,000

Summary by Fund

M.S.A.S.

\$ 76,800,000 \$ 78,200,000

C.S.A.H.

\$237,400,000 \$242,000,000

Trunk Highway

\$435,398,000 \$469,945,000

Motor Vehicle Transfer

\$ 869,000 \$ 869,000

(a) Trunk Highways

1990

1991

\$426,816,000 \$426,816,000

Summary by Fund

Trunk Highway

\$425,947,000 \$425,947,000

1990

1991

\$

\$

Motor Vehicle Transfer

\$869,000 \$869,000

It is estimated that the appropriation from the trunk highway fund will be funded as follows:

Federal Highway Aid

\$210,000,000 \$210,000,000

Highway User Taxes

\$215,947,000 \$215,947,000

The commissioner of transportation shall notify the chair of the committee on finance of the senate and chair of the committee on appropriations of the house of representatives promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to landowners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

\$300,000 appropriated by Laws 1988, chapter 603, section 7, paragraph (a), from the highway user tax distribution fund to the transportation study board is available until June 30, 1991.

(b) County State Aids

\$237,400,000 \$242,000,000

This appropriation is from the county state-aid highway fund and is available until spent.

(c) Municipal State Aids

\$76,800,000 \$78,200,000

	1990	1991
\$		\$

This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(d) Highway Debt Service

\$9,451,000	\$43,998,000
-------------	--------------

\$9,057,000 the first year and \$8,704,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

Subd. 3. Public Transit Assistance	11,551,000	11,551,000
------------------------------------	------------	------------

Summary by Fund

General	\$3,474,000	\$3,474,000
---------	-------------	-------------

	1990	1991
	\$	\$
Transit Assistance		
	\$8,077,000	\$8,077,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Up to \$100,000 of this appropriation may be used for a study of transportation services provided by volunteer drivers, including, but not limited to, identification of issues relating to insurance availability and cost. The commissioner shall report the findings of the study to the 1991 legislature.

(a) Light Rail Transit

\$3,408,000	\$3,408,000
-------------	-------------

This appropriation is from the transit assistance fund.

A grant for light rail transit service within the seven-county metropolitan area must be made only with the approval of the regional transit board.

(b) Greater Minnesota Transit Assistance

\$8,143,000	\$8,143,000
-------------	-------------

\$4,669,000 the first year and \$4,669,000 the second year are from the transit assistance fund.

Subd. 4. Aeronautics	10,031,000	10,181,000
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This appropriation is from the state airports fund.

(a) Airport Development and Assistance

\$9,966,000	\$10,116,000
-------------	--------------

\$1,746,000 the first year and \$1,746,000 the second year are for navigational aids.

	1990	1991
	\$	\$
\$6,039,000 the first year and \$6,089,000 the second year are for airport construction grants.		

\$1,773,000 the first year and \$1,773,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

\$8,000 the first year and \$8,000 the second year are for maintenance of the Pine Creek Airport.

\$400,000 the first year and \$500,000 the second year are for air service grants.

(b) Civil Air Patrol

\$65,000	\$65,000
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Subd. 5. Operations	188,268,000	188,336,000
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The amounts that may be spent from this appropriation for each activity are as follows:

	1990	1991
	\$	\$
(a) Maintenance		
\$128,504,000	\$128,544,000	
(b) Construction Support		
\$ 59,764,000	\$ 59,792,000	
Subd. 6. Technical Services	56,173,000	55,393,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Program Delivery	
\$52,411,000	\$51,631,000

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The department is directed to seek federal funding for all or part of the costs associated with construction and operation of the cold region test facility. The local road research board may contribute available research funds to the department to further the development of this facility.

(b) State Aid Technical Assistance	
\$ 946,000	\$ 946,000

(c) Electronic Communications	
\$2,816,000	\$2,816,000

Subd. 7. Program Management	11,817,000	11,175,000
-----------------------------	------------	------------

	1990	1991
	\$	\$
Summary by Fund		
General		
	\$ 684,000	\$ 682,000
Trunk Highway		
	\$7,719,000	\$6,969,000
State Airports		
	\$3,414,000	\$3,524,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Highway Program Administration

\$1,850,000	\$1,850,000
-------------	-------------

Summary by Fund

General		
	\$ 75,000	\$ 75,000
Trunk Highway		
	\$1,775,000	\$1,775,000

\$243,000 the first year and \$243,000 the second year are available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

(b) Motor Carrier Administration

\$1,212,000	\$1,212,000
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(c) Railroads and Waterways

\$ 962,000	\$ 961,000
------------	------------

Summary by Fund

General		
	\$237,000	\$236,000
Trunk Highway		
	\$725,000	\$725,000

	1990	1991
	\$	\$
(d) Transit Administration		
	\$597,000	\$596,000

Summary by Fund

General	\$372,000	\$371,000
Trunk Highway	\$225,000	\$225,000

(e) Aeronautics Administration

	\$3,414,000	\$3,524,000
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This appropriation is from the state airports fund.

(f) Transportation Data Analysis

	\$3,782,000	\$3,032,000
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Subd. 8. General Support Services

	38,355,000	33,469,000
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Summary by Fund

General	\$ 47,000	\$ 47,000
Airports	\$ 254,000	\$ 222,000
Trunk Highway	\$38,054,000	\$33,200,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) General Administration

	\$12,483,000	\$12,505,000
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(b) General Services

	\$ 6,837,000	\$ 5,687,000
--	--------------	--------------

	\$	1990	\$	1991
Summary by Fund				
General	\$	42,000	\$	42,000
Airports	\$	131,000	\$	120,000
Trunk Highway	\$	6,664,000	\$	5,525,000

\$1,375,000 the first year is for data processing development. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

(c) Equipment

\$17,815,000	\$14,057,000
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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General	\$	5,000	\$	5,000
Airports	\$	69,000	\$	48,000
Trunk Highway	\$	17,741,000	\$	14,004,000

(d) Legal Services

\$1,166,000	\$1,166,000
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This appropriation is for the purchase of legal services from or through the attorney general.

(e) Air Transportation Services

\$54,000	\$54,000
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This appropriation is from the state airports fund.

Subd. 9. Transfers

	1988	1989
\$		\$

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for trunk highway development. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 10. Contingent Appropriation

The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund, or to trunk highway maintenance in order to meet an emergency. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Subd. 11. Buildings	9,395,000
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Summary by Fund

Trunk Highway	\$8,995,000	\$-0-
Airports	\$ 400,000	\$-0-

The appropriations in this subdivision are available the day following final enactment and until spent.

	1990	1991
	\$	\$
(a) St. Paul Central Office Building	150,000	

This appropriation is to prepare, in consultation with the department of administration, alternative building, site, and financing proposals for consideration by the 1990 legislature.

(b) Duluth District Headquarters	3,900,000
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This appropriation is to construct an addition for office, shops, and vehicle storage; to remodel and update the four-story office tower; to remove asbestos; to improve mechanical, electrical, fire, and life safety items; and to enlarge the parking lot to accommodate relocated employees.

(c) Marshall Area Maintenance Building	2,200,000
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This appropriation is to construct a new building with space for shops, storage, offices, and support facilities.

(d) Moorhead Weigh Station	655,000
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This appropriation is to construct a scale house, electronic weigh scale platform and pit, and a weighing-in-motion sorter.

(e) St. Cloud Area Headquarters	90,000
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This appropriation is to prepare working drawings for remodeling and construction of an addition to the office areas.

(f) Maple Grove Truck Station	60,000
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This appropriation is to prepare working drawings for construction of an addition to provide space for offices and equipment.

(g) Detroit Lakes Headquarters	100,000
--------------------------------	---------

1990

1991

\$

\$

This appropriation is to prepare working drawings for remodeling and construction of an addition to provide space for offices, shops, and storage.

(h) Mankato Headquarters 90,000

This appropriation is to prepare working drawings for remodeling and construction of an addition to provide space for offices, shops, and storage.

(i) Spring Lake Park 55,000

This appropriation is to prepare working drawings for a new equipment storage building.

(j) Golden Valley Headquarters 50,000

This appropriation is to prepare schematic plans for solving problems related to inadequate space for offices, shops, and storage.

(k) Arden Hills Training Center 50,000

This appropriation is to prepare schematic plans for remodeling and renovating the center.

(l) Thief River Falls Government Service Center 100,000

This appropriation is to prepare working drawings for a building to house the resident engineer construction office, the truck station, the state patrol district office, and the department of natural resources area office.

(m) Statewide

(1) Remove asbestos from department buildings and reinsulate pipes 250,000

	1990	1991
	\$	\$
(2) Replace underground storage tanks or upgrade to EPA standards	750,000	
(3) Construct or remodel chemical storage sheds	405,000	
(4) Acquire land	90,000	

This appropriation is to acquire land for truck stations.

(n) St. Paul Downtown Airport 400,000

This appropriation is from the state airports fund to acquire an airplane hangar.

Sec. 3. REGIONAL TRANSIT BOARD

Subdivision 1. Total Appropriation	24,923,000	24,923,000
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Summary by Fund

General	\$ 9,656,000	\$ 9,656,000
Transit Assistance	\$15,267,000	\$15,267,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

For the purpose of improving air quality and promoting alternative energy sources in the metropolitan area, the regional transit board shall evaluate

1990

1991

\$

\$

and promote the use of vehicles that operate on clean-burning alternative fuels, including natural gas, methanol, and ethanol. The board shall: evaluate the feasibility and effectiveness of using the fuels; review the efforts of other public agencies in the use of the fuels; and examine opportunities and demonstrate, when technically and economically feasible, the use of the fuels in vehicles and buses operated by the board, the metropolitan transit commission, and other transit operators and in the vehicle fleets of other metropolitan agencies. In its 1990 and 1991 reports to the legislature, the board shall include a report on its activities in carrying out the provisions of this paragraph.

Subd. 2. Regular Route Service

\$11,154,000 \$11,154,000

Subd. 3. Metro Mobility

\$11,500,000 \$11,500,000

Subd. 4. Small Urban, Rural,
and Replacement Services

\$919,000 \$919,000

Subd. 5. Planning and Programs

\$900,000 \$900,000

Subd. 6. Administration

\$450,000 \$450,000

Sec. 4. TRANSPORTATION
REGULATION BOARD

629,000

609,000

Approved Complement - 9.5

This appropriation is from the trunk highway fund.

Sec. 5. PUBLIC SAFETY

	1988	1989
	\$	\$
Subdivision 1: Total Appropriation	93,727,000	92,489,000

	1990	1991
Approved Complement -	1,731.9	1,744.9
General -	394.2	397.2
Special Revenue -	22.5	26.5
Trunk Highway -	1,090.8	1,092.8
Highway User -	172.6	172.6
Federal -	51.8	55.8

The above approved complement includes 531 for state-funded, unclassified patrol officers and supervisors of the state patrol. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section, provided that the above complement must be reduced accordingly.

Summary by Fund

General	\$23,971,000	\$23,752,000
Trunk Highway	\$59,944,000	\$58,279,000
Highway User	\$10,922,000	\$11,162,000
Special Revenue	\$ 1,679,000	\$ 1,839,000
Transfers to Other Direct	(\$ 2,789,000)	(\$ 2,543,000)

1990

1991

\$

\$

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Administration and Related Services

\$5,481,000 \$5,066,000

Summary by Fund

General

\$ 53,000 \$ 53,000

Trunk Highway

\$5,338,000 \$4,923,000

Highway User

\$ 90,000 \$ 90,000

\$967,000 the first year and \$549,000 the second year are for management information systems. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 3. Emergency Management

\$955,000 \$955,000

\$426,000 the first year and \$426,000 the second year are for nuclear plant preparedness. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 4. Criminal Apprehension

\$13,495,000 \$13,525,000

Summary by Fund

General

\$12,046,000 \$12,076,000

Special Revenue

\$ 480,000 \$ 480,000

	1990	1991
	\$	\$
Trunk Highway		
	\$969,000	\$969,000

\$223,000 the first year and \$223,000 the second year are for use by the bureau of criminal apprehension for the purpose of investigating cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$171,000 the first year and \$171,000 the second year are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$384,000 the first year and \$384,000 the second year from the Bureau of Criminal Apprehension Account in the special revenue fund are for laboratory activities.

\$96,000 the first year and \$96,000 the second year from the Bureau of Criminal Apprehension Account in the special revenue fund are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$730,000 the first year and \$730,000 the second year are for the purchase of an automated fingerprint identification system through lease-purchase. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 5. Fire Safety

\$1,898,000	\$1,894,000
-------------	-------------

	1990	1991
	\$	\$
Subd. 6. State Patrol		
	\$39,050,000	\$37,998,000

This appropriation is from the trunk highway fund.

No more than five positions, excluding the chief patrol officer, in the state patrol support activity may be filled by state troopers.

This appropriation includes \$100,000 in the first year from the trunk highway fund to install Minnesota State Emergency Frequency (MINSEF) Base Stations at the following six locations: Dresbach, Hader, Biscay, Truman, Erhard, and Crookston.

The commissioner may purchase other motor fuel when gasohol is not available for the operation of state patrol vehicles.

During the biennium ending June 30, 1991, and notwithstanding other law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to eight hours of accumulated vacation time in each year by each employee who is a member of the law enforcement unit number 1 to the employee's union representative for the purpose of carrying out the duties of office.

\$900,000 the first year and \$371,000 the second year from the trunk highway fund are to modernize the metropolitan area radio communications centers. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 7. Capitol Security

\$1,540,000	\$1,572,000
-------------	-------------

	1990	1991
	\$	\$
Subd. 8. Driver and Vehicle Li-		
censing		
\$28,347,000	\$28,358,000	

Summary by Fund

General	\$ 4,377,000	\$ 4,377,000
Trunk Highway	\$14,587,000	\$14,389,000
Highway User	\$ 9,383,000	\$ 9,592,000

\$431,000 the first year and \$431,000 the second year are for alcohol assessment reimbursements to counties.

Subd. 9. Liquor Control

\$738,000	\$738,000
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Subd. 10. Ancillary Services

\$2,223,000	\$2,383,000
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Summary by Fund

General	\$1,024,000	\$1,024,000
Special Revenue	\$1,199,000	\$1,359,000

(a) Pipeline Safety

\$549,000	\$709,000
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This appropriation is from the pipeline safety account in the special revenue fund. The pipeline safety account is a dedicated receipt account, which means that fee revenue generated in one year does not cancel but is carried forward to the following year.

(b) Crime Victims Reparations Board

\$1,390,000	\$1,390,000
-------------	-------------

	1990	1991
	\$	\$
Summary by Fund		
General		
	\$840,000	\$840,000
Special Revenue		
	\$550,000	\$550,000

The appropriation from the special revenue fund is from the crime victim and witness account. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

Notwithstanding any other law to the contrary, the crime victims reparations board shall, to the extent possible, distribute the appropriation in equal monthly increments. In no case shall the total awards exceed the appropriation made in this subdivision.

(c) Children's Trust Fund

\$100,000	\$100,000
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This appropriation is from the children's trust fund account in the special revenue fund.

(d) Emergency Response Commission

\$129,000	\$129,000
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(e) Private Detective and Protective Agency Licensing Board

\$55,000	\$55,000
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Subd. 11. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs within a fund. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

	1990	1991
\$		\$

Subd. 12. Reimbursements

(a) \$1,340,000 for the first year and \$1,063,000 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$455,000 for the first year and \$453,000 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$994,000 for the first year and \$1,027,000 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1990, and January 1, 1991, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

Sec. 6. BOARD OF PEACE OFFICER STANDARDS AND TRAINING

General Operations and Management		
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3,600,000

3,600,000

	1990	1991
	\$	\$

Approved Complement - 11

These appropriations are from the peace officers training account in the special revenue fund and are available until spent.

Notwithstanding any other law to the contrary, if any presently duly elected sheriff is licensed by the board on July 1, 1989, only as a result of Laws 1987, chapter 358, section 6, the county board of that county may, after notice to the sheriff and a public hearing, declare by resolution that the office of sheriff in that county is vacant, and may schedule a special election to fill that office. Any presently duly elected sheriff who is licensed by the board on July 1, 1989, only as a result of Laws 1987, chapter 358, section 6, may continue to serve in that office without meeting the licensing requirements of the board only until a successor is duly elected at a special election or, if no special election is held, until the expiration of the term for which the sheriff was elected.

Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation	11,269,000	11,294,000
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	<u>1990</u>	<u>1991</u>
Approved Complement -	474.8	475.8
General -	196.8	197.8
Special/Revolving -	259.7	259.7
Federal -	18.3	18.3

Summary by Fund

General	\$11,084,000	\$11,109,000
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	1990	1991
	\$	\$
Special Revenue		
	\$185,000	\$185,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Protection Service

\$4,269,000	\$4,269,000
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Subd. 3. Promotion and Marketing

\$757,000	\$757,000
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\$200,000 the first year and \$200,000 the second year are for transfer to the Minnesota grown account.

\$100,000 the first year and \$100,000 the second year is appropriated under Minnesota Statutes, section 41A.09, subdivision 1, to the commissioner of agriculture to promote the use of ethanol fuel. This appropriation is in addition to the other appropriations in section 41A.09.

Subd. 4. Family Farm Security

\$1,559,000	\$1,559,000
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\$962,000 the first year and \$962,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1990 or 1991.

\$300,000 the first year and \$300,000 the second year are for farm crisis assistance.

Subd. 5. Administrative Support and Grants

\$4,684,000	\$4,709,000
-------------	-------------

1990

1991

\$

\$

Summary by Fund

General

\$4,499,000 \$4,524,000

Special Revenue

\$ 185,000 \$ 185,000

\$185,000 the first year and \$185,000 the second year are from the commodities research and promotion account in the special revenue fund.

\$200,000 the first year and \$200,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the demonstration grant projects.

\$73,000 the first year and \$73,000 the second year are for the Northern Crops Institute. These appropriations, and money granted to the Northern Crops Institute for fiscal year 1989, may be spent to purchase equipment and are available until spent.

\$31,000 the first year and \$31,000 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$10,000 the first year and \$10,000 the second year are for payment of claims relating to agricultural crops damaged by elk.

\$103,000 the first year and \$103,000 the second year are for the seaway port authority of Duluth.

	1990	1991
	\$	\$

Subd. 6. Transfers

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 8. WORLD TRADE CENTER CORPORATION

1,350,000

800,000

This appropriation includes \$450,000 in the first year to cover part of the cost of conducting the World Assembly in Minnesota in 1990. It is the intent of the legislature that the World Trade Center Corporation secure an additional \$300,000 from sources other than state funds to cover the cost of conducting this event. The corporation shall report the results of its efforts to the legislature by January 15, 1991.

Any unencumbered balance remaining in fiscal year 1989 does not cancel but is available for fiscal year 1990 and any unencumbered balance remaining in fiscal year 1990 does not cancel but is available for fiscal year 1991.

Sec. 9. BOARD OF WATER AND SOIL RESOURCES

4,948,000

4,948,000

Approved Complement - 25

\$10,000 the first year and \$10,000 the second year are for the International Water Coalition.

\$978,000 the first year and \$978,000 the second year are for general purpose grants to soil and water conservation districts, including conservation tillage and review and comment on water permits. Upon approval of the board, ex-

1990

1991

\$

\$

penditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$199,000 the first year and \$199,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$1,501,000 the first year and \$1,501,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management.

The appropriations in this section for the southern Minnesota river basin study area 2 and for grants to soil and water districts for cost-sharing contracts for erosion control and water quality management are available until expended.

\$159,000 the first year and \$159,000 the second year are for grants-in-aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants must not exceed 50 percent of total project costs or 50 percent of the local share if federal money is used. Priority must be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.

\$175,000 the first year and \$175,000 the second year are for comprehensive local water planning.

\$902,000 the first year and \$902,000 the second year are for technical services and implementation of the con-

	1990	1991
\$	\$	
<p>servation reserve program. Of this appropriation, \$750,000 the first year and \$750,000 the second year must be distributed to soil and water conservation districts.</p>		

Sec. 10. BOARD OF ANIMAL HEALTH	2,165,000	1,995,000
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Approved Complement - 37

This appropriation includes \$25,000 the first year and \$25,000 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 must not be paid.

\$300,000 the first year and \$150,000 the second year are for an integrated pseudorabies control and research program. The board of animal health must consult with the pseudorabies advisory council about how this money should be spent. The appropriation for the second year is available only as matched, dollar for dollar, by money from nonstate sources.

Sec. 11. COMMERCE

Subdivision 1. Total Appropriation	10,319,000	10,355,000
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Approved Complement - 230

General - 225

Petroleum Cleanup - 2

Special Revenue - 3

Summary by Fund

General	\$9,965,000	\$10,000,000
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	1990	1991
	\$	\$
Petroleum Cleanup		
\$ 56,000	\$ 56,000	
Special Revenue		
\$298,000	\$299,000	

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The department must comply with Minnesota Statutes, section 8.15 only to the extent of funds appropriated for that purpose.

Subd. 2. Financial Examinations

\$4,166,000 \$4,166,000

Subd. 3. Registration and Analysis

\$1,863,000 \$1,863,000

Subd. 4. Petroleum Tank Release Cleanup Board

\$56,000 \$56,000

This appropriation is from the Petroleum Tank Release Cleanup Fund for administration.

Subd. 5. Administrative Services

\$1,602,000 \$1,637,000

Subd. 6. Enforcement and Licensing

\$2,632,000 \$2,633,000

Summary by Fund

General

\$2,334,000 \$2,334,000

Special Revenue

\$ 298,000 \$ 299,000

\$298,000 the first year and \$299,000 the second year are from the real estate

	\$ 1990	\$ 1991
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education, research, and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

Subd. 7. Transfers

The commissioner with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Up to \$50,000 may be used to study the cost effectiveness of care provided by members of the healing arts, as defined in Minnesota Statutes, chapter 146. The commissioner shall report the findings to the legislature by January 1, 1990.

Sec. 12. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section	964,000	955,000
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Subd. 2. Board of Abstractors	9,000	8,000
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Subd. 3. Board of Accountancy	358,000	358,000
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Approved Complement - 5

Subd. 4. Board of Architecture, Engineering, Land Surveying, and Landscape Architecture	411,000	403,000
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Approved Complement - 6.5

Subd. 5. Board of Barber Examiners	127,000	127,000
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	1988	1989
	\$	\$
Approved Complement - 2.5		
Subd. 6. Board of Boxing	59,000	59,000
Approved Complement - 1.5		
Sec. 13. PUBLIC UTILITIES COM- MISSION	2,060,000	2,050,000
Approved Complement - 39		

Notwithstanding Minnesota Statutes, section 216B.243, subdivision 6, for any certificate of need application for expansion of the storage capacity for spent nuclear fuel rods, the commission and department shall assess actual amounts billed by the office of administrative hearings and up to \$300,000 of reasonable costs of the commission and department pursuant to Minnesota Statutes, section 216B.62, subdivision 6, during the biennium, subject to the limitations of Minnesota Statutes, section 216B.62, subdivision 2.

Sec. 14. PUBLIC SERVICE

Subdivision 1. Total Appropriation	6,577,000	6,581,000
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Approved Complement - 141.8

General - 124.3

Special Revenue - 7.5

Federal - 10.0

Summary by Fund

General	\$6,512,000	\$6,516,000
Special Revenue	\$ 65,000	\$ 65,000

	1990	1991
	\$	\$

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Utility Regulation

\$1,974,000	\$1,974,000
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Subd. 3. Weights and Measures

\$1,973,000	\$1,977,000
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Subd. 4. Administrative Services

\$ 665,000	\$ 665,000
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Subd. 5. Energy

\$1,965,000	\$1,965,000
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Summary by Fund

General

\$1,900,000	\$1,900,000
-------------	-------------

Special Revenue

\$ 65,000	\$ 65,000
-----------	-----------

Subd. 6. Transfers

The department of public service, with the approval of the commissioner of finance, may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations in the house of representatives.

Sec. 15. RACING COMMISSION

930,000	935,000
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Approved Complement - 9.5

General - 8

Special Revenue - 1.5

	1990	1991
	\$	\$
Sec. 16. ETHICAL PRACTICES BOARD	277,000	276,000
Approved Complement - 6		
Sec. 17. MINNESOTA MUNICIPAL BOARD	252,000	253,000
Approved Complement - 4		
Sec. 18. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	111,000	115,000
Sec. 19. UNIFORM LAWS COMMISSION	17,000	17,000
Sec. 20. VOYAGEUR'S NATIONAL PARK CITIZENS COMMITTEE	71,000	71,000

Notwithstanding other law to the contrary, the citizen's council on Voyageurs National Park is extended until June 30, 1991.

Sec. 21. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation	11,521,000	11,943,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

This appropriation includes funds to continue the copying and cataloguing of Hubert H. Humphrey Film Archives material as determined by the society.

The society may cooperate with the supreme court to ensure that the marble fountain which occupied space in the former mechanic arts high school building is installed in the judicial building, using funds included in the supreme court appropriation for this purpose.

	1990	1991
	\$	\$

The appropriation in this section includes no money for compensation increases. The Minnesota historical society is eligible for a salary supplement in the same manner as state agencies. The commissioner of finance will determine the amount of the salary supplement based on available appropriations. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 2. Minnesota Historical Society Operations	6,706,000	6,711,000
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Any unencumbered balance remaining at the end of the first year must be returned to the state treasury and credited to the general fund.

Subd. 3. Historic Site Operations	3,178,000	3,198,000
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\$20,000 the first year and \$40,000 the second year are to restore and operate the Meighen store in Forestville state park.

Subd. 4. State History Center	379,000	941,000
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Notwithstanding any other law to the contrary, unencumbered balances from appropriations in Minnesota Session Laws 1983, chapter 344, section 13, are reappropriated to the Minnesota historical society for the state history center building and exhibit construction purposes. The Minnesota historical society shall report to the chair of the senate committee on finance and the chair of the house of representatives committee on appropriations on expenditures made under this subdivision. The purpose of the reappropriation is to cover existing projects and not to cover expansion of projects.

	1990	1991
	\$	\$
Subd. 5. Repair and Replacement	454,000	454,000

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Historic Grant-In-Aid	367,000	292,000
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(a) Historic Preservation

\$295,000 \$265,000

For historic site grants to encourage local historic preservation projects.

To be eligible for a grant, a county or local project group must provide a 50 percent match, in accordance with the historical society's guidelines.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$30,000 the first year is for a grant to the city of Little Falls to preserve a railroad depot designed by Cass Gilbert.

(b) Archaeology

\$27,000 \$27,000

(c) Special Projects

\$45,000

This appropriation is available until expended for the following purposes: \$15,000 to the Southwest Regional Development Commission for the Prairie-land Expo Center for project assistance; \$25,000 to the Leech Lake Band of Chippewa Indians for project planning assistance relating to Battle Point; and \$5,000 to Houston county to relocate the Mayville town hall.

	1990	1991
	\$	\$
Subd. 7. Fiscal Agent	437,000	347,000

(a) Sibley House Association

\$93,000	\$93,000
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This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site owned by the Sibley House association.

The historical society should seek an agreement with the Sibley House association whereby the historical society will make payments to the association for this purpose and will provide the association with technical assistance in applying for federal grants.

Notwithstanding any other law, the Sibley House association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

\$20,000 the first year and \$20,000 the second year are for repairs and are available as approved by the Minnesota historical society working in cooperation with the Sibley House Association.

The Minnesota historical society shall study and report to the governor and the legislature by July 1, 1990, on the ownership and management of the Sibley house historic site, which includes the Sibley, Faribault, and Du Puis houses. The purpose of the study is to prepare for transferring these properties to the state for inclusion in the state's historic site network. The study must include the governance of the site, funding needed to repair and restore the site, restoration priorities, funding needed to operate the site, and ownership of the collections. The study must contain joint recommendations of

1990

1991

\$

\$

the society and the association regarding these issues as well as a recommendation on when the site should be turned over to the state. Recommendations for funding must be included in the 1992-1993 biennial budget request.

(b) Minnesota Humanities Commission

\$147,000

\$147,000

(c) Minnesota International Center

\$ 78,000

\$ 38,000

\$40,000 the first year is to be divided equally by the Minnesota International Center among school districts participating in the U.S.- U.S.S.R. high school academic program and must be used to help pay the cost of sending Minnesota students to study in the Soviet Union.

(d) Minnesota Military Museum

\$30,000

(e) Minnesota Air National Guard Museum

\$20,000

(f) Government Learning Center

\$69,000

\$69,000

This appropriation is for Project 120.

(g) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

	1990	1991
	\$	\$
Sec. 22. BOARD OF THE ARTS	4,164,000	4,164,000

	1990
Approved Complement -	16
General -	13
Federal -	3

\$1,382,000 the first year and \$1,382,000 the second year are for the support of regional arts councils throughout the state.

Any unencumbered balance remaining in this section the first year does not cancel but is available for the second year of the biennium.

Sec. 23. MINNESOTA HORTICULTURAL SOCIETY	68,000	68,000
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The appropriation in Laws 1978, chapter 793, section 24, for the garden state project may also be spent for the Minnesota Green project.

Sec. 24. MINNESOTA ACADEMY OF SCIENCE	28,000	28,000
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Sec. 25. SCIENCE MUSEUM OF MINNESOTA	638,000	638,000
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Sec. 26. MINNESOTA SAFETY COUNCIL	71,000	71,000
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This appropriation is from the trunk highway fund and includes \$20,000 each year for state involvement in the National Safety Kids campaign, to reduce childhood accidental injury and death resulting from vehicle traffic or related causes.

Sec. 27. VETERANS OF FOREIGN WARS	31,000	31,000
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For carrying out the provisions of Laws 1945, chapter 455.

	1990	1991
	\$	\$
Sec. 28. MILITARY ORDER OF THE PURPLE HEART	10,000	10,000
Sec. 29. GENERAL CONTIN- GENT ACCOUNTS	325,000	325,000

The appropriations in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

Trunk Highway Fund		
	\$200,000	\$200,000
Highway User Tax Dis- tribution Fund		
	\$125,000	\$125,000
Sec. 30. TORT CLAIMS	600,000	600,000

To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 31. [SPECIAL GREAT RIVER ROAD ACCOUNT.]

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

Subd. 2. [ACCOUNT FUNDED.] Notwithstanding Minnesota Statutes, section 297B.09 or other law, in the fiscal year ending June 30, 1990, the first \$750,000 that would otherwise be credited to

the highway user tax distribution fund under Minnesota Statutes, section 297B.09, must be set aside and credited to the special Great River Road account created in subdivision 1.

Subd. 3. [DISTRIBUTION OF ACCOUNT.] The commissioner shall distribute money in the special Great River Road account and provide for distribution of money in the fund for the development of the Great River Road established under Minnesota Statutes, section 161.142. In providing assistance to any political subdivision, the commissioner shall follow the general policy of the Mississippi River parkway commission and shall give principal consideration on how the project would promote public safety, recreation, travel, trade, and the general welfare of the state. Priority should be given to new construction of the Great River Road system, to projects that provide local or federal matching assistance, and to projects for which highway user tax distribution funds are not available.

Subd. 4. [TERMINATION OF ACCOUNT.] The account created in subdivision 1, expires June 30, 1991. The state treasurer shall credit all undistributed money in the account on that date to the highway user tax distribution fund.

Subd. 5. [REPEALER.] This section is repealed effective July 1, 1991.

Sec. 32. [CONSTRUCTION OF EXIT ON TH. 65.]

The commissioner of transportation shall construct by January 1, 1990, an exit from marked trunk highway No. 65 in Anoka county, within one-fourth mile of the intersection of the highway with marked trunk highway No. 242 and Anoka county highway No. 14, under the following conditions:

(1) the exit has been studied and approved for safety purposes by a qualified consultant;

(2) the exit must be constructed to state standards;

(3) the cost of the project must be paid by Anoka county; and

(4) the exit will be removed at no cost to the state if necessitated by a reconstruction of the intersection of marked trunk highway No. 65 with marked trunk highway No. 242 and Anoka county highway No. 14.

Sec. 33. [EXCHANGE OF INTERESTS IN LANDS.]

(a) The commissioner of transportation shall convey to the regional railroad authority of St. Louis and Lake counties a 25-foot wide easement for railroad purposes lying generally southerly and

southeasterly of the northbound lane of marked interstate highway 35 between 10th Avenue West and 5th Avenue East in Duluth. The easement must include two spur lines in the vicinity of the Duluth steam plant and a crossover connection, approximately 1,000 feet in length, in the vicinity of 9th Avenue West. This crossover connection is intended to allow a reconnection of railroad track with the Lake Superior Museum of Transportation. The commissioner shall also convey easements necessary to provide a continuous 25-foot wide easement for railroad purposes lying generally southeasterly and easterly of the northbound lane of marked interstate highway 35 between 14th Avenue East and 26th Avenue East in Duluth. The commissioner of transportation shall maintain a temporary construction easement as required to complete the marked interstate highway 35 extension, provided the easement does not interfere with operation of the railroad after June 1, 1990.

As consideration, the St. Louis and Lake counties regional railroad authority shall grant to either the department of transportation or the department of natural resources an option to establish an easement for a multiuse recreation trail along the regional rail authority-owned railway right-of-way between the municipalities of Duluth and Two Harbors. This easement must begin at a point east of the Lester River (Milepost 8) and shall continue to the Two Harbors Depot (Milepost 26.5).

The conveyances of the exchanged properties must be in a form approved by the attorney general. The regional rail authority and commissioner of transportation shall provide complete and accurate property descriptions of the lands to be exchanged.

The rail authority retains the right to determine where on their right-of-way this easement may be granted and may impose restrictions or alterations if it determines that the recreational trail interferes with the operation of the railroad right-of-way or any of its revenue-related uses.

This easement is conveyed exclusively to the regional railroad authority and is terminated if the line is abandoned.

(b) This section is effective the day following final enactment.

Sec. 34. [COMMISSIONER TO ACT AS AGENT.]

The commissioner of transportation shall act as agent for the Bois Fort Indian Reservation in the use of federal demonstration funds and state matching funds for the design and construction of a proposed highway project in the Lake Vermillion Indian Reservation Recreational Complex as authorized in the Surface Transportation and Uniform Relocation Assistance Act of 1987, Public Law Number 100-17.

Sec. 35. [REPORT ON CERTAIN SPECIAL TRANSPORTATION SERVICES.]

Subdivision 1. [SUBJECT.] The commissioner of the state planning agency shall report to the legislature, by January 1, 1990, on:
(1) providing special transportation services in the metropolitan area for persons traveling on a regular basis, using standing orders or guaranteed trip requests, to or from public or private human services agencies or jobs and training agencies that generate a large number of such trip requests; and (2) related issues as the commissioner deems appropriate.

Subd. 2. [RECOMMENDATIONS.] The report shall include recommendations on:

(1) a service plan that describes a method or methods of providing the services and an estimate of costs for the services;

(2) the appropriate responsibility of governmental and other agencies and programs for planning, arranging, providing, and financing the services;

(3) the sources and amounts of public or other funding available for the services, apart from the funds available to the regional transit board, and a method or methods of providing the public or other funding required to subsidize the services; and

(4) an adequate and coordinated program to train persons to use regular route transit.

Subd. 3. [COMMUNITY INVOLVEMENT.] The commissioner shall actively involve interested parties in this process, including but not limited to:

(1) members of the transportation handicapped advisory committee;

(2) representatives of the department of human services;

(3) members of the transit providers advisory committee;

(4) representatives of nonprofit transit and social service providers;

(5) organizations representing the elderly, handicapped, and disabled communities; and

(6) interested members of the general public.

Sec. 36. Minnesota Statutes 1988, section 12.14, is amended to read:

12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS ACT.]

Any person, firm, corporation, or association in the business of owning or operating a nuclear fission electrical generating plant located in Minnesota, shall pay an assessment to cover the cost of nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants. An assessment of ~~\$137,500~~ \$177,500 per plant shall be paid to the commissioner of public safety on July 1 of each year.

Sec. 37. Minnesota Statutes 1988, section 41A.09, is amended to read:

41A.09 [ETHANOL DEVELOPMENT FUND.]

Subdivision 1. ~~[FUND CREATED APPROPRIATION.] An ethanol development fund is created as a separate fund in the state treasury. The department of revenue shall administer the fund. The fund~~ A sum sufficient to make the payments required by this section is annually appropriated from the general fund to the commissioner of revenue for the purposes of this section and all money so appropriated is available until expended.

Subd. 2. [DEFINITION.] For purposes of this section "ethanol" means agriculturally derived fermentation ethyl alcohol of a purity of at least 99 percent, determined without regard to any added denaturants, denatured in conformity with one of the approved methods set forth by the United States Department of Treasury, Bureau of Alcohol, Tobacco and Firearms, and derived from the following agricultural products: potatoes, cereal, grains, cheese whey, or sugar beets.

Subd. 3. [PAYMENTS FROM FUND.] The commissioner of revenue shall make cash payments ~~from the development fund~~ to producers of ethanol or agricultural grade alcohol, for use as a motor fuel, located in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced:

(1) For the period beginning July 1, 1986, and ending June 30, 1987, 15 cents per gallon;

(2) For the period beginning July 1, 1987, and ending June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of agricultural grade alcohol of a purity of at least 50 percent but not more than 90 percent and designed to be used in conjunction with diesel fuel in an engine's internal combustion process, for the period beginning July 1, 1987, and ending June 30, 2000, 11 cents per gallon.

The total payments from the fund to all producers may not exceed \$200,000 during the period beginning July 1, 1986, and ending June 30, 1987, and may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1987, and ending June 30, 2000. Total payments to any producer from the fund in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Subd. 4. [RULEMAKING AUTHORITY.] The commissioner shall adopt emergency and permanent rules to implement this section.

Subd. 5. [EXPIRATION.] This section expires July 1, 2000, and all money in the fund the unobligated balance of each appropriation under this section on that date reverts to the general fund.

Subd. 6. [CONTINUED PAYMENTS.] A plant in production or under construction by January 1, 1990, shall continue to receive uninterrupted payments under subdivision 3 of at least 20 cents per gallon of ethanol produced until July 1, 2000.

Sec. 38. Minnesota Statutes 1988, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

(a) chosen by election or appointed to fill an elective office;

(b) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(c) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a;

(d) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;

(e) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(f) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;

(g) employees of the Washington, D.C., office of the state of Minnesota;

(h) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(i) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(j) officers and enlisted persons in the national guard;

(k) attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(l) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(m) members of the state patrol; provided that selection and appointment of state patrol troopers shall be made in accordance with applicable laws governing the classified service;

(n) chaplains employed by the state;

(o) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(p) student workers; and

(q) one position in the hazardous substance notification and response activity in the department of public safety; and

(r) employees unclassified pursuant to other statutory authority.

Sec. 39. Minnesota Statutes 1988, section 168.123, subdivision 2, is amended to read:

Subd. 2. [DESIGN.] The commissioner of veterans affairs shall design the special plates, subject to the approval of the registrar, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(c) For a veteran who served during World War I or World War II, the special plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special license plate number.

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special license plate number.

(e) For a combat wounded veteran who is a recipient of the purple heart medal, the special plates must bear the inscription "COMBAT WOUNDED VET" and inscribed with a facsimile of the official

purple heart medal and the letters "c" over "w" with the first letter directly over the second letter just preceding the first numeral of the special license plate number.

Sec. 40. Minnesota Statutes 1988, section 168.33, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The registrar shall have the power to appoint, hire and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required to enable the registrar to properly carry out the duties imposed by the provisions of this chapter. As of April 14, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau which issues motor vehicle licenses as provided in section 373.32.

Effective August 1, 1976, the registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, if the auditor for the county in which the city is situated chooses not to accept appointment as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau which issues motor vehicle license as provided in section 373.32. Any person appointed by the registrar as a deputy registrar for any city shall be a resident of the county in which the city is situated.

The registrar may appoint, and for cause discontinue, the county auditor of each county as a deputy registrar. Upon approval of the county board, the auditor, with the approval of the director of motor vehicles, may appoint, and for cause discontinue, the clerk or equivalent officer of each city or any other person as a deputy registrar as public interest and convenience may require, regardless of the appointee's county of residence. Notwithstanding any other provision, a person other than a county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any city, may continue to serve as deputy registrar and may be discontinued for cause only by the registrar. The county auditor who appointed the deputy registrars shall be responsible for the acts of deputy registrars appointed by the auditor. Each such deputy, before entering upon the discharge of duties, shall take and subscribe an oath to faithfully discharge the duties and to uphold the laws of the state. If a deputy registrar appointed hereunder is not an officer or employee of a county or city, such deputy shall in addition give bond to the state in the sum of \$10,000, or such larger sum as may be required by the registrar,

conditioned upon the faithful discharge of duties as deputy registrar. A corporation governed by chapter 302A may be appointed a deputy registrar. Upon application by an individual serving as a deputy registrar and the giving of the requisite bond as provided in subdivision 2, personally assured by the individual or another individual approved by the commissioner of public safety, a corporation named in an application shall become the duly appointed and qualified successor to the deputy registrar. Each deputy registrar appointed hereunder shall keep and maintain, in a convenient public place within or in close proximity to the place for which appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of motor vehicle taxes thereon. The deputy registrar shall keep such records and make such reports to the registrar as that officer, from time to time, may require. Such records shall be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar shall at all times be open to the inspection of the registrar or the registrar's agents. The deputy registrar shall report to the registrar by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar. The filing fee imposed pursuant to subdivision 7 shall be deposited in the treasury of the place for which appointed, or if not a public official, such deputy shall retain the filing fee, but the registration tax and any additional fees for delayed registration the deputy registrar has collected the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the state treasurer. The place for which the deputy registrar is appointed through its governing body shall provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if such deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 41. Minnesota Statutes 1988, section 168.33, subdivision 7, is amended to read:

Subd. 7. [FEES.] In addition to all other statutory fees and taxes, a filing fee of ~~\$3.25~~ \$3.50 is imposed on every application; except that a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the department or a deputy registrar. The filing fee shall be shown as a separate item on all registration renewal notices sent out by the department of public safety. No filing fee or other fee may be charged for the permanent surrender of a certificate of title and license plates for a motor vehicle.

Sec. 42. Minnesota Statutes 1988, section 173.25, is amended to read:

173.25 [AVAILABILITY OF FEDERAL AID.]

The commissioner of transportation shall not expend money for the acquisition of advertising devices controlled under this chapter, except those for which acquisition proceedings were begun before June 8, 1979 or for which federal money has been appropriated by Congress and the federal share has been made available to the commissioner. No advertising device legal under Laws 1971, chapter 883, shall be required to be removed or relocated until payment as provided in Laws 1971, chapter 883, is tendered by the commissioner of transportation. No further state funds shall be used for any existing or proposed acquisitions other than those funds necessary to obtain full federal participation in the acquisition proceeding pursuant to United States Code, title 23, "Highways."

Sec. 43. Minnesota Statutes 1988, section 237.30, is amended to read:

237.30 [TELEPHONE INVESTIGATION REVOLVING FUND.]

The sum of \$25,000 is hereby appropriated out of any moneys in the state treasury not otherwise appropriated, to establish and provide a revolving fund to be known as the Minnesota Telephone Investigation Fund for the use of the department of public service and of the attorney general in investigations, valuations, and revaluations under section 237.295. All sums paid by the telephone companies to reimburse the department of public service for its expenses pursuant to section 237.295 shall be credited to the revolving fund and shall be deposited in a separate bank account and not commingled with any other state funds or moneys, but any balance in excess of \$25,000 in the revolving fund at the end of each fiscal year shall be paid into the state treasury and credited to the general fund. The sum of \$25,000 herein appropriated and all subsequent credits to said revolving fund shall be paid upon the warrant of the commissioner of finance upon application of the department or of the attorney general to an aggregate amount of not more than one-half of such sums to each of them, which proportion shall be constantly maintained in all credits and withdrawals from the revolving fund.

Sec. 44. [299C.23] [CONTINUING EDUCATION FEES.]

The commissioner of public safety may charge tuition to cover the cost of continuing education courses provided by the bureau of criminal apprehension when money available to the commissioner for this purpose is not adequate to pay these costs. The tuition fees collected are appropriated to the commissioner.

Sec. 45. Minnesota Statutes 1988, section 341.10, is amended to read:

341.10 [LICENSE FEES.]

The board shall have authority to collect and require the payment of a license fee in an amount set by the board from the owners of franchises or licenses. Notwithstanding section 16A.128, subdivision 1a, the fee is not subject to approval by the commissioner of finance and need not recover all costs. The board shall require the payment of the fee at the time of the issuance of the license or franchise to the owner. The moneys so derived shall be collected by the board and paid to the state treasurer. The board shall have authority to license all boxers, managers, seconds, referees and judges and may require them to pay a license fee. All moneys collected by the board from such licenses shall be paid to the state treasurer.

Sec. 46. Minnesota Statutes 1988, section 373.35, subdivision 1, is amended to read:

Subdivision 1. The county auditor shall serve as the director of the county license bureau or, if the auditor chooses not to serve, the county board shall appoint any other county officer or employee, or any other person, to serve as the director upon the terms and conditions the county board deems advisable. The county board shall set the compensation of the director and may provide for the expenses of the office including the premium of any bond required to be furnished by the director. The director shall have the powers and duties imposed on the county officer who previously had the authority to issue or process the application for any license referred to in section 373.32.

Notwithstanding section 168.33, subdivision 2, the commissioner of public safety may appoint, and for cause discontinue, the director as the deputy registrar of motor vehicles in the county. If appointed a deputy registrar the director shall have the same authority as a county auditor to appoint one or more deputy registrars as provided in section 168.33, subdivision 2. If the director is a deputy registrar, all provisions of section 168.33 and Minnesota Rules, chapter 7406, apply to a county license bureau.

Sec. 47. Minnesota Statutes 1988, section 473.384, subdivision 7, is amended to read:

Subd. 7. [MTC IMPACT ASSESSMENT.] Prior to entering into a contract for operating assistance with a recipient other than the transit commission the board shall evaluate the effect, if any, of the contract on the ridership, routes, schedules, fares, and staffing levels of the existing and proposed service provided by the commission. A copy of the assessment must be provided to the commission. The board may enter into the contract only if it determines that the service to be assisted under the contract will not impose an undue hardship on the ridership or financial condition of the commission; ~~or cause the dismissal of persons that are employed by the commission.~~ The requirements of this subdivision do not apply to contracts

for assistance to recipients who, as part of a negotiated cost-sharing arrangement with the board, pay a substantial part of the cost of services that directly benefit the recipient as an institution or organization.

Sec. 48. Minnesota Statutes 1988, section 473.386, subdivision 4, is amended to read:

Subd. 4. [COORDINATION REQUIRED.] The board may not grant any financial assistance to any recipient that proposes to use any part of the grant to provide special transportation service in the metropolitan area unless the program is coordinated with the board's special transportation service in the manner determined by the board. The board is not required to provide funding for transportation services from a residence to a service site and home again when the services are used by individuals in conjunction with their participation in human service developmental achievement center programs in which transportation to and from the program is a required and funded component of those programs.

Sec. 49. Minnesota Statutes 1988, section 505.1792, subdivision 1, is amended to read:

Subdivision 1. In order to give supplemental information to the public as to the location of streets, county roads, county state-aid highways, and town roads, and other transportation corridors, and the right of way thereof, the governing body of any city, town, or county may file for record in the office of the county recorder and the registrar of titles of said county such maps or plats showing such information as the governing body shall determine necessary. The map or plat shall be subscribed by the mayor or chair of the governing body and the county surveyor, together with a certified copy of the resolution of the governing body setting forth the necessity for said plat; and shall be entitled to record without compliance with the provisions of this chapter. Any amendments, alterations, or vacations of such maps or plats so filed may be entitled to record in like manner.

Sec. 50. [APPLICABILITY.]

Section 48 is effective January 1, 1990, in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; providing for certain rights-of-way; requiring studies and reports; fixing and limiting

accounts and fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 168.123, subdivision 2; 168.33, subdivisions 2 and 7; 173.25; 237.30; 341.10; 373.35, subdivision 1; 473.384, subdivision 7; 473.386, subdivision 4; and 505.1792, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299C."

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

Senate Conferees: KEITH LANGSETH, CLARENCE M. PURFEERST, JAMES P. METZEN, LYLE G. MEHRKENS AND CHARLES A. BERG.

House Conferees: JAMES I. RICE, BERNARD L. LIEDER, HENRY J. KALIS, JOHN J. SARNA AND VIRGIL J. JOHNSON.

Rice moved that the report of the Conference Committee on S. F. No. 1618 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker called Rodosovich to the Chair.

S. F. No. 1618, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1988, sections 12.14; 41A.09; 43A.08, subdivision 1; 237.30; 341.10; 473.384, subdivision 7; and 473.386, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299C.

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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Boo	Dawkins	Gutknecht	Jaros
Anderson, G.	Brown	Dempsey	Hartle	Jefferson
Battaglia	Burger	Dille	Hasskamp	Jennings
Bauerly	Carlson, D.	Dorn	Haukoos	Johnson, A.
Beard	Carlson, L.	Forsythe	Heap	Johnson, R.
Begich	Carruthers	Frederick	Henry	Johnson, V.
Bennett	Clark	Frerichs	Himle	Kahn
Bertram	Conway	Girard	Hugoson	Kalis
Bishop	Cooper	Greenfield	Jacobs	Kelly
Blatz	Dauner	Gruenes	Janezich	Kelso

Kinkel	Miller	Ozment	Rukavina	Tjornhom
Knickerbocker	Morrison	Pappas	Runbeck	Tompkins
Kostohryz	Munger	Pauly	Sarna	Trimble
Lasley	Murphy	Pellow	Schafer	Tunheim
Lieder	Nelson, C.	Pelowski	Scheid	Uphus
Limmer	O'Connor	Peterson	Schreiber	Valento
Long	Ogren	Poppenhagen	Seaberg	Vellenga
Lynch	Olsen, S.	Price	Segal	Wagenius
Macklin	Olson, E.	Pugh	Simoneau	Waltman
Marsh	Olson, K.	Quinn	Skoglund	Weaver
McDonald	Omann	Redalen	Solberg	Welle
McEachern	Onnen	Reding	Sparby	Wenzel
McGuire	Orenstein	Rest	Stanis	Williams
McLaughlin	Osthoff	Rice	Steensma	Winter
McPherson	Ostrom	Richter	Swiggum	Wynia
Milbert	Otis	Rodosovich	Swenson	Spk. Vanasek

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

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

S. F. No. 1083, A bill for an act relating to the environment; providing an exemption process from the power plant siting requirements for certain generating plants; appropriating money; amending Minnesota Statutes 1988, section 116C.57, by adding a subdivision.

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

The report was adopted.

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

S. F. No. 1227, A bill for an act relating to commerce; providing for the regulation of real estate closing agents; prescribing penalties; amending Minnesota Statutes 1988, sections 82.17, subdivisions 7, 9, and 10; 82.18; 82.19, subdivisions 1, 2, 3, and 4, and by adding a subdivision; 82.20, subdivisions 1, 2, 3, 5, 8, 12, and by adding a subdivision; 82.21, subdivision 1; 82.22, subdivisions 1, 5, 6, 10, and 11; 82.23, subdivisions 2 and 3; 82.24, subdivisions 1, 2, 3, 4, 5, and 6; 82.27, subdivisions 1 and 2; 82.30, subdivision 1; 82.31, subdivision 1; 82.33, subdivision 1; 82.34, subdivisions 3, 4, 6, 7, 13, and 14;

and 507.45, subdivision 2; repealing Minnesota Statutes 1988, section 82.34, subdivision 12.

Reported the same back with the following amendments:

Page 5, delete lines 12 to 16 and insert:

"Subd. 6. [CLOSING AGENTS.] A real estate closing agent may not charge a fee for closing services to a borrower, and a borrower may not be required to pay such a fee at settlement, if the fee was not previously disclosed in writing at least one business day before the settlement. This disclosure requirement will be considered satisfied if a disclosure is made or an estimate given under section 507.45."

Page 20, delete section 42 and insert:

"Sec. 42. Minnesota Statutes 1988, section 507.45, subdivision 2, if amended by Laws 1989, chapter 217, section 22, is amended to read:

Subd. 2. No charge for closing services, except a charge disclosed under Regulation Z, Code of Federal Regulations, title 12, section 226, ~~or~~ and except a charge for which an estimate has been given pursuant to the Federal Real Estate Settlement Procedures Act, and regulations thereunder, may be made by a closing agent unless the party to be charged is informed of the charge in writing at least five business days before the closing by or on behalf of the party charging for the closing services."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 1242, A bill for an act relating to state government; extending the expiration date on certain advisory councils; increasing the compensation of members of administrative boards and agencies; reducing the maximum compensation of members of advisory councils; eliminating a requirement for appointment of a state employees assistance program advisory committee; amending

Minnesota Statutes 1988, sections 15.0575, subdivision 3; 15.059, subdivisions 3 and 5; and 16B.39, subdivision 2; repealing Minnesota Statutes 1988, sections 84B.11, subdivision 4; 121.83; 174.031, subdivision 2; 256.73, subdivision 7; and 268.12, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 15.059, subdivision 5; is amended to read:

Subd. 5. [EXPIRATION DATE.] Unless a different date is specified by law, the existence of each advisory council and committee governed by this section shall terminate on June 30, 1989 1993.

Sec. 2. [REPEALER.]

Minnesota Statutes 1988, section 84B.11, subdivision 4, is repealed.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; extending the expiration date on certain advisory councils; amending Minnesota Statutes 1988, section 15.059, subdivision 5; repealing Minnesota Statutes 1988, section 84B.11, subdivision 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 1083, 1227 and 1242 were read for the second time.

SPECIAL ORDERS, Continued

S. F. No. 613, A bill for an act relating to housing; regulating the powers and duties of the housing finance agency; amending Minnesota Statutes 1988, sections 462A.03, subdivision 12; 462A.05, subdivisions 4, 14a, 20, 21, and 27, and by adding subdivisions;

462A.07, subdivision 14, and by adding a subdivision; and 462A.21, subdivisions 4c and 12, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 618 was reported to the House.

Bertram moved that H. F. No. 618 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 871, A bill for an act relating to taxation; allowing a special levy to the cities of Windom and Jackson to meet costs of operating municipal hospitals; amending Minnesota Statutes 1988, section 275.50, subdivision 5, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

Speaker pro tempore Rodosovich called Rest to the Chair.

H. F. No. 782 was reported to the House.

Tunheim moved that H. F. No. 782 be continued on Special Orders. The motion prevailed.

H. F. No. 1194, A bill for an act relating to insurance; requiring obligors to issue an insurance identification card; requiring a driver or owner to produce an insurance identification card, policy, or written statement; providing for administrative review; exempting certain vehicles; providing for the impoundment of registration plates; providing for a limited license in certain circumstances; defining terms; providing penalties; amending Minnesota Statutes 1988, sections 65B.67, subdivisions 2 and 4; 168.041, subdivisions 4, 4a, and by adding a subdivision; 169.09, subdivision 14; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B and 169; repealing Minnesota Statutes 1988, section 65B.481.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 481, A bill for an act relating to state government; financing the beginning farmer loan program; regulating certain administrative duties of the commissioner of finance; permitting certain financial arrangements; amending Minnesota Statutes 1988, sections 16A.065; 16A.27, subdivision 5; 16A.58; 16A.631; 16A.641, subdivision 7; 16A.661, subdivision 7; 16A.85, subdivisions 1 and 3; 41B.19, subdivision 5; 41B.195; 115A.58, subdivisions 1, 3, 4, and 5; 115A.59; 116.16, subdivisions 1, 2, 3, 4, 5, and 9; 116.17, subdivisions 1, 3, and 5; 116.18, subdivisions 1, 4, 5, and 6; 124.42, subdivision 3; 136C.44; 216C.37, subdivision 6; 246.50, subdivision 5; 246.64, subdivision 1; and Laws 1987, chapter 396, article 12, section 10; repealing Minnesota Statutes 1988, sections 84B.08; 85A.04, subdivision 2; 115A.57; 136C.42; 136C.43, subdivisions 1, 2, and 3.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 809 was reported to the House.

Stanisus moved to amend S. F. No. 809, as follows:

Page 3, line 3, after "consistent" delete ", deliberate"

Page 3, line 9, after "care" insert a comma

The motion prevailed and the amendment was adopted.

S. F. No. 809, A bill for an act relating to juveniles; including emotionally abused children among children in need of protection or services; amending Minnesota Statutes 1988, section 260.015, subdivision 2a, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

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

Speaker pro tempore Rest called Rodosovich to the Chair.

H. F. No. 618 which was temporarily laid over earlier today was again reported to the House.

H. F. No. 618, A bill for an act relating to corrections; requiring the commissioner of corrections to make high school diploma equivalency programs available to inmates; providing a reduction in an inmate's supervised release term if the inmate completes such a program; amending Minnesota Statutes 1988, sections 244.03; and 244.05, subdivision 1, and by adding a subdivision.

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

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

Those who voted in the affirmative were:

Abrams	Bauerly	Bennett	Blatz	Burger
Anderson, G.	Beard	Bertram	Boo	Carlson, D.
Battaglia	Begich	Bishop	Brown	Carlson, L.

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

The bill was passed and its title agreed to.

S. F. No. 499, A bill for an act relating to transportation; specifying that state airports fund money may be used as state's match of costs of the federal essential air services program; establishing registration classification for recreational aircraft; amending Minnesota Statutes 1988, sections 360.305, subdivision 2; and 360.55, by adding a subdivision.

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

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

Those who voted in the affirmative were:

Abrams	Cooper	Himle	Lasley	O'Connor
Anderson, G.	Dauner	Hugoson	Lieder	Ogren
Battaglia	Dawkins	Jacobs	Limmer	Olsen, S.
Bauerly	Dempsey	Janezich	Lynch	Olson, E.
Beard	Dille	Jaros	Macklin	Olson, K.
Begich	Dorn	Jefferson	Marsh	Omann
Bennett	Forsythe	Jennings	McDonald	Onnen
Bertram	Frederick	Johnson, A.	McEachern	Orenstein
Bishop	Frerichs	Johnson, R.	McGuire	Osthoﬀ
Blatz	Girard	Johnson, V.	McLaughlin	Ostrom
Boo	Greenfield	Kahn	McPherson	Otis
Brown	Gruenes	Kalis	Milbert	Ozment
Burger	Gutknecht	Kelly	Miller	Pappas
Carlson, D.	Hartle	Kelso	Morrison	Pauly
Carlson, L.	Hasskamp	Kinkel	Munger	Pellow
Carruthers	Haukoos	Knickerbocker	Murphy	Pelowski
Clark	Heap	Kostohryz	Nelson, C.	Peterson
Conway	Henry	Krueger	Nelson, K.	Poppenhagen

Price	Rukavina	Skoglund	Trimble	Wenzel
Pugh	Runbeck	Solberg	Tunheim	Williams
Quinn	Sarna	Sparby	Uphus	Winter
Redalen	Schafer	Stanis	Valento	Wynia
Reding	Scheid	Steensma	Vellenga	Spk. Vanasek
Rest	Schreiber	Sviggum	Wagenius	
Rice	Seaberg	Swenson	Waltman	
Richter	Segal	Tjornhom	Weaver	
Rodosovich	Simoneau	Tompkins	Welle	

The bill was passed and its title agreed to.

S. F. No. 470 was reported to the House.

Winter moved to amend S. F. No. 470, as follows:

Page 2, line 24, delete "may" and insert "shall"

The motion prevailed and the amendment was adopted.

Solberg, Gruenes, Boo, Marsh, Kinkel, Omann, Bertram and Johnson, R., moved to amend S. F. No. 470, as amended, as follows:

Pages 1 and 2, delete Section 1

Renumber the remaining sections

Amend the title as follows:

Page 1, line 6, delete "; proposing coding" and insert a period

Page 1, delete line 7

Winter moved that S. F. No. 470, as amended, be continued on Special Orders. The motion prevailed.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

S. F. No. 104.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 104

A bill for an act relating to agriculture; making changes in the rural finance authority loan program; amending Minnesota Statutes 1988, sections 41B.02, subdivisions 12, 15, and 18; 41B.03, subdivision 3, and by adding a subdivision; 41B.039, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5.

May 17, 1989

The Honorable Jerome M. Hughes
President of the Senate

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

We, the undersigned conferees for S. F. No. 104, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 104 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 41B.02, subdivision 12, is amended to read:

Subd. 12. [PRIMARY PRINCIPAL.] "Primary principal" means that portion of the outstanding balance on a loan covered by sections 41B.01 to 41B.23 section 41B.04 that is equal to the current market value of the property secured by the loan.

Sec. 2. Minnesota Statutes 1988, section 41B.02, subdivision 15, is amended to read:

Subd. 15. [SECONDARY PRINCIPAL.] "Secondary principal" means that portion of the ~~principal~~ outstanding on balance of a restructured loan covered by sections 41B.01 to 41B.23 section 41B.04 that is in excess of the current market value of the property secured by the loan.

Sec. 3. Minnesota Statutes 1988, section 41B.02, subdivision 18, is amended to read:

Subd. 18. [SELLER-SPONSORED LOAN.] "Seller-sponsored loan" means a loan in which part or all of the price of a farm is financed by a loan from the seller of the farm who is a natural person, a partnership, or a family farm corporation as defined in section 500.24, located in Minnesota. ~~The loan must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates or by a contract for deed. The definition of a seller-sponsored loan under this subdivision does not include a loan between persons within the second degree of kindred according to common law. A seller-sponsored loan may not be made to a person who has previously defaulted on a state loan or state guarantee of a loan.~~

Sec. 4. Minnesota Statutes 1988, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR BEGINNING FARMER LOANS.] In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan, ~~including a seller-sponsored loan,~~ in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$100,000;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) ~~demonstrate~~ certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes; and

(6) ~~demonstrate~~ certify that farming will be the principal occupation of the borrower;

(7) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the loan, if an approved program is available within 45 miles from the borrower's residence; and

(8) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.

Sec. 5. Minnesota Statutes 1988, section 41B.03, is amended by adding a subdivision to read:

Subd. 5. [ELIGIBILITY FOR SELLER-SPONSORED LOANS.] In addition to the requirements under subdivision 1, a prospective borrower under the seller-sponsored loan program must either meet the conditions of subdivision 3 if the person is a beginning farmer, or other conditions the authority prescribes if the person is reentering farming through the seller-sponsored loan program.

Sec. 6. Minnesota Statutes 1988, section 41B.039, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The authority may establish, develop criteria, and implement a beginning farmer program. The program may include assistance for persons entering or reentering farming through the use of seller-sponsored loans.

Sec. 7. [41B.042] [SELLER-SPONSORED PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority must, within 120 days after the effective date of this act, establish, develop criteria, and implement a seller-sponsored loan participation program to assist persons entering or reentering farming. The authority must conduct a study on the feasibility of implementing a program for assistance to persons entering or reentering farming through seller-participation contracts for deed and report to the legislature by January 15, 1990.

Subd. 2. [SECURITY.] Seller-sponsored loans in which the authority holds an interest must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates.

Subd. 3. [PROHIBITED PARTICIPATION.] The authority may not participate in seller-sponsored loans if the buyer or seller has previously participated in a family farm security loan or a seller-sponsored loan under chapter 41. Unless the loan is partially financed by an eligible lender, the authority may not participate in loans between persons that are related to each other as parent and child, brother and sister, grandparent and grandchild, uncle or aunt and niece or nephew, or first cousins.

Subd. 4. [PARTICIPATION LIMIT; INTEREST.] The authority may participate in new seller-sponsored loans to the extent of 35 percent of the principal amount of the loan or \$50,000, whichever is

less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

Sec. 8. [REPEALER.]

Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5, are repealed."

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

Senate Conferees: TRACY L. BECKMAN, CHARLES A. BERG AND JIM M. VICKERMAN.

House Conferees: TED WINTER, ANDY STEENSMA AND STEPHEN E. DILLE.

Winter moved that the report of the Conference Committee on S. F. No. 104 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 104, A bill for an act relating to agriculture; making changes in the rural finance authority loan program; amending Minnesota Statutes 1988, sections 41B.02, subdivisions 12, 15, and 18; 41B.03, subdivision 3, and by adding a subdivision; 41B.039, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1988, sections 41B.03, subdivision 4; and 41B.039, subdivisions 3, 4, and 5.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Burger	Forsythe	Hugoson	Kelso
Anderson, G.	Carlson, D.	Frederick	Jacobs	Kinkel
Battaglia	Carlson, L.	Frerichs	Janezich	Kostohryz
Bauerly	Carruthers	Girard	Jaros	Krueger
Beard	Clark	Greenfield	Jefferson	Lasley
Begich	Conway	Gruenes	Jennings	Lieder
Bennett	Cooper	Gutknecht	Johnson, A.	Limmer
Bertram	Dauner	Hartle	Johnson, R.	Long
Bishop	Dawkins	Hasskamp	Johnson, V.	Lynch
Blatz	Dempsey	Heap	Kahn	Macklin
Boo	Dille	Henry	Kalis	Marsh
Brown	Dorn	Himle	Kelly	McDonald

McEachern	Olson, K.	Price	Schreiber	Tunheim
McGuire	Omman	Pugh	Seaberg	Uphus
McLaughlin	Onnen	Quinn	Segal	Valento
McPherson	Orenstein	Redalen	Simoneau	Vellenga
Milbert	Osthoff	Reding	Skoglund	Wagenius
Miller	Ostrom	Rest	Solberg	Waltman
Morrison	Otis	Rice	Sparby	Weaver
Munger	Ozment	Richter	Stanis	Welle
Murphy	Pappas	Rodosovich	Steensma	Wenzel
Nelson, C.	Pauly	Rukavina	Sviggum	Williams
Nelson, K.	Pellow	Runbeck	Swenson	Winter
O'Connor	Pelowski	Sarna	Tjornhom	Wynia
Ogren	Peterson	Schafer	Tompkins	Spk. Vanasek
Olson, E.	Poppenhagen	Scheid	Trimble	

Those who voted in the negative were:

Haukoos Knickerbocker Olsen, S.

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

Mr. Speaker:

I hereby announce that the Senate refuses to adopt the Conference Committee report on H. F. No. 166 and recommends that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

H. F. No. 166, A bill for an act relating to state agencies; providing that certain information submitted to department of transportation is public data; providing for development of internal auditing standards; classifying certain internal auditing data as other than public; defining terms; providing for limousine registration; exempting certain special transportation service providers holding current certificate of compliance from motor carrier regulations; delineating requirements of carriers to display certain information; providing for permits of special passenger carriers and household goods carriers; providing for operation under motor carrier permit on death of holder; providing for amount of insurance, bond, or other security required of motor carriers; giving commissioner of transportation subpoena power for certain enforcement purposes; providing for suspension of registration of interstate authority for failure to maintain insurance; amending Minnesota Statutes 1988, sections 13.72, by adding subdivisions; 16A.055, subdivision 1; 168.011, subdivision 35; 168.128, subdivision 2; 174.30, subdivision 6; 221.011, subdivisions 16, 20, and by adding a subdivision; 221.031, subdivision 6; 221.111; 221.121, subdivision 6a; 221.141, subdivision 1b, and by adding a subdivision; and 221.60, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 65B; and 221.

H. F. No. 166 is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Lasley moved that the House accede to the request of the Senate and that H. F. No. 166 be returned to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to adopt the Conference Committee report on H. F. No. 162 and recommends that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

H. F. No. 162, A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

H. F. No. 162 is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House accede to the request of the Senate and that H. F. No. 162 be returned to the Conference Committee as formerly constituted for further consideration. The motion prevailed.

The Speaker resumed the Chair.

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. 1421, A bill for an act relating to surplus United States government property; directing the commissioner of natural resources to seek acquisition of certain surplus property of the United States government; directing the commissioner to lease the property to a nonprofit organization for development as housing for certain homeless veterans and their families.

PATRICK E. FLAHAVEN, Secretary of the Senate

Scheid moved that the House refuse to concur in the Senate amendments to H. F. No. 1421, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House

requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 878, A bill for an act relating to agriculture; providing partial premium payment for federal crop insurance; requiring lawn waste containers to be degradable; establishing uniformity with certain federal regulations; requiring the use of soy-oil based inks for printing under certain conditions; providing Minnesota-grown coupons to WIC coupon recipients at test sites; suspending certain noxious weed control practices during drought conditions; providing for development of a community needs assessment model; authorizing an investigation of cheese marketing institutions and practices; establishing a grasshopper control program; creating an agricultural liming materials law; establishing an advisory task force on farm safety; extending the farmer-lender mediation act and clarifying various provisions; extending the date for a report of the team study on low livestock productivity; changing certain requirements for motor vehicle fuel labeling; establishing an agricultural landlord rental incentive program; limiting liability of certain agricultural society board numbers; setting a dairy industry check-off rate; providing for arbitration of seed claims; providing for purchase of the agriculture department building; authorizing bond sales; regulating wild rice labeling; appropriating money; amending Minnesota Statutes 1988, sections 17.7242, subdivisions 1 and 2; 17.59, by adding a subdivision; 30.49; 31.101; 31.102, subdivision 1; 31.103, subdivision 1; 31.104; 31.11; 38.013; 47.20, subdivision 15; 116O.09, subdivision 5; 239.79, subdivision 2, and by adding a subdivision; 308.12, subdivision 5; 325E.045, subdivision 1, and by adding subdivisions; 500.24, subdivision 6; 550.37, subdivisions 4a, 5, and 7; 580.031; 583.24, subdivision 4; 583.26, subdivision 1; Laws 1983, chapter 215, section 16, as amended; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1987, chapter 396, article 9, section 1, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 18; 21; 41B; and 169; repealing Minnesota Statutes 1988, sections 17.7241; 17.4244; 17.7246; and 84.152, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wenzel moved that the House refuse to concur in the Senate amendments to H. F. No. 878, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 878:

Wenzel, Cooper, Dille, Sparby and Winter.

SPECIAL ORDERS, Continued

S. F. No. 1394, A bill for an act relating to the county of Olmsted; providing for approval of certain conveyancing instruments by county zoning administrator.

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

The bill was passed and its title agreed to.

S. F. No. 1074 was reported to the House.

Ogren moved that S. F. No. 1074 be continued on Special Orders. The motion prevailed.

S. F. No. 564, A bill for an act relating to natural resources; increasing the amount of levy for the Kanaranzi-Little Rock watershed district administrative fund.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

There being no objection, S. F. No. 470, as amended, which was continued earlier today was again reported to the House.

Kinkel, Solberg, Gruenes, Boo, Marsh, Omann, Bertram and Johnson, R., moved to amend S. F. No. 470, as amended, as follows:

Pages 1 and 2, delete Section 1

ReNUMBER the remaining sections

Amend the title as follows:

Page 1, line 6, delete "; proposing coding" and insert a period

Page 1, delete line 7

The motion prevailed and the amendment was adopted.

S. F. No. 470, A bill for an act relating to environment; regulating municipal wastewater treatment funding; amending Minnesota Statutes 1988, sections 116.18, subdivisions 3a and 3b; 446A.02, subdivision 4; 446A.07, subdivision 8; and 446A.12, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115.

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

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

Those who voted in the affirmative were:

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

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

Anderson, G.; Jennings; Olson, E., and Kelly were excused for the remainder of today's session.

H. F. No. 962 was reported to the House.

Hasskamp moved to amend H. F. No. 962, the first engrossment, as follows:

Page 1, line 14, delete "144.4235" and insert "145.4235"

Amend the title as follows:

Page 1, line 12, delete "144" and insert "145"

The motion prevailed and the amendment was adopted.

Hasskamp and Blatz moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 4, after line 18, insert:

"Sec. 2. [COMMISSION ON CRISIS PREGNANCIES AND ABORTION PREVENTION.]

Subdivision 1. [PURPOSE.] The legislature finds that there is a need to develop a common strategy to reduce crisis pregnancies, thereby insuring that unborn children are protected and abortions are reduced. For the purpose of this section, "crisis pregnancy" means a pregnancy that creates extraordinary burdens and physical or mental stress on the pregnant woman.

Subd. 2. [CREATION AND DUTIES.] The Governor, upon consultation with the principal pro-life and pro-choice community, shall appoint a commission on crisis pregnancies and abortion prevention. The commission shall:

(1) collect and examine information on:

(i) the extent of crisis pregnancies, including but not limited to the rates of crisis pregnancies, the outcomes of crisis pregnancies, the characteristics of women experiencing crisis pregnancies, the characteristics of men who father crisis pregnancies, and information relevant to the prevention of abortion;

(ii) strategies that may reduce crisis pregnancies and thus reduce the number of abortions;

(iii) barriers to adoption for women wanting to place their children, including issues related to the privacy rights of the natural mother;

(iv) the coordination and availability, before, during and after pregnancy, of social and support services for women who may become pregnant or experience crisis pregnancies;

(v) issues related to the self-worth of women who experience crisis pregnancies;

(vi) issues related to the self-worth of men who father crisis pregnancies; and

(vii) other issues relevant to the commission's goals; and

(2) provide specific recommendations with respect to the commission's mission that are agreed upon by both pro-life and pro-choice advocates.

Subd. 3. [MEMBERSHIP.] The commission membership must be as follows:

(1) five members appointed by the governor who represent pro-life views, including one legislator;

(2) five members appointed by the governor who represent pro-choice views, including one legislator;

(3) five members appointed by the governor who are not clearly identified with pro-life or pro-choice views, which may include one legislator. Each of these appointees must be acceptable to at least three out of the five pro-life and three out of the five pro-choice members.

Members of the commission should represent a range of fields and professions, including, but not limited to, psychology, religion, social work, counseling, adoption services, health care, and education.

The commission must be cochaired by one pro-life and one pro-choice members.

Subd. 4. [STAFF AND SUPPORT SERVICES.] The department of health may provide administrative and support services for the commission.

Subd. 5. [REPORT.] The commission should present preliminary findings and recommendations to the legislature by February 1, 1991, and present final findings and recommendations to the legislature by January 1, 1992. All findings and recommendations offered must reflect a consensus of at least 12 of the commission members."

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 Hasskamp and Blatz amendment and the roll was called. There were 101 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Forsythe	Kostohryz	Olson, E.	Sarna
Battaglia	Frederick	Krueger	Omann	Schafer
Bauerly	Frerichs	Lasley	Onnen	Schreiber
Beard	Girard	Lieder	Orenstein	Seaberg
Begich	Gruenes	Limmer	Ostrom	Solberg
Bennett	Gutknecht	Lynch	Otis	Sparby
Bertram	Hartle	Macklin	Ozment	Stanius
Bishop	Hasskamp	Marsh	Pauly	Steensma
Blatz	Haukoos	McDonald	Pellow	Sviggum
Boo	Heap	McEachern	Pelowski	Swenson
Brown	Henry	McGuire	Poppenhagen	Tjornhom
Burger	Himle	McPherson	Pugh	Tompkins
Carlson, D.	Hugoson	Milbert	Quinn	Tunheim
Carlson, L.	Jacobs	Miller	Redalen	Uphus
Carruthers	Jaros	Morrison	Reding	Valento
Cooper	Johnson, R.	Murphy	Rest	Waltman
Dauner	Johnson, V.	Nelson, C.	Richter	Weaver
Dempsey	Kalis	O'Connor	Rodosovich	Welle
Dille	Kelso	Ogren	Rukavina	Wenzel
Dorn	Knickerbocker	Olsen, S.	Runbeck	Winter
				Spk. Vanasek

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE

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

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

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

Bishop, Wynia, Ogren, McGuire, Pappas, Janezich and Rukavina moved to amend H. F. 962, the first engrossment, as amended, as follows:

Page 2, line 23, delete "20" and insert "23"

A roll call was requested and properly seconded.

The question was taken on the Bishop et al amendment and the roll was called.

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

There were 39 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Hartle	McGuire	Otis	Skoglund
Bishop	Himle	Munger	Pappas	Trimble
Carlson, L.	Janezich	Nelson, C.	Price	Vellenga
Carruthers	Jaros	Nelson, K.	Reding	Wagenius
Clark	Jefferson	Ogren	Rest	Welle
Dorn	Kahn	Olson, K.	Rukavina	Williams
Forsythe	Lieder	Orenstein	Segal	Wynia
Greenfield	Long	Ostrom	Simoneau	

Those who voted in the negative were:

Battaglia	Frederick	Krueger	Ozment	Seaberg
Bauerly	Frerichs	Lasley	Pauly	Solberg
Beard	Girard	Limmer	Pellow	Sparby
Begich	Gruenes	Lynch	Pelowski	Stanis
Bennett	Gutknecht	Macklin	Peterson	Steensma
Bertram	Hasskamp	Marsh	Poppenhagen	Sviggum
Blatz	Heap	McDonald	Pugh	Swenson
Boo	Henry	McEachern	Quinn	Tjornhom
Brown	Hugoson	McPherson	Redalen	Tompkins
Burger	Jacobs	Milbert	Rice	Tunheim
Carlson, D.	Johnson, R.	Miller	Richter	Uphus
Conway	Johnson, V.	Murphy	Rodosovich	Valento
Cooper	Kalis	O'Connor	Runbeck	Waltman
Dauner	Kelso	Olsen, S.	Sarna	Weaver
Dempsey	Kinkel	Omann	Schafer	Wenzel
Dille	Kostohryz	Onnen	Schreiber	Winter
				Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

The Speaker called Quinn to the Chair.

Pappas moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 3, line 33, after the period insert "Unless one or both of the parents agrees within 30 days of the birth to accept the parental rights and responsibilities for the child, the child is a ward of the state and the parents have no parental rights or obligations as if the parental rights had been terminated according to section 260.221. The child must be provided for under sections 256.12, subdivision 14, and 256.72 to 256.87."

A roll call was requested and properly seconded.

The question was taken on the Pappas amendment and the roll was called.

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

There were 39 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abrams	Janezich	McLaughlin	Ostrom	Skoglund
Bishop	Jaros	Munger	Otis	Trimble
Carlson, L.	Jefferson	Nelson, C.	Pappas	Vellenga
Carruthers	Johnson, A.	Ogren	Rest	Wagenius
Clark	Kahn	Olsen, S.	Rukavina	Welle
Dawkins	Lieder	Olson, K.	Scheid	Williams
Dorn	Long	Orenstein	Segal	Wynia
Greenfield	McGuire	Osthoff	Simoneau	

Those who voted in the negative were:

Battaglia	Frederick	Kinkel	Onnen	Schafer
Bauerly	Frerichs	Kostohryz	Ozment	Schreiber
Beard	Girard	Krueger	Pauly	Seaberg
Begich	Gruenes	Lasley	Pellow	Solberg
Bennett	Gutknecht	Limmer	Pelowski	Sparby
Bertram	Hartle	Lynch	Peterson	Stanisus
Blatz	Hasskamp	Macklin	Poppenhagen	Steensma
Boo	Haukoos	Marsh	Price	Svigum
Brown	Heap	McDonald	Pugh	Swenson
Burger	Henry	McEachern	Quinn	Tjornhom
Carlson, D.	Himle	McPherson	Redalen	Tompkins
Conway	Hugoson	Milbert	Reding	Tunheim
Cooper	Jacobs	Miller	Rice	Uphus
Dauner	Johnson, R.	Morrison	Richter	Valento
Dempsey	Johnson, V.	Murphy	Rodosovich	Waltman
Dille	Kalis	O'Connor	Runbeck	Weaver
Forsythe	Kelso	Omann	Sarna	Wenzel
				Winter
				Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Price was excused while in conference.

Segal, Williams and Jefferson moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 2, after line 11, insert:

"(d) "Health of the woman" means the emotional, physical, or mental health of the woman."

Reletter the remaining paragraphs

Correct internal references

A roll call was requested and properly seconded.

The question was taken on the Segal et al amendment and the roll was called.

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

There were 36 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, A.	Olson, K.	Segal
Bishop	Greenfield	Kahn	Orenstein	Simoneau
Carlson, L.	Hartle	McGuire	Ostrom	Skoglund
Carruthers	Himle	Morrison	Otis	Trimble
Clark	Janezich	Munger	Pappas	Vellenga
Dauner	Jaros	Nelson, C.	Rest	Wagenius
Dawkins	Jefferson	Olsen, S.	Rukavina	Williams
				Wynia

Those who voted in the negative were:

Battaglia	Frerichs	Lieder	Pellow	Solberg
Bauerly	Girard	Limmer	Pelowski	Sparby
Beard	Gruenes	Lynch	Peterson	Stanius
Begich	Gutknecht	Macklin	Poppenhagen	Steensma
Bennett	Hasskamp	Marsh	Pugh	Sviggum
Bertram	Heap	McDonald	Quinn	Swenson
Blatz	Henry	McEachern	Redalen	Tjornhom
Boo	Hugoson	McPherson	Reding	Tompkins
Brown	Jacobs	Milbert	Rice	Tunheim
Burger	Johnson, R.	Miller	Richter	Uphus
Carlson, D.	Johnson, V.	Murphy	Rodosovich	Valento
Conway	Kalis	O'Connor	Runbeck	Waltman
Cooper	Kelso	Omann	Sarna	Weaver
Dempsey	Kinkel	Onnen	Schafer	Wenzel
Dille	Kostohryz	Osthoff	Scheid	Winter
Forsythe	Krueger	Ozment	Schreiber	Spk. Vanasek
Frederick	Lasley	Pauly	Seaberg	

The motion did not prevail and the amendment was not adopted.

Williams and Jefferson moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 2, line 23, delete "20" and insert "24"

A roll call was requested and properly seconded.

The question was taken on the Williams and Jefferson amendment and the roll was called.

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

There were 33 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Abrams	Janezich	McGuire	Otis	Trimble
Bishop	Jaros	McLaughlin	Pappas	Vellenga
Carlson, L.	Jefferson	Munger	Rest	Wagenius
Carruthers	Johnson, A.	Nelson, C.	Rukavina	Williams
Clark	Kahn	Ogren	Segal	Wynia
Dawkins	Lieder	Olson, K.	Simoneau	
Greenfield	Long	Orenstein	Skoglund	

Those who voted in the negative were:

Battaglia	Frederick	Krueger	Ozment	Seaberg
Bauerly	Frerichs	Lasley	Pauly	Sparby
Beard	Girard	Limmer	Pellow	Stanis
Begich	Gruenes	Lynch	Pelowski	Steensma
Bennett	Gutknecht	Macklin	Peterson	Sviggum
Bertram	Hartle	Marsh	Poppenhagen	Swenson
Blatz	Hasskamp	McDonald	Pugh	Tjornhom
Boo	Haukoos	McEachern	Quinn	Tompkins
Brown	Henry	McPherson	Redalen	Tunheim
Burger	Himle	Milbert	Reding	Uphus
Carlson, D.	Hugoson	Miller	Rice	Valento
Conway	Jacobs	Murphy	Richter	Waltman
Cooper	Johnson, R.	O'Connor	Rodosovich	Weaver
Dauner	Johnson, V.	Olsen, S.	Runbeck	Wenzel
Dempsey	Kalis	Omann	Sarna	Winter
Dille	Kelso	Onnen	Schafer	Spk. Vanasek
Dorn	Kinkel	Osthoff	Scheid	
Forsythe	Kostohryz	Ostrom	Schreiber	

The motion did not prevail and the amendment was not adopted.

Bishop was excused while in conference.

Johnson, A., and Lasley offered an amendment to H. F. No. 962, the first engrossment, as amended.

Johnson, A., requested a division of the Johnson, A., and Lasley amendment to H. F. No. 962, the first engrossment, as amended.

The first portion of the Johnson, A., and Lasley amendment to H. F. No. 962, the first engrossment, as amended, reads as follows:

In the Hasskamp and Blatz amendment:

Page 1, line 20, delete "unborn" and delete "protected" and insert "wanted"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Johnson, A., and Lasley amendment and the roll was called.

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

There were 34 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abrams	Jefferson	McLaughlin	Ostrom	Skoglund
Carlson, L.	Johnson, A.	Munger	Otis	Trimble
Carruthers	Kahn	Murphy	Pappas	Vellenga
Clark	Lasley	Nelson, C.	Rest	Wagenius
Dawkins	Lieder	Nelson, K.	Rukavina	Williams
Greenfield	Long	Olson, K.	Segal	Wynia
Janezich	McGuire	Orenstein	Simoneau	

Those who voted in the negative were:

Battaglia	Frederick	Krueger	Pellow	Solberg
Bauerly	Frerichs	Limmer	Pelowski	Sparby
Beard	Girard	Lynch	Peterson	Stanis
Begich	Gruenes	Macklin	Popenhagen	Steensma
Bennett	Gutknecht	Marsh	Pugh	Sviggum
Bertram	Hartle	McDonald	Quinn	Swenson
Blatz	Hasskamp	McEachern	Redalen	Tjornhom
Boo	Haukoos	McPherson	Reding	Tompkins
Brown	Henry	Miller	Rice	Tunheim
Burger	Hugoson	Morrison	Richter	Uphus
Carlson, D.	Jacobs	O'Connor	Rodosovich	Valento
Conway	Johnson, R.	Olsen, S.	Runbeck	Waltman
Cooper	Johnson, V.	Omann	Sarna	Weaver
Dauner	Kalis	Onnen	Schafer	Wenzel
Dempsey	Kelso	Osthoff	Scheid	Winter
Dille	Kinkel	Ozment	Schreiber	Spk. Vanasek
Forsythe	Kostohryz	Pauly	Seaberg	

The motion did not prevail and the first portion of the Johnson, A., and Lasley amendment to H. F. No. 962, the first engrossment, as amended, was not adopted.

The second portion of the Johnson, A., and Lasley amendment to H. F. No. 962, the first engrossment, as amended, reads as follows:

In the Hasskamp and Blatz amendment:

Page 2, line 7, delete "self-worth" and insert "characteristics"

Page 2, line 9, delete "the self-worth of men who father" and insert "self-worth and characteristics of men who impregnate women without regard for resulting pregnancy"

Page 2, line 10, delete "crisis pregnancies"

A roll call was requested and properly seconded.

The question was taken on the second portion of the Johnson, A., and Lasley amendment and the roll was called.

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

There were 96 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Kinkel	Olson, K.	Rukavina
Battaglia	Dorn	Kostohryz	Orenstein	Runbeck
Bauerly	Forsythe	Krueger	Osthoff	Schafer
Beard	Frederick	Lasley	Ostrom	Scheid
Begich	Frerichs	Lieder	Otis	Seaberg
Bennett	Greenfield	Long	Ozment	Segal
Bertram	Hartle	Lynch	Pappas	Simoneau
Blatz	Hasskamp	Marsh	Pauly	Skoglund
Boo	Haukoos	McDonald	Pellow	Stanis
Brown	Henry	McGuire	Pelowski	Swenson
Burger	Himle	McLaughlin	Peterson	Trimble
Carlson, D.	Janezich	Milbert	Poppenhagen	Tunheim
Carlson, L.	Jaros	Morrison	Quinn	Valento
Carruthers	Jefferson	Munger	Redalen	Vellenga
Clark	Johnson, A.	Murphy	Reding	Wagenius
Conway	Johnson, V.	Nelson, C.	Rest	Welle
Cooper	Kahn	Nelson, K.	Rice	Williams
Dauner	Kalis	Ogren	Richter	Winter
Dawkins	Kelso	Olsen, S.	Rodosovich	Wynia
				Spk. Vanasek

Those who voted in the negative were:

Dempsey	Jacobs	Miller	Sparby	Uphus
Girard	Johnson, R.	Omann	Steensma	Waltman
Gruenes	Limmer	Onnen	Sviggun	Weaver
Gutknecht	Macklin	Pugh	Tjornhom	Wenzel
Hugoson	McPherson	Schreiber	Tompkins	

The motion prevailed and the second portion of the Johnson, A.,

and Lasley amendment to H. F. No. 962, the first engrossment, as amended, was adopted.

CALL OF THE HOUSE LIFTED

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

Greenfield moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 2, line 17, delete "of sustained"

Page 2, delete lines 18 and 19 and insert "that the fetus can survive independently of the womb, on a sustained basis, without artificial life support."

A roll call was requested and properly seconded.

The question was taken on the Greenfield amendment and the roll was called. There were 24 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Carruthers	Jefferson	McLaughlin	Rukavina	Vellenga
Clark	Johnson, A.	Munger	Segal	Wagenius
Dawkins	Kahn	Nelson, K.	Simoneau	Williams
Greenfield	Long	Ostrom	Skoglund	Wynia
Jaros	McGuire	Pappas	Trimble	

Those who voted in the negative were:

Abrams	Forsythe	Kostohryz	Onnen	Scheid
Battaglia	Frederick	Krueger	Orenstein	Schreiber
Bauerly	Frerichs	Lasley	Osthoff	Seaberg
Beard	Girard	Lieder	Ozment	Solberg
Begich	Gruenes	Limmer	Pauly	Sparby
Bennett	Gutknecht	Lynch	Pelowski	Stanius
Bertram	Hartle	Macklin	Peterson	Steensma
Blatz	Hasskamp	Marsh	Poppenhagen	Sviggunn
Boo	Haukoos	McDonald	Pugh	Swenson
Brown	Henry	McEachern	Quinn	Tjornhom
Burger	Himle	McPherson	Redalen	Tompkins
Carlson, D.	Hugoson	Milbert	Reding	Tunheim
Carlson, L.	Jacobs	Miller	Rest	Uphus
Conway	Janezich	Morrison	Rice	Valento
Cooper	Johnson, R.	Murphy	Richter	Waltman
Dauner	Johnson, V.	Nelson, C.	Rodosovich	Weaver
Dempsey	Kalis	O'Connor	Runbeck	Wenzel
Dille	Kelso	Olsen, S.	Sarna	Winter
Dorn	Kinkel	Omann	Schafer	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Segal and Forsythe moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 4, line 18, after the period insert "The board of medical examiners must not further consider, and must immediately dismiss, any complaint against a physician regarding an act or omission of the physician under this section when the board has determined that the physician acted in good faith or that the complaint involves the medical judgment of the physician based on the particular facts of the case before the physician."

A roll call was requested and properly seconded.

The question was taken on the Segal and Forsythe amendment and the roll was called. There were 52 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abrams	Haukoos	McLaughlin	Pappas	Swenson
Blatz	Heap	McPherson	Pauly	Trimble
Boo	Henry	Morrison	Quinn	Valento
Carlson, L.	Himle	Munger	Rest	Vellenga
Carruthers	Jaros	Nelson, C.	Rukavina	Wagenius
Clark	Jefferson	Nelson, K.	Runbeck	Weaver
Dawkins	Johnson, A.	Olsen, S.	Scheid	Williams
Dorn	Kahn	Olson, K.	Seaberg	Wynia
Forsythe	Lieder	Orenstein	Segal	
Greenfield	Long	Ostrom	Simoneau	
Hartle	McGuire	Otis	Skoglund	

Those who voted in the negative were:

Battaglia	Frederick	Krueger	Osthoff	Schreiber
Bauerly	Frerichs	Lasley	Ozment	Sparby
Beard	Girard	Limmer	Pellow	Stanius
Begich	Gruenes	Lynch	Pelowski	Steensma
Bennett	Gutknecht	Macklin	Peterson	Svigum
Bertram	Hasskamp	Marsh	Poppenhagen	Tjornhom
Brown	Hugoson	McDonald	Pugh	Tompkins
Burger	Jacobs	McEachern	Redalen	Tunheim
Carlson, D.	Johnson, R.	Milbert	Reding	Uphus
Conway	Johnson, V.	Miller	Rice	Waltman
Cooper	Kalis	Murphy	Richter	Wenzel
Dauner	Kelso	O'Connor	Rodosovich	Winter
Dempsey	Kinkel	Omman	Sarna	
Dille	Kostohryz	Onnen	Schafer	

The motion did not prevail and the amendment was not adopted.

Trimble moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 3, delete lines 12 to 27

Renumber the remaining subdivisions

Correct internal references

A roll call was requested and properly seconded.

The question was taken on the Trimble amendment and the roll was called. There were 30 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Carlson, L.	Jefferson	McLaughlin	Otis	Trimble
Carruthers	Johnson, A.	Munger	Pappas	Vellenga
Clark	Kahn	Nelson, C.	Rest	Wagenius
Dawkins	Kostohryz	Nelson, K.	Segal	Weaver
Dille	Long	Olson, K.	Simoneau	Williams
Greenfield	McGuire	Osthoff	Skoglund	Wynia

Those who voted in the negative were:

Battaglia	Frerichs	Krueger	Ozment	Seaberg
Bauerly	Girard	Lasley	Pauly	Solberg
Beard	Gruenes	Lieder	Pellow	Sparby
Begich	Gutknecht	Limmer	Pelowski	Stanius
Bennett	Hartle	Lynch	Peterson	Steensma
Bertram	Hasskamp	Macklin	Poppenhagen	Sviggum
Blatz	Haukoos	Marsh	Pugh	Swenson
Boo	Heap	McEachern	Quinn	Tjornhom
Brown	Henry	McPherson	Redalen	Tompkins
Burger	Himle	Milbert	Reding	Tunheim
Carlson, D.	Hugoson	Miller	Rice	Uphus
Conway	Jacobs	Murphy	Richter	Valento
Cooper	Janezich	O'Connor	Rodosovich	Waltman
Dauner	Johnson, R.	Olsen, S.	Runbeck	Wenzel
Dempsey	Johnson, V.	Omann	Sarna	Winter
Dorn	Kalis	Onnen	Schafer	Spk. Vanasek
Forsythe	Kelso	Orenstein	Scheid	
Frederick	Kinkel	Ostrom	Schreiber	

The motion did not prevail and the amendment was not adopted.

Segal moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 2, lines 4 and 5, delete “, irrespective of the duration of pregnancy”

Page 2, line 5, delete “, breathes or shows any”

Page 2, delete lines 6 and 7

Page 2, line 8, delete “muscles” and insert “displays (1) a continuation of circulatory and respiratory functions or (2) full functions of the entire brain, including the brain stem”

A roll call was requested and properly seconded.

The question was taken on the Segal amendment and the roll was called. There were 26 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Carlson, L.	Johnson, A.	Nelson, K.	Segal	Williams
Clark	Kahn	Olson, K.	Simoneau	Wynia
Dawkins	Long	Orenstein	Skoglund	
Greenfield	McGuire	Pappas	Trimble	
Jaros	McLaughlin	Rest	Vellenga	
Jefferson	Munger	Rukavina	Wagenius	

Those who voted in the negative were:

Abrams	Frederick	Kostohryz	Ostrom	Solberg
Battaglia	Frerichs	Krueger	Ozment	Sparby
Bauerly	Girard	Lasley	Pauly	Stanis
Beard	Gruenes	Lieder	Pellow	Steensma
Begich	Gutknecht	Limmer	Pelowski	Sviggum
Bennett	Hartle	Lynch	Peterson	Swenson
Bertram	Hasskamp	Macklin	Poppenhagen	Tjornhom
Blatz	Haukoos	Marsh	Pugh	Tompkins
Boo	Heap	McDonald	Quinn	Tunheim
Brown	Henry	McEachern	Redalen	Uphus
Burger	Himle	McPherson	Reding	Valento
Carlson, D.	Hugoson	Milbert	Richter	Waltman
Conway	Jacobs	Miller	Rodosovich	Weaver
Cooper	Janezich	Morrison	Runbeck	Wenzel
Dauner	Johnson, R.	Murphy	Sarna	Winter
Dempsey	Johnson, V.	O'Connor	Schafer	Spk. Vanasek
Dille	Kalis	Olsen, S.	Scheid	
Dorn	Kelso	Omann	Schreiber	
Forsythe	Kinkel	Onnen	Seaberg	

The motion did not prevail and the amendment was not adopted.

Wagenius moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 4, line 13, delete "A physician who intentionally,"

Page 4, delete line 14

Page 4, line 15, delete everything before "A"

A roll call was requested and properly seconded.

The question was taken on the Wagenius amendment and the roll was called. There were 39 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Carruthers	Dorn	Hartle	Jaros
Bauerly	Clark	Frerichs	Himle	Jefferson
Carlson, L.	Dawkins	Greenfield	Janezich	Johnson, A.

Kahn	Morrison	Ostrom	Scheid	Vellenga
Kostohryz	Munger	Otis	Segal	Wagenius
Long	Nelson, K.	Pappas	Simoneau	Williams
McGuire	Olson, K.	Rest	Skoglund	Wynia
McLaughlin	Orenstein	Rukavina	Trimble	

Those who voted in the negative were:

Battaglia	Frederick	Lasley	Ozment	Seaberg
Beard	Girard	Lieder	Pauly	Solberg
Begich	Gruenes	Limmer	Pellow	Sparby
Bennett	Gutknecht	Lynch	Pelowski	Stanius
Bertram	Hasskamp	Macklin	Peterson	Steensma
Blatz	Haukoos	Marsh	Poppenhagen	Sviggum
Boo	Heap	McDonald	Pugh	Swenson
Brown	Henry	McEachern	Quinn	Tjornhom
Burger	Hugoson	McPherson	Redalen	Tompkins
Carlson, D.	Jacobs	Milbert	Reding	Tunheim
Conway	Johnson, R.	Miller	Richter	Uphus
Cooper	Johnson, V.	Murphy	Rodosovich	Valento
Dauner	Kalis	O'Connor	Runbeck	Waltman
Dempsey	Kelo	Olsen, S.	Sarna	Weaver
Dille	Kinkel	Omann	Schafer	Wenzel
Forsythe	Krueger	Onnen	Schreiber	Winter
				Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Kahn moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 1, line 21, before "a" insert "both"

Page 1, line 23, before the period, insert "and preserving the life and health of the pregnant woman"

A roll call was requested and properly seconded.

The question was taken on the Kahn amendment and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Gutknecht	Johnson, V.	McDonald
Battaglia	Conway	Hartle	Kahn	McEachern
Bauerly	Cooper	Hasskamp	Kalis	McGuire
Beard	Dauner	Haukoos	Kelso	McLaughlin
Begich	Dawkins	Heap	Kinkel	McPherson
Bennett	Dempsey	Henry	Kostohryz	Milbert
Bertram	Dille	Himle	Krueger	Miller
Blatz	Dorn	Hugoson	Lasley	Morrison
Boo	Forsythe	Jacobs	Lieder	Munger
Brown	Frederick	Janezich	Limmer	Murphy
Burger	Frerichs	Jaros	Long	Nelson, C.
Carlson, D.	Girard	Jefferson	Lynch	Nelson, K.
Carlson, L.	Greenfield	Johnson, A.	Macklin	O'Connor
Carruthers	Gruenes	Johnson, R.	Marsh	Ogren

Olsen, S.	Pelowski	Runbeck	Stanius	Wagenius
Olson, K.	Peterson	Sarna	Steensma	Waltman
Omann	Poppenhagen	Schafer	Swiggum	Weaver
Onnen	Pugh	Scheid	Swenson	Welle
Orenstein	Quinn	Schreiber	Tjornhom	Wenzel
Osthoff	Redalen	Seaberg	Tompkins	Williams
Ostrom	Reding	Segal	Trimble	Winter
Otis	Rest	Simoneau	Tunheim	Wynia
Ozment	Richter	Skoglund	Uphus	Spk. Vanasek
Pappas	Rodosovich	Solberg	Valento	
Pauly	Rukavina	Sparby	Vellenga	

The motion prevailed and the amendment was adopted.

Munger was excused while in conference.

Trimble moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 4, line 15, delete "license revocation or suspension" and insert "disciplinary action"

The motion did not prevail and the amendment was not adopted.

Olson, K., moved to amend H. F. No. 962, the first engrossment, as amended, as follows:

Page 2, after line 26, insert:

"Subd. 3a. [DUTY OF BIOLOGICAL FATHER.] Efforts must be made to identify the impregnator of the pregnant woman by DNA analysis and the biological father is financially responsible for the born child's needs."

A roll call was requested and properly seconded.

The question was taken on the Olson, K., amendment and the roll was called. There were 69 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Johnson, V.	McLaughlin	Pappas
Beard	Dorn	Kahn	Morrison	Pauly
Bennett	Forsythe	Kostohryz	Murphy	Pellow
Blatz	Frerichs	Krueger	Nelson, C.	Pugh
Brown	Greenfield	Lasley	Nelson, K.	Quinn
Burger	Hartle	Lieder	Ogren	Redalen
Carlson, L.	Himle	Limmer	Olsen, S.	Rest
Carruthers	Janezich	Long	Olson, K.	Rice
Clark	Jaros	Lynch	Orenstein	Richter
Conway	Jefferson	McDonald	Ostrom	Rodosovich
Dauner	Johnson, A.	McGuire	Otis	Rukavina

Runbeck
Schafer
Seaberg

Segal
Simoneau
Skoglund

Tjornhom
Tompkins
Uphus

Vellenga
Wagenius
Williams

Wynia
Spk. Vanasek

Those who voted in the negative were:

Battaglia
Bauerly
Begich
Bertram
Boo
Carlson, D.
Cooper
Dempsey
Dille
Frederick

Girard
Gruenes
Gutknecht
Hasskamp
Haukoos
Heap
Henry
Hugoson
Jacobs
Johnson, R.

Kelso
Kinkel
Macklin
Marsh
McEachern
McPherson
Milbert
Miller
O'Connor
Omann

Onnen
Ozment
Pelowski
Poppenhagen
Sarna
Solberg
Sparby
Stanisus
Steensma
Sviggum

Swenson
Tunheim
Waltman
Weaver
Wenzel
Winter

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

H. F. No. 962, A bill for an act relating to health; requiring the physician to make a determination of viability; prohibiting an abortion except if necessary to preserve the life or health of the mother; regulating the method of abortion of the viable fetus; requiring the presence of a second physician at the abortion of a viable unborn child; regulating the standard of care for the viable unborn child; according protection of law to the child born alive as a result of abortion; creating a commission on crisis pregnancies and abortion prevention; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 145.

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 93 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Battaglia
Bauerly
Beard
Begich
Bennett
Bertram
Blatz
Boo
Brown
Burger
Carlson, D.
Conway
Cooper
Dauner
Dempsey
Dille
Dorn

Forsythe
Frederick
Frerichs
Girard
Gruenes
Gutknecht
Hasskamp
Haukoos
Heap
Henry
Hugoson
Jacobs
Johnson, R.
Johnson, V.
Kalis
Kelso
Kinkel

Kostohryz
Krueger
Lasley
Lieder
Limmer
Lynch
Macklin
Marsh
McDonald
McEachern
McPherson
Milbert
Miller
Morrison
Murphy
Nelson, C.
O'Connor

Olsen, S.
Omann
Onnen
Orenstein
Osthoff
Ostrom
Ozment
Pauwly
Pellow
Pelowski
Peterson
Poppenhagen
Price
Pugh
Quinn
Redalen
Reding

Rice
Richter
Rodosovich
Runbeck
Sarna
Schafer
Scheld
Schreiber
Seaberg
Solberg
Sparby
Stanisus
Steensma
Sviggum
Swenson
Tjornhom
Tompkins

Tunheim
Uphus

Valento
Waltman

Weaver
Wenzel

Winter
Spk. Vanasek

Those who voted in the negative were:

Abrams
Carlson, L.
Carruthers
Clark
Dawkins
Greenfield

Himle
Janezich
Jaros
Jefferson
Johnson, A.
Kahn

Long
McGuire
Ogren
Olson, K.
Otis
Pappas

Rest
Rukavina
Segal
Simoneau
Skoglund
Trimble

Vellenga
Wagenius
Williams
Wynia

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

Krueger moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Krueger moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Long moved that H. F. No. 1709, now on General Orders, be re-referred to the Committee on Judiciary. The motion prevailed.

ADJOURNMENT

Krueger moved that when the House adjourns today it adjourn until 12:00 noon, Saturday, May 20, 1989. The motion prevailed.

Krueger moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Saturday, May 20, 1989.

EDWARD A. BURDICK, Chief Clerk, House of Representatives