

STATE OF MINNESOTA

SEVENTY-SIXTH SESSION—1990

EIGHTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 5, 1990

The House of Representatives convened at 1:00 p.m. and was called to order by Robert E. Vanasek, Speaker of the House.

Prayer was offered by Minister Benjamin F. Timm, Sr., Assembly of God Church, Cottage Grove, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Beard and McLaughlin were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Skoglund 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. Nos. 2005, 2283, 2148 and 2390 and S. F. Nos. 1903, 2347, 1847, 2430 and 1822 have been placed in the members' files.

S. F. No. 1847 and H. F. No. 2038, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Orenstein moved that the rules be so far suspended that S. F. No. 1847 be substituted for H. F. No. 2038 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2430 and H. F. No. 2770, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Osthoff moved that the rules be so far suspended that S. F. No. 2430 be substituted for H. F. No. 2770 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

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

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
FIRE PROTECTION

Section 1. [299M.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of this chapter the following terms have the meanings given them in this section.

Subd. 2. [APPRENTICE SPRINKLER FITTER.] "Apprentice sprinkler fitter" means a person, other than a fire protection contractor or journeyman sprinkler fitter, who is regularly engaged in learning the trade under the direct supervision of a licensed fire protection contractor or journeyman sprinkler fitter. Apprentices must be registered with the division of apprenticeship of the department of labor and industry in accordance with chapter 178.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of public safety.

Subd. 4. [COUNCIL.] "Council" means the Minnesota advisory council on fire protection systems.

Subd. 5. [DEPARTMENT.] "Department" means the department of public safety.

Subd. 6. [FIRE PROTECTION CONTRACTOR.] "Fire protection contractor" means a person who contracts to sell, design, install, modify, alter, or inspect a fire protection system or its parts or related equipment.

Subd. 7. [FIRE PROTECTION SYSTEM.] "Fire protection system" means a sprinkler, standpipe, hose system, or other special hazard system for fire protection purposes only, that is composed of an integrated system of underground and overhead piping. "Fire protection system" does not include the water service piping to a city water main or piping used for potable water purposes or piping used for heating or cooling purposes. Openings from potable water piping for fire protection systems must be made by persons properly licensed under section 326.40. A person licensed under section 326.40 may also sell, design, install, modify, or inspect a standpipe or hose system.

Subd. 8. [JOURNEYMAN SPRINKLER FITTER.] "Journeyman sprinkler fitter" means a person who is certified as competent to engage in installing, connecting, altering, repairing, or adding to a fire protection system for and under the supervision of a fire protection contractor.

Subd. 9. [MUNICIPALITY.] "Municipality" means a town or statutory or home rule charter city.

Sec. 2. [299M.02] [ADVISORY COUNCIL.]

Subdivision 1. [CREATION; COMPENSATION, REMOVAL, EXPIRATION.] The Minnesota advisory council on fire protection systems is created. The compensation and removal of council members is governed by section 15.059. The council does not expire, section 15.059, subdivision 5, to the contrary notwithstanding.

Subd. 2. [MEMBERSHIP.] The council consists of nine members, each appointed for a term of three years by the governor. Two members must be licensed fire protection contractors or full-time, managing employees actively engaged in a licensed fire protection contractor business. Two members must be journeyman sprinkler fitters certified as competent under this chapter. One member of the council must be an active member of the Minnesota State Fire Chiefs Association. One member must be an active member of the Fire Marshals Association of Minnesota. One member must be a member of the general public. The commissioner or designee is an ex officio, nonvoting member. The commissioner of labor and industry or designee is an ex officio nonvoting member.

Subd. 3. [DUTIES.] The council shall advise the commissioners of public safety and labor and industry on matters within the council's expertise or under the regulation of the commissioners.

Sec. 3. [299M.03] [LICENSE OR CERTIFICATE REQUIRED.]

Subdivision 1. [CONTRACTOR LICENSE.] A person may not sell, design, install, modify, or inspect a fire protection system, its parts, or related equipment or offer to do so, unless annually licensed to perform these duties as a fire protection contractor.

Subd. 2. [JOURNEYMAN CERTIFICATE.] A person may not install, connect, alter, repair, or add to a fire protection system, under the supervision of a fire protection contractor, unless annually certified to perform those duties as a journeyman sprinkler fitter or as a registered apprentice sprinkler fitter.

Sec. 4. [299M.04] [RULES; SETTING FEES.]

The commissioner shall adopt permanent rules for operation of the council; regulation by municipalities; permit, filing, inspection, certificate, and license fees; qualifications, examination, and licensing of fire protection contractors; certification of journeyman sprinkler fitters; registration of apprentices; and the administration and enforcement of this chapter. The commissioner may also adopt

emergency rules. Fees must be set under section 16A.128. Permit fees must be a percentage of the total cost of the fire protection work.

Sec. 5. [299M.05] [EXEMPTION FROM EXAMINATION.]

A person who submits satisfactory proof to the commissioner of actively engaging in full-time fire protection systems installation either as a fire protection contractor or journeyman sprinkler fitter for a period of five years before the effective date of this section, and who applies for a license or certificate within 60 days after the effective date of this section, is exempt from examination. A person who is exempt from examination, fulfills all other requirements under this chapter and under rules adopted under section 4, and pays the required annual fee, must be granted the appropriate license or certificate.

Sec. 6. [299M.06] [REVOCATION, SUSPENSION, REFUSAL.]

The commissioner may revoke, suspend, or refuse to issue or renew a license or certificate issued under this chapter.

Sec. 7. [299M.07] [MUNICIPAL REGULATION.]

A municipality by ordinance may require payment of permit fees and competent inspection of fire protection system materials and construction.

A municipality enacting an ordinance after the effective date of this section shall notify the commissioner of public safety.

A municipality may not require licensing, bonding, certification, registration, or insurance that is in addition to the state requirements outlined under this chapter.

Sec. 8. [299M.08] [CRIMES.]

It is a misdemeanor to knowingly and willfully commit or order, instruct, or direct another to commit any of the following acts:

(1) to make a false statement in a license or certificate application, request for inspection, or other form or statement authorized or required under this chapter;

(2) to perform fire protection system work without a proper permit, when required, and without a license or certificate for that work;

(3) to fail to file a request for inspection as required;

(4) to interfere with, or refuse entry to, a fire or building inspector engaged in the performance of lawful duties; or

(5) to violate a statute, rule, or municipal ordinance that pertains to powers given to municipalities under section 7.

Sec. 9. [299M.09] [CONTRACT WITH LABOR AND INDUSTRY.]

The commissioner may contract for services with the commissioner of labor and industry.

Sec. 10. [299M.10] [FIRE PROTECTION SYSTEMS ACCOUNT.]

The fire protection systems account is established as a special account in the state treasury. The fees and penalties collected under this chapter must be deposited in the state treasury and credited to the account.

Sec. 11. [299M.11] [FEES.]

Subdivision 1. [LICENSING FEE.] A person required to be licensed under section 3, subdivision 1, shall, before receipt of the license and before causing fire protection related work to be performed, pay the commissioner an annual license fee.

Subd. 2. [CERTIFICATION FEE.] Employees required to be certified under section 3, subdivision 2, shall, before performing fire protection related work, pay the commissioner an annual certification fee.

Subd. 3. [REGISTRATION FEE.] Employees required to be registered under section 1, subdivision 2, shall, before performing fire protection related work, pay the commissioner an annual registration fee.

Subd. 4. [PERMIT FEE.] Before beginning fire protection related work, a fire protection contractor shall pay a project permit fee to the commissioner based on a percentage of the total costs of the fire protection related work.

Subd. 5. [DEPOSIT OF FEES.] Fees collected under this section shall be deposited in the fire protection systems account created by section 10.

Sec. 12. [299M.12] [CONFLICTS OF LAWS.]

This chapter is not intended to conflict with and does not supersede the Minnesota state building code, the Minnesota uniform fire code, or other state law.

Sec. 13. [APPROPRIATION; COMPLEMENT.]

\$95,000 is appropriated for fiscal year ending June 30, 1991, from the general fund to the department of public safety for the purposes of sections 1 to 12.

The complement of the department of public safety is increased by two positions for the purposes of sections 1 to 11.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 3, 6, and 8 are effective January 1, 1990. Section 4 is effective the day after final enactment.

ARTICLE 2

ACTUARIAL SERVICES

Section 1. Minnesota Statutes 1988, section 3.85, subdivision 10, is amended to read:

Subd. 10. [STANDARDS FOR PENSION VALUATIONS AND COST ESTIMATES.] The commission shall adopt standards prescribing specific detailed methods to calculate, evaluate, and display current and proposed law liabilities, costs, and actuarial equivalents of all public employee pension retirement plans in Minnesota. These Standards shall be consistent with chapter 356 and must be developed and updated annually by the commission using an approved actuary as defined in section 356.215, subdivision 1, paragraph (2), retained by the commission. Standards must not be designed to limit the commission in its selection of an approved actuary, to any one actuary or actuarial consulting firm.

Sec. 2. Minnesota Statutes 1988, section 3.85, subdivision 11, is amended to read:

Subd. 11. [VALUATIONS AND REPORTS TO LEGISLATURE.]

(a) The commission shall contract with an established actuarial consulting firm to ~~conduct~~ evaluate, audit, and verify the results of annual actuarial valuations ~~and financial adequacy~~, biennial experience studies for, and cost analyses of benefit and funding proposals prepared by the actuaries retained by the governing boards of the retirement plans systems named in paragraph (b). The contract shall include provisions for performing cost analyses of proposals for changes in benefit and funding policies.

The governing boards of the retirement systems, through their retained actuaries, must act jointly in developing cost analyses of benefit and funding proposals when these proposals would affect multiple systems. The commission's actuarial contract must require

that the commission-retained actuary construct and maintain a data base using the same information contained in the data bases constructed and maintained by the retirement system actuaries. The contract must also provide for ongoing review of commission-approved actuarial standards and recommendations for changes in those standards. The commission-retained actuary may convene the retirement system actuaries when appropriate to discuss differences of opinion about study results, data, recommended changes in actuarial specifications, standards, assumptions, tables, or any other related actuarial matters.

(b) The contract for actuarial valuation and analysis shall include the following retirement plans systems referred to in paragraph (a) are:

- (1) the Statewide Teachers Retirement Association;
- (2) the General Plan, Minnesota State Retirement System;
- (3) the Correctional Plan, Minnesota State Public Employees Retirement System Association;
- (4) the State Patrol Plan, Minnesota State Retirement System;
- (5) the Judges Plan, Minnesota State Retirement System;
- (6) the Minneapolis Employees Retirement Fund;
- (7) the General Plan, Public Employees Retirement Association;
- (8) the Police and Fire Plan, Public Employees Retirement Association;
- (9) (5) the Duluth Teachers Retirement Fund Association;
- (10) (6) the Minneapolis Teachers Retirement Fund Association; and
- (11) (7) the St. Paul Teachers Retirement Association;
- (12) the Legislator's Retirement Plan, Minnesota State Retirement System; and
- (13) the Elective State Officers Retirement Plan, Minnesota State Retirement System.

(c) Every year the contract shall specify completion of standard actuarial valuations for the fiscal year with contents as described in

section 356.215, subdivisions 4 to 4k, and cash flow forecasts through the amortization target date.

For every plan year the contract shall specify preparation of an exhibit on the experience of the fund for inclusion in the annual actuarial valuation and completion of a periodic experience study as provided for in the standards adopted by the commission. The experience study shall evaluate the appropriateness of continuing to use for future valuations the assumptions relating to: individual salary progression; rate of return on investments; payroll growth; mortality; withdrawal; disability; retirement; and any other experience related factor that could impact the future financial condition of the retirement funds.

(d) (c) The commission commission-retained actuary shall annually prepare a report to the legislature commission summarizing the results of the annual actuarial valuations and cash flow projections. It shall include with its report recommendations concerning the appropriateness of the support rates prepared by the retirement system actuaries. This report must also include the results of the commission-retained actuary's verification and audit and identify points of disagreement and recommendations for changes in contribution rates to achieve proper funding of the retirement funds objectives by the required funding dates. The commission-retained actuary shall, within two four months of the completion of the periodic biennial experience studies by the retirement system actuaries, prepare a report to the commission summarizing the results of the experience studies prepared by the retirement system actuaries and the results of the commission-retained actuary's audit and verification. This report must also identify recommendations for changes in assumptions or actuarial tables. After reviewing the results of the annual valuations or biennial experience studies, the commission shall issue its own report to the legislature on the appropriateness of the valuation assumptions required for evaluation in the periodic experience study.

(e) (d) The commission shall assess each retirement plan specified in paragraph (b), other than clauses (12) and (13), for the cost of its actuarial valuations and experience studies. The assessment shall be that part of the amount of contract compensation for the actuarial consulting firm retained by the commission for those functions that bears the same relationship that the total active, deferred, inactive, and benefit recipient membership of the retirement plan bears to the total active, deferred, inactive, and benefit recipient membership of all retirement plans specified in paragraph (b). The assessment shall be made upon the completion of the actuarial valuations and the experience studies. The amount of the assessment is appropriated from the retirement fund applicable to the retirement plan. Receipts from assessments shall be deposited in the state treasury and credited to the general fund pay for the services of its actuary from funds appropriated to it.

(e) The commission shall direct the commission-retained actuary with respect to discretionary tasks provided for under terms of the actuarial contract.

Sec. 3. Minnesota Statutes 1988, section 3A.11, subdivision 1, is amended to read:

Subdivision 1. [TRANSFER OF RESERVES.] The reserves necessary to fund the retirement allowance granted pursuant to section 3A.02 to a former legislator upon retirement shall be appropriated from the general fund to the director and shall be transferred by the director to the Minnesota postretirement investment fund as of the last business day of the month in which the retirement allowance begins to accrue in accord with section 11A.18. The amount of the transfer shall be determined by or determined under a procedure specified by the actuary retained by the legislative commission on pensions and retirement, in accord with the appropriate mortality table adopted by the board of directors of the Minnesota state retirement system based on the experience of the plan as recommended by the commission-retained actuary and the interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 4. [3A.13] [APPROPRIATION.]

The amounts required to pay benefits authorized by this chapter and to pay any necessary and reasonable administrative expenses are appropriated annually to the director from the general fund.

Sec. 5. Minnesota Statutes 1989 Supplement, section 11A.18, subdivision 9, is amended to read:

Subd. 9. [CALCULATION OF POSTRETIREMENT ADJUSTMENT.] Annually, following June 30, the state board shall determine whether a postretirement adjustment is payable and shall determine the amount of any postretirement adjustment that is payable.

(1) The state board shall determine whether a postretirement adjustment is payable using the following procedure:

(a) The state board shall determine the amount of dividends, interest, accruals and realized capital gains or losses applicable to the most recent fiscal year ending June 30;

(b) The amount of reserves required for the annuity or benefit payable to an annuitant and benefit recipient of the participating public pension plans or funds shall be determined by the commission-retained actuary actuaries retained by the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association as of the current June 30.

An annuitant or benefit recipient who has been receiving an annuity or benefit for at least 12 full months as of the current June 30 is eligible to receive a full postretirement adjustment. An annuitant or benefit recipient who has been receiving an annuity or benefit for at least one full month, but less than 12 full months as of the current June 30, is eligible to receive a partial postretirement adjustment. Each fund shall report separately the amount of the reserves for those annuitants and benefit recipients who are eligible to receive a full postretirement benefit adjustment. This amount is known as "eligible reserves." Each fund shall also report separately the amount of the reserves for those annuitants and benefit recipients who are not eligible to receive a postretirement adjustment. This amount is known as "noneligible reserves." For an annuitant or benefit recipient who is eligible to receive a partial postretirement adjustment, each fund shall report separately as additional "eligible reserves" an amount that bears the same ratio to the total reserves required for the annuitant or benefit recipient as the number of full months of annuity or benefit receipt as of the current June 30 bears to 12 full months. The remainder of the annuitant's or benefit recipient's reserves shall be separately reported as additional "noneligible reserves." The amount of "eligible" and "noneligible" required reserves shall be certified to the board by the ~~commission-retained~~ actuary actuaries retained by the Minnesota state retirement system, public employees retirement association, and teachers retirement association as soon as is practical following the current June 30;

(c) The state board shall determine the amount of investment income required to equal five percent of the total amount of the required reserves as of the preceding June 30 adjusted by five percent of each transfer in or transfer out multiplied by the fraction of a year from the date of transfer to the current June 30. This amount of required investment income shall be subtracted from the actual amount of investment income determined according to clause (1)(a), to determine the amount of excess investment income. If this amount is positive, then a postretirement adjustment may be paid.

(2) The state board shall determine the amount of any postretirement adjustment which is payable using the following procedure:

(a) The state board shall determine the amount of excess investment income by the method indicated in clause (1);

(b) The total "eligible" required reserves as of the first of January next following the end of the fiscal year for the annuitants and benefit recipients eligible to receive a full or partial postretirement adjustment as determined by clause (1)(b) shall be certified to the state board by the ~~commission-retained~~ actuary actuaries retained by the Minnesota state retirement system, the public employees retirement association, and the teachers retirement association. The total "eligible" required reserves shall be determined by the com-

~~mission-retained~~ ~~actuary~~ on the assumption that all annuitants and benefit recipients eligible to receive a full or partial postretirement adjustment will be alive on the January 1 in question;

(c) If the state board determines that the book value of the assets of the fund is less than an amount equal to the total amount of the current June 30 required reserves, with the book value and required reserves to be determined after the adjustments provided for in subdivision 11, then the state board shall allocate five percent of the excess investment income as an asset of the fund. The excess investment income allocated as an asset of the fund shall not exceed the difference between book value and required reserves. The remaining amount shall be termed available for distribution. The book value of assets on any given date shall be the net assets at cost less the excess investment income determined pursuant to clause (1)(c);

(d) The resulting total amount available for distribution shall be increased by $2\frac{1}{2}$ percent, and the result shall be stated as a percentage of the total amount of the required reserves pursuant to clause (2)(b), and if the percentage is equal to or greater than one percent, the amount shall be certified to each participating public pension fund or plan as the full postretirement adjustment amount. If the percentage is less than one percent, no postretirement adjustment shall be payable in that year and the amount otherwise available for distribution shall be credited to a separate reserve established for this purpose. The reserve shall be invested in the same manner as all other assets of the fund and shall be credited with any investment income as specified in clause (1)(a). Amounts credited to the reserve shall be utilized in determining a postretirement adjustment in the subsequent year. The amount of any full postretirement adjustment certified by the state board as payable to the participating public pension plans or funds shall be carried to five decimal places and stated as a percentage.

(e) A retirement annuity payable in the event of retirement before becoming eligible for social security benefits as provided in section 352.116, subdivision 3; 353.29, subdivision 6; or 354.35 must be treated as the sum of a period certain retirement annuity and a life retirement annuity for the purposes of any postretirement adjustment. The period certain retirement annuity plus the life retirement annuity shall be the annuity amount payable until age 62 or 65, whichever applies. A postretirement adjustment granted on the period certain retirement annuity must terminate when the period certain retirement annuity terminates.

Sec. 6. Minnesota Statutes 1988, section 11A.18, subdivision 11, is amended to read:

Subd. 11. [ADJUSTMENT FOR MORTALITY GAINS AND LOSSES.] Annually as of June 30 ~~annually~~, the ~~commission re-~~

retained actuary actuaries retained by the Minnesota state retirement system, public employees retirement association, and teachers retirement association shall calculate the amount of required reserves representing any mortality gains and any mortality losses incurred by each participating public pension fund or plan during the fiscal year and report the results of those calculations to the applicable participating public pension fund or plan. The actuary shall report separately the amount of the reserves for annuitants and benefit recipients who are eligible for a postretirement benefit adjustment and the amount of reserves for annuitants and benefit recipients who are not eligible for a postretirement benefit adjustment. If the net amount of required reserves represents a mortality gain, the participating public pension fund or plan shall certify that amount to the state board, which shall sell sufficient securities or transfer sufficient available cash to equal the amount of money certified. If the amount of required reserves represents a mortality loss, the participating public pension fund or plan shall transfer to the state board an amount equal to the amount of the net mortality loss. The amount of the transfers shall be determined before any postretirement benefit adjustments have been made. All transfers resulting from mortality adjustments shall be completed annually by December 31 for the preceding June 30. Interest shall be charged or credited on any transfers after December 31 based upon the average short-term rate earned by the postretirement investment fund. Book values of the assets of the fund for the purposes of subdivision 9 shall be determined only after all adjustments for mortality gains and losses for the fiscal year have been made.

Sec. 7. Minnesota Statutes 1989 Supplement, section 136.82, subdivision 2, is amended to read:

Subd. 2. [REDEMPTION OF SHARES AS AN ANNUITY.] A person who has shares to the credit of the employee's share account record, who is 55 years of age or older and who is no longer employed by the state university board or the state board for community colleges or who is totally and permanently disabled pursuant to subdivision 1, paragraph (c), or who has the status of a surviving spouse of a person who has shares to the credit of the employee's share account pursuant to subdivision 1, paragraph (d), may redeem all or part of the shares to purchase an annuity by depositing the cash realized upon redemption with the executive director of the teachers retirement fund and receive in exchange an annuity for life or an optional annuity as hereinafter provided. The election to purchase an annuity may be made only once by any individual. If an election is made before the date on which the person is entitled to request redemption, the redemption shall not be made prior to the date upon which the person would be entitled to make the request. The annuity purchase rates shall be based on the annuity table of mortality adopted by the board of trustees of the teachers retirement fund for the fund as provided in section 354.07, subdivision 1, using the interest assumption specified in section 356.215, subdivision 4d.

The amount of the annuity for life shall be that amount which has a present value equal to the cash realized on the redemption of the shares as of the first day of the month next following the date of the election to purchase an annuity. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares is payable to the designated beneficiary. The optional forms of annuity shall be actuarially equivalent to the single life annuity as defined in section 354.05, subdivision 7. ~~In establishing these optional forms, the board of trustees shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement, and these recommendations shall be a part of the permanent records of the board of trustees.~~

Sec. 8. Minnesota Statutes 1988, section 352.01, subdivision 12, is amended to read:

Subd. 12. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date at a specified age with each actuarial present value based on the appropriate mortality table adopted by the board of directors based on the experience of the fund as recommended by the actuary retained by the legislative commission on pensions and retirement and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 9. Minnesota Statutes 1988, section 352.03, subdivision 6, is amended to read:

Subd. 6. [DUTIES AND POWERS OF EXECUTIVE DIRECTOR.] The management of the system is vested in the director, who is the executive and administrative head of the system. The director shall be advisor to the board on matters pertaining to the system and shall also act as the secretary of the board. The director shall:

- (1) attend meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant director with the approval of the board;

(5) appoint any employees, both permanent and temporary, that are necessary to carry out the provisions of this chapter;

(6) organize the work of the system as the director deems necessary to fulfill the functions of the system, and define the duties of its employees and delegate to them any powers or duties, subject to the control of the director and under conditions the director may prescribe. Appointments to exercise delegated power must be by written order and shall be filed with the secretary of state;

(7) with the advice and consent of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary and fix the compensation for those services. The contracts are not subject to competitive bidding under chapter 16B. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director, and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental Actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Professional management services may not be contracted for more often than once in six years. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3.195, to the executive director of the commission and to the legislative auditor at the time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems are qualified to contract with the director;

(8) with the advice and consent of the board provide in-service training for the employees of the system;

(9) make refunds of accumulated contributions to former state employees and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased state employees or deceased former state employees, as provided in this chapter;

(10) determine the amount of the annuities and disability benefits of employees covered by the system and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;

(11) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the system;

(12) certify funds available for investment to the state board of investment;

(13) with the advice and approval of the board request the state board of investment to sell securities when the director determines that funds are needed for the system;

(14) prepare and submit to the board and the legislature an annual financial report covering the operation of the system, as required by section 356.20;

(15) prepare and submit biennial and quarterly budgets to the board and with the approval of the board submit the budgets to the department of finance; and

(16) with the approval of the board, perform other duties required to administer the retirement and other provisions of this chapter and to do its business.

Sec. 10. Minnesota Statutes 1988, section 352.119, subdivision 2, is amended to read:

Subd. 2. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] (a) The required reserves for retirement annuities or disability benefits under this chapter as determined in accordance with the appropriate mortality table adopted by the board of directors based on experience of the fund as recommended by the ~~commission-retained actuary~~ and using the interest assumption specified in section 356.215, subdivision 4d must be transferred to the Minnesota postretirement investment fund as of the last business day of the month in which the retirement annuity or disability benefit begins.

(b) Annuity and benefit payments must be adjusted in accordance with section 11A.18.

Sec. 11. Minnesota Statutes 1988, section 352.85, subdivision 6, is amended to read:

Subd. 6. [ACTUARIAL VALUATION EXHIBIT.] Each valuation of the system prepared by the ~~commission-retained actuary~~ under section 356.215 shall include an exhibit pertaining to this special retirement program which shall set forth the normal cost of the special program.

Sec. 12. Minnesota Statutes 1988, section 352.86, subdivision 4, is amended to read:

Subd. 4. [ACTUARIAL VALUATION EXHIBIT.] Each valuation of the system prepared by the ~~commission-retained actuary~~ under section 356.215 shall include an exhibit pertaining to this special retirement program which shall set forth the normal cost of the special program.

Sec. 13. Minnesota Statutes 1988, section 352B.02, subdivision 1e, is amended to read:

Subd. 1e. [AUDIT; ACTUARIAL VALUATION.] The legislative auditor shall audit the fund. ~~Any actuarial valuation of the fund required under section 356.215 shall be prepared by the actuary retained by the legislative commission on pensions and retirement.~~ Any approved actuary retained by the executive director under section 352.03, subdivision 6, may perform actuarial valuations required under section 356.215 and experience studies ~~to supplement those performed by the commission-retained actuary.~~ Any ~~supplemental~~ actuarial valuation or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement.

Sec. 14. Minnesota Statutes 1989 Supplement, section 352B.08, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ANNUITY FORMS.] In lieu of the single life annuity provided in subdivision 2, the member or former member with five years or more of service may elect an optional annuity form. The board of the Minnesota state retirement system shall establish a joint and survivor annuity, payable to a designated beneficiary for life, adjusted to the actuarial equivalent value of the single life annuity. The board shall also establish an additional optional annuity with an actuarial equivalent value of the single life annuity in the form of a joint and survivor annuity which provides that the elected annuity be reinstated to the single life annuity provided in subdivision 2, if after commencing the elected joint and survivor annuity, the designated beneficiary dies before the member, which reinstatement is not retroactive but takes effect for the first full month occurring after the death of the designated beneficiary. The board may also establish other actuarial equivalent value optional annuity forms. In establishing actuarial equivalent value optional annuity forms, each optional annuity form shall have the same present value as a regular single life annuity using the mortality table adopted by the board and the interest assumption specified in section 356.215, subdivision 4d; ~~and the board shall obtain the written recommendation of the commission-retained actuary.~~ These recommendations shall be a part of the permanent records of the board.

Sec. 15. Minnesota Statutes 1988, section 352B.26, subdivision 3, is amended to read:

Subd. 3. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] (a) For former members beginning receipt of annuities and qualified recipients of joint and survivor annuities and surviving spouse benefits, the required reserves must be determined in accordance with the appropriate mortality table adopted by the board of directors of the Minnesota state retirement system based on the

experience of the fund as recommended by the commission retained ~~actuary~~ and using the interest assumption specified in section 356.215, subdivision 4d. Assets representing the required reserves for these annuities must be transferred to the Minnesota postretirement investment fund as of the last business day of the month in which the retirement annuity begins as specified in section 11A.18.

(b) Annuity payments must be adjusted in accordance with section 11A.18.

(c) Notwithstanding section 356.18, an increase in annuity payments under this section must be made automatically unless written notice is filed by the annuitant with the executive director of the Minnesota state retirement system requesting that the increase not be made.

Sec. 16. [352C.11] [APPROPRIATION.]

The amounts required to pay benefits authorized by this chapter and to pay any necessary and reasonable administrative expenses are appropriated annually to the director from the general fund.

Sec. 17. Minnesota Statutes 1988, section 353.01, subdivision 14, is amended to read:

Subd. 14. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the ~~actuary retained by the legislative commission on pensions and retirement~~ and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 18. Minnesota Statutes 1988, section 353.03, subdivision 3a, is amended to read:

Subd. 3a. [EXECUTIVE DIRECTOR.] (a) [APPOINTMENT.] The board shall appoint, with the advice and consent of the senate, an executive director on the basis of education, experience in the retirement field, and leadership ability. The executive director shall have had at least five years' experience in an executive level management position, which has included responsibility for pensions, deferred compensation, or employee benefits. The executive director serves at the pleasure of the board. The salary of the executive director is as provided by section 15A.081, subdivision 1.

(b) [DUTIES.] The management of the association is vested in the executive director who shall be the executive and administrative

head of the association. The executive director shall act as adviser to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

- (1) attend all meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out the provisions of this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant director, with the approval of the board, who shall serve in the unclassified service and whose salary is set in accordance with section 43A.18, subdivision 3, appoint a confidential secretary in the unclassified service, and appoint employees to carry out this chapter, who are subject to chapters 43A and 179A in the same manner as are executive branch employees;
- (5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any powers or duties, subject to the control of, and under such conditions as, the executive director may prescribe;
- (6) with the approval of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary to fulfill the purposes of this chapter. All contracts are subject to chapter 16B. The commissioner of administration shall not approve, and the association shall not enter into, any contract to provide lobbying services or legislative advocacy of any kind. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations under section 356.215 and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Copies of professional management survey reports shall be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3.195, to the executive director of the commission and to the legislative auditor at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems shall be qualified to contract with the director hereunder;
- (7) with the approval of the board provide in-service training for the employees of the association;

(8) make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative or next of kin of deceased members or deceased former members, as provided in this chapter;

(9) determine the amount of the annuities and disability benefits of members covered by the association and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;

(10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the association;

(11) prepare and submit to the board and the legislature an annual financial report covering the operation of the association, as required by section 356.20;

(12) prepare and submit biennial and annual budgets to the board for its approval and submit the approved budgets to the department of finance for approval by the commissioner; and

(13) with the approval of the board, perform such other duties as may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business.

Sec. 19. Minnesota Statutes 1988, section 353.271, subdivision 2, is amended to read:

Subd. 2. [VALUATION OF ASSETS; ADJUSTMENT OF BENEFITS.] (1) The required reserves for retirement annuities payable as provided in this chapter other than those payable from the various local relief association consolidation accounts, as determined in accordance with the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained by the legislative commission on pensions and retirement, and using the postretirement interest assumption specified in section 356.215, subdivision 4d, shall be transferred to the Minnesota postretirement investment fund as of the last business day of the month in which the retirement annuity begins.

(2) Annuity payments other than those payable from the various local relief association consolidation accounts shall be adjusted in accordance with the provisions of section 11A.18.

(3) Notwithstanding section 356.18, increases in payments pursuant to this section or from the various local relief association consolidation accounts, if applicable, will be made automatically

unless the intended recipient files written notice with the executive director of the public employees retirement association requesting that the increase shall not be made.

Sec. 20. Minnesota Statutes 1988, section 353.29, subdivision 6, is amended to read:

Subd. 6. [RETIREMENT BEFORE ELIGIBILITY FOR SOCIAL SECURITY BENEFITS.] A member or former member who retires before becoming eligible for social security retirement benefits may elect to receive an optional retirement annuity from the association that provides for different annuity amounts over different periods of retirement. The election of this optional retirement annuity must be exercised by making application to the board of trustees. The optional annuity must take the form of an annuity payable for the period before the annuitant becomes eligible for social security old age retirement benefits in a greater amount than the amount of the annuity calculated under subdivisions 2 and 3 on the basis of the age of the annuitant at retirement. The optional annuity must be the actuarial equivalent of the normal retirement annuity computed on the basis of age at retirement. This greater amount must be paid until the annuitant reaches age 62, at which time the payment from the association must be reduced. The board of trustees shall establish the method of computing the optional retirement annuity under this subdivision. ~~In establishing the method of computing the optional retirement annuity, the board of trustees shall obtain the written approval of the commission-retained actuary. The recommendations must be a part of the permanent records of the board of trustees.~~

Sec. 21. Minnesota Statutes 1989 Supplement, section 353.30, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL RETIREMENT ANNUITY FORMS.] The board of trustees shall establish optional annuities which shall take the form of a joint and survivor annuity. Except as provided in subdivision 3a, the optional annuity forms shall be actuarially equivalent to the forms provided in section 353.29 and subdivisions 1, 1a, 1b, 1c, and 5. ~~In establishing these optional forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of board.~~ A member or former member may select an optional form of annuity in lieu of accepting any other form of annuity which might otherwise be available.

Sec. 22. Minnesota Statutes 1988, section 354.05, subdivision 7, is amended to read:

Subd. 7. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as

of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained by the legislative commission on pensions and retirement and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 23. Minnesota Statutes 1988, section 354.06, subdivision 2a, is amended to read:

Subd. 2a. [DUTIES OF EXECUTIVE DIRECTOR.] The management of the association is vested in the executive director who shall be the executive and administrative head of the association. The executive director shall act as advisor to the board on all matters pertaining to the association and shall also act as the secretary of the board. The executive director shall:

- (1) attend all meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out the provisions of this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant executive director in the unclassified service and two assistant executive directors in the classified service with the approval of the board, and appoint such employees, both permanent and temporary, as are necessary to carry out the provisions of said chapter;
- (5) organize the work of the association as the director deems necessary to fulfill the functions of the association, and define the duties of its employees and delegate to them any powers or duties, subject to the director's control and under such conditions as the director may prescribe;
- (6) with the approval of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as may be necessary and fix the compensation therefor. Such contracts shall not be subject to the competitive bidding procedure prescribed by chapter 16B. Professional management services may not be contracted for more often than once in every six years. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director and may perform actuarial valuations under section 356.215 and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the

legislative commission on pensions and retirement. Copies of professional management survey reports shall be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3.195, to the executive director of the commission and to the legislative auditor at the same time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems shall be qualified to contract with the director hereunder;

(7) with the approval of the board, provide in-service training for the employees of the association;

(8) make refunds of accumulated contributions to former members and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased members or deceased former members, as provided in this chapter;

(9) determine the amount of the annuities and disability benefits of members covered by the association and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;

(10) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the association;

(11) prepare and submit to the board and the legislature an annual financial report covering the operation of the association, as required by section 356.20;

(12) certify funds available for investment to the state board of investment;

(13) with the advice and approval of the board, request the state board of investment to sell securities on determining that funds are needed for the purposes of the association;

(14) prepare and submit biennial and annual budgets to the board and with the approval of the board submit those budgets to the department of finance; and

(15) with the approval of the board, perform such other duties as may be required for the administration of the association and the other provisions of this chapter and for the transaction of its business.

Sec. 24. Minnesota Statutes 1988, section 354.07, subdivision 1, is amended to read:

Subdivision 1. [GENERAL POWERS OF THE BOARD.] The board has the power to frame bylaws for its own government and for the management of the fund not inconsistent with the laws of the state and to modify them at its pleasure; to adopt, alter, and enforce reasonable rules not inconsistent with the laws of the state for the administration and management of the fund, for the payment and collection of payments from members, and for the payment of withdrawals and benefits; to pass upon and allow or disallow applications for membership in the fund and for credit for teaching service; to pass upon and allow or disallow claims for withdrawals, pensions, or benefits payable from the fund; to adopt an appropriate mortality table based on experience of the fund as recommended by the ~~commission-retained actuary~~ and using the applicable post-retirement interest assumption specified in section 356.215, subdivision 4d; to provide for the payment out of the fund of necessary expenses for the administration of the fund and of claims for withdrawals, pensions, or benefits allowed.

Sec. 25. Minnesota Statutes 1989 Supplement, section 354.35, is amended to read:

354.35 [OPTIONAL ACCELERATED RETIREMENT ANNUITY BEFORE AGE 65.]

Any coordinated member who retires before age 65 may elect to receive an optional accelerated retirement annuity from the association which provides for different annuity amounts over different periods of retirement. The election of this optional accelerated retirement annuity shall be exercised by making an application to the board on a form provided by the board. The optional accelerated retirement annuity shall take the form of an annuity payable for the period before the member attains normal retirement age in a greater amount than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement, but the optional accelerated retirement annuity must be the actuarial equivalent of the member's annuity computed on the basis of the member's age at retirement. The greater amount must be paid until the retiree reaches normal retirement age and at that time the payment from the association must be reduced. For each year the retiree is under age 65, up to five percent of the total life annuity required reserves may be used to accelerate the optional retirement annuity under this section. The method of computing the optional accelerated retirement annuity provided in this section shall be established by the board of trustees. In establishing the method of computing the optional accelerated retirement annuity, the board of trustees must obtain the written approval of the ~~commission-retained actuary~~. The written approval must be a part of the permanent records of the board of trustees.

Sec. 26. Minnesota Statutes 1988, section 354.42, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL EMPLOYER CONTRIBUTION.] To amortize the unfunded actuarial accrued liability computed under the entry age actuarial cost method and disclosed under the annual actuarial valuations prepared by the commission-retained actuary under section 356.215, an additional employer contribution shall be made in the amount of 4.48 percent of the salary of each member. This contribution shall be made in the manner provided in section 354.43.

Sec. 27. Minnesota Statutes 1988, section 354A.011, subdivision 3a, is amended to read:

Subd. 3a. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the appropriate board of trustees based on the experience of that retirement fund association as recommended by the actuary retained by the legislative commission on pensions and retirement and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 28. Minnesota Statutes 1988, section 354A.021, subdivision 7, is amended to read:

Subd. 7. [ACTUARIAL CONSULTANT.] The board of trustees or directors of each teachers retirement fund association may contract for the services of an approved actuary and fix the reasonable compensation for those services. Any approved actuary retained by the board shall function as the actuarial advisor to the board and may perform actuarial valuations under section 356.215 and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement.

Sec. 29. Minnesota Statutes 1989 Supplement, section 354A.32, subdivision 1, is amended to read:

Subdivision 1. [OPTIONAL FORMS GENERALLY.] The boards of the Minneapolis and the St. Paul teachers retirement fund associations shall each establish for the coordinated program and the board of the Duluth teachers retirement fund association shall establish for the new law coordinated program an optional retirement annuity which shall take the form of a joint and survivor annuity. Each board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. Except as provided in subdivision 1a, optional annuity forms shall be the actuarial equivalent of the normal forms provided

in section 354A.31. In establishing these optional annuity forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendation shall be a part of the permanent records of the board.

Sec. 30. Minnesota Statutes 1988, section 354A.33, is amended to read:

354A.33 [SOCIAL SECURITY LEVELING ADJUSTMENT OPTION.]

Any coordinated member who retires prior to the time the member becomes eligible for social security old age retirement benefits shall be entitled to elect to receive a social security leveling adjustment optional annuity from the teachers retirement fund association. The social security leveling adjustment optional annuity shall be established by the board of the teachers retirement fund association. It shall take the form of an annuity payable for the period prior to the member's becoming eligible for social security old age retirement benefits in an amount greater than the amount of the member's annuity calculated pursuant to section 354A.31 on the basis of the age of the member at retirement but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amounts payable immediately subsequent to becoming eligible for social security old age retirement benefits in an amount less than the amount of the member's annuity calculated pursuant to section 354A.31 on the basis of the age of the member at retirement. The optional form shall be the actuarial equivalent to the normal forms provided in section 354A.31. In establishing the optional form, the board shall obtain the written recommendation of the commission-retained actuary and the recommendation shall be a part of the permanent records of the board.

Sec. 31. Minnesota Statutes 1988, section 354A.41, subdivision 2, is amended to read:

Subd. 2. [ACTUARIAL VALUATIONS.] In any actuarial valuation of the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, or the Duluth teachers retirement fund association under section 356.215 prepared by the commission-retained actuary or supplemental actuarial valuation prepared by an approved actuary retained by the teachers retirement fund association, there shall be included a finding of the condition of the fund showing separately the basic and coordinated programs or the old law coordinated and new law coordinated programs, as appropriate. The finding shall include the level normal cost and the applicable employee and employer contribution rates for each program.

Sec. 32. Minnesota Statutes 1988, section 356.20, subdivision 3, is amended to read:

Subd. 3. [FILING REQUIREMENT.] The financial report is a public record. A copy of the report or a synopsis of the report containing the information required by this section shall be distributed annually to each member of the fund and to the governing body of each governmental subdivision of the state which makes employers contributions thereto or in whose behalf taxes are levied for the employers' contribution. A signed copy of the report shall be delivered to the executive director of the legislative commission on pensions and retirement and to the legislative reference library not later than six months after the close of each fiscal year or one month following the completion and delivery to the retirement fund of the actuarial valuation report of the fund by the actuary retained by the legislative commission on pensions and retirement fund, if applicable, whichever is later.

Sec. 33. Minnesota Statutes 1988, section 356.20, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF FINANCIAL REPORT.] The financial report required by this section shall include:

(1) An exhibit based on the actuarial valuation prepared by the ~~commission retained actuary~~ according to applicable actuarial requirements enumerated in section 356.215, and specified in standards adopted by the legislative commission on pensions and retirement. The exhibit shall show the accrued assets of the fund, the accrued liabilities, including accrued reserves, and the unfunded actuarial accrued liability of the fund. The exhibit shall contain the certificate of the actuary retained by the ~~legislative commission on pensions and retirement fund~~ specifying that the required reserves for any retirement, disability, or survivor benefits provided under a benefit formula are computed in accordance with the entry age actuarial cost method and any applicable standards adopted by the legislative commission on pensions and retirement.

(a) Assets shown in the exhibit shall include the following items of actual assets:

Cash in office

Deposits in banks

Accounts receivable:

Accrued members' contributions

Accrued employer contributions

Other

Accrued interest on investments

Dividends on stocks, declared but not yet received

Investment in bonds at cost

Investment in stocks at cost

Investment in real estate

Equipment at cost, less depreciation

Other

Total assets

(b) The exhibit shall include a statement of the actuarial value of current assets as specified in section 356.215, subdivision 4, including:

Cash, cash equivalents, and short-term securities

Fixed income investments

Equity investments

Real estate investments

Equity in the Minnesota postretirement investment fund

Other

(c) The exhibit shall include a statement of the unfunded actuarial accrued liability of the fund which shall include the following measures of unfunded actuarial accrued liability, using the actuarial value of current assets as specified in section 356.215, subdivision 1:

(i) unfunded actuarial accrued liability, which shall be determined by subtracting the current assets and the present value of future normal costs from the total current and expected future benefit obligations; and

(ii) current unfunded actuarial liability, which is the total current benefit obligations less the total current assets; and

(iii) current and future unfunded actuarial liability, which is the total current and expected future benefit obligations less the total current and expected future assets.

If the assets of the fund exceed the actuarial liabilities, the excess shall be listed as a surplus and indicated in the exhibit following the itemization of benefit obligations.

(d) The exhibit shall include a footnote showing accumulated member contributions without interest.

(e) Current liabilities shown in the exhibit shall include the following items:

Current:

Accounts payable

Retirement annuity payments

Disability benefit payments

Survivor benefit payments

Refund to members

Accrued expenses

Suspense items

Total current liabilities

(f) The exhibit shall include a schedule which shall be listed as the "current and expected future benefit obligations." The schedule shall contain the following information on the benefit obligations:

1. Current benefit obligations, which shall be the actuarial value of benefit obligations on account of service rendered to date, separately identified as follows

(a) For annuitants

Retirement annuities

Disability benefits

Surviving spouse and child benefits

(b) For former members without vested rights

(c) For deferred annuitants' benefits, including
any augmentation

(d) For active employees

Retirement annuities

Disability benefits

Refund liability due to death or
withdrawal

Survivors' benefits

Total current benefits obligations

2. Expected future benefit obligations, which shall be the actuarial value of benefit obligations on account of future service for active employees

3. Total current and expected future benefit obligations

4. In addition to the foregoing, if there are additional benefits not appropriately covered by the foregoing three items of benefit obligations, they shall be listed separately.

(2) An income statement prepared on an accrual basis showing all income and all deductions from income for the fiscal year. The statement shall show separate items for employee contributions, employer regular contributions, employer additional contributions if provided by law, investment income, profit on the sale of investments, and other income, if any.

(3) A statement of deductions from income, which shall include separate items for the payment of retirement annuities, disability benefits, surviving spouse benefits, surviving children's benefits, refunds to members terminating employment, refunds due to death of members and due to death of annuitants, the increase in total reserves required, general administrative expense incurred, loss on sale of investments, and any other deductions.

(4) A statement showing appropriate statistics concerning the membership and beneficiaries of the fund, with indications of changes in the statistical data which may result from the current year's operation.

(5) Any additional statements or exhibits which will enable the management of the fund to portray a true interpretation of the fund's financial condition, except that the term "surplus" or the term "excess of assets" shall not be used except as otherwise specifically provided for in this section, nor shall any representation of assets and liabilities other than as provided for in this section be included in the additional statements or exhibits.

(6) A more detailed or subdivided itemization of any of the items required by this section, if the management of the fund so desires.

Sec. 34. Minnesota Statutes 1988, section 356.215, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS.] It is the policy of the legislature that it is necessary and appropriate to determine annually the financial status of tax supported retirement and pension plans for public employees. To achieve this goal, the legislative commission on

pensions and retirement governing boards of the retirement systems in section 3.85, subdivision 11, paragraph (b), shall have prepared annual actuarial valuations and periodic biennial experience studies of the public pension and retirement plans enumerated in section 3.85, subdivision 12, clause (b), and the governing that cover five-year periods prepared by the approved actuaries they retain. The approved actuary retained by the legislative commission on pensions and retirement shall audit and verify the valuation and experience study results and perform other duties specified in the contract described in section 3.85, subdivision 11. The governing or managing board or administrative officials of each public pension and retirement fund or plan enumerated in section 356.20, subdivision 2, clauses (9), (10), and (12) shall also have prepared annual actuarial valuations and periodic experience studies of their respective funds as provided in this section. This requirement shall also apply to any fund which may be a successor to any organization enumerated in section 356.20, subdivision 2, or to the governing or managing board or administrative officials of any newly formed retirement fund or association operating under the control or supervision of any public employee group, governmental unit, or institution receiving a portion of its support through legislative appropriations, and any local police or fire fund coming within the provisions of section 356.216.

Sec. 35. Minnesota Statutes 1988, section 356.215, subdivision 3, is amended to read:

Subd. 3. [REPORTS.] The actuarial valuations required annually under subdivision 2 shall be made as of the beginning of each fiscal year by the retirement system actuaries. Two copies of the valuation shall be delivered to the executive director of the legislative commission on pensions and retirement, to the actuary retained by the commission, the commissioner of finance, and to the legislative reference library, not later than the first day of the sixth month occurring after the end of the previous fiscal year. Two copies of any the experience study prepared periodically as provided for in the standards adopted by the commission studies required under subdivision 2 shall also be filed with the executive director of the legislative commission on pensions and retirement, with the actuary retained by the commission, the commissioner of finance, and with the legislative reference library, not later than the first last day of the 11th ninth month occurring after the end of the last fiscal year of the five-year period which the experience study covers. For actuarial valuations and experience studies prepared at the direction of the legislative commission on pensions and retirement, two copies of the document shall be delivered to the governing or managing board or administrative officials of the applicable public pension and retirement fund or plan.

Sec. 36. Minnesota Statutes 1988, section 356.215, subdivision 5, is amended to read:

Subd. 5. [EXPERIENCE STUDY; CONTENTS.] Each experience study required under subdivision 2 shall contain an actuarial analysis of the five-year experience of the fund or association and a comparison of the experience with the actuarial assumptions on which the most recent actuarial valuation of the retirement fund or relief association was based, and shall also contain a statement of the average ages at which service retirements have taken place.

Sec. 37. Minnesota Statutes 1988, section 356.215, subdivision 6, is amended to read:

Subd. 6. [APPROVED ACTUARIES.] Each actuarial valuation or experience study shall be made and any actuarial consulting services for a retirement fund or plan shall be provided by an approved actuary. The actuarial ~~valuation or valuations and experience study studies required under subdivision 2~~ shall include a certification that ~~it has they~~ have been prepared in accordance with the provisions of sections 356.20 to 356.23 and the standards for actuarial work adopted by the legislative commission on pensions and retirement.

Sec. 38. Minnesota Statutes 1988, section 356.215, subdivision 7, is amended to read:

Subd. 7. [ESTABLISHMENT OF ACTUARIAL ASSUMPTIONS.] Actuarial assumptions used for actuarial valuations under this section that are other than those set forth in this section may be changed only with the approval of the legislative commission on pensions and retirement. A change in the applicable actuarial assumptions may be proposed by the governing board of the applicable pension fund or relief association, by the actuary retained by the legislative commission on pensions and retirement, by the actuarial advisor retained by a pension fund governed by chapter 352, 353, 354, or 354A, or by the actuary retained by a local police or firefighters relief association governed by sections 69.77 or 69.771 to 69.776.

Sec. 39. Minnesota Statutes 1988, section 422A.01, subdivision 6, is amended to read:

Subd. 6. [PRESENT VALUE.] "Present worth" or "present value" means that the present amount of money if increased at the applicable postretirement or preretirement interest rate assumption specified in section 356.215, subdivision 4d, and based on the mortality table adopted by the board of trustees based on the experience of the fund as recommended by the actuary retained by the legislative commission on pensions and retirement will at retirement equal the actuarial accrued liability of the annuity already earned.

Sec. 40. Minnesota Statutes 1988, section 422A.04, subdivision 3, is amended to read:

Subd. 3. [EXPERIENCE DATA AND MORTALITY TABLES.] The board shall prepare and keep any needful tables, records, and accounts required for carrying out the provisions of sections 422A.01 to 422A.25, including data showing the mortality and disability experience of the officers and employees of the service and the date of withdrawal from service, and any other information that may serve as a guide for future actuarial valuations and adjustments in the actuarial assumptions for the retirement fund. Mortality tables shall be adopted and may be modified from time to time by the board based on the experience of the fund as recommended by the actuary retained by the legislative commission on pensions and retirement as a basis of calculation for retirement allowances, with any recommendation by the actuary retained as a part of the permanent records of the board.

Sec. 41. Minnesota Statutes 1988, section 422A.06, subdivision 2, is amended to read:

Subd. 2. [ACTUARIAL VALUATION REQUIRED.] As of July 1 of each year, an actuarial valuation of the retirement fund shall be prepared by the ~~commission retained~~ approved actuary retained by the board and filed in conformance with the provisions and requirements of sections 356.215 to 356.23. Experience studies shall be prepared at those times required by statute, required by the standards for actuarial work adopted by the legislative commission on pensions and retirement or ordered by the board.

The board may shall contract for the services of an approved actuary and fix the reasonable compensation for those services. ~~Any~~ The approved actuary retained by the board shall function as the actuarial advisor to the board and may shall perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement.

Sec. 42. Minnesota Statutes 1988, section 422A.06, subdivision 5, is amended to read:

Subd. 5. [TRANSFER OF RESERVES TO RETIREMENT BENEFIT FUND; ADJUSTMENTS OF ANNUITIES AND BENEFITS.] (a) Assets equal to the required reserves for retirement annuities as determined in accordance with the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the ~~commission retained~~ actuary and using the postretirement interest assumption specified in section 356.215, subdivision 4d, shall be transferred to the disability benefit fund as

provided in subdivision 7, or the retirement benefit fund, except for any amounts payable from the survivor benefit fund, as of date of retirement.

(b) Annuity payments shall be adjusted in accordance with this chapter, except that no minimum retirement payments described in this chapter shall include any amounts payable from the survivors' benefit fund or disability benefit fund and supplemented benefits specifically financed by statute.

(c) Notwithstanding the provisions of section 356.18, increases in annuity payments pursuant to this section shall be made automatically unless written notice on a form prescribed by the board is filed with the retirement board requesting that the increase not be made.

(d) Any additional annuity which began to accrue on July 1, 1973, or which began to accrue on January 1, 1974, pursuant to Laws 1973, chapter 770, section 1, shall be considered as part of the base amount to be used in determining any postretirement adjustments payable pursuant to the provisions of subdivision 8.

Sec. 43. Minnesota Statutes 1988, section 422A.06, subdivision 8, is amended to read:

Subd. 8. [RETIREMENT BENEFIT FUND.] The retirement benefit fund shall consist of amounts held for payment of retirement allowances for members retired pursuant to this chapter. Assets equal to the required reserves for retirement allowances pursuant to this chapter determined in accordance with the appropriate mortality table adopted by the board of trustees based on the experience of the fund as recommended by the ~~commission retained~~ actuary shall be transferred from the deposit accumulation fund to the retirement benefit fund as of the last business day of the month in which the retirement allowance begins. The income from investments of these assets shall be allocated to this fund. There shall be paid from this fund the retirement annuities authorized by law. A required reserve calculation for the retirement benefit fund must be made by the actuary retained by the ~~legislative commission on pensions and retirement and must be certified to the retirement board by the commission retained~~ actuary. The retirement benefit fund shall be governed by the applicable laws governing the accounting and audit procedures, investment, actuarial requirements, calculation and payment of postretirement benefit adjustments, discharge of any deficiency in the assets of the fund when compared to the actuarially determined required reserves, and other applicable operations and procedures regarding the Minnesota postretirement investment fund established pursuant to section 11A.18, and any legal or administrative interpretations of those laws of the state board of investment, the legal advisor to the board of investment and the executive director of the state board of investment. If a deferred yield adjustment account is established for the Minnesota postretirement

investment fund under section 11A.18, subdivision 5, the retirement board shall also establish and maintain a deferred yield adjustment account within this fund.

Annually, following the calculation of any postretirement adjustment payable from the retirement benefit fund, the board of trustees shall submit a report to the executive director of the legislative commission on pensions and retirement and to the commissioner of finance indicating the amount of any postretirement adjustment and the underlying calculations on which that postretirement adjustment amount is based, including the amount of dividends, the amount of interest, and the amount of net realized capital gains or losses utilized in the calculations.

Sec. 44. Minnesota Statutes 1988, section 422A.101, as amended by Laws 1989, chapter 329, article 9, section 28, is amended to read:

422A.101 [PREPARATION OF FINANCIAL REQUIREMENTS OF FUND; EMPLOYER CONTRIBUTIONS.]

Subdivision 1. [FINANCIAL REQUIREMENTS OF FUND.] Prior to August 31 annually, the retirement board, ~~in consultation with the commission-retained actuary,~~ shall prepare an itemized statement of the financial requirements of the fund for the succeeding fiscal year. A copy of the statement shall be submitted to the city council, the board of estimate and taxation of the city, the managing board or chief administrative officer of each city owned public utility, improvement project or municipal activity supported in whole or in part by revenues other than real estate taxes, public corporation, or unit of metropolitan government employing members of the fund, the board of special school district No. 1, and the state commissioner of finance prior to September 15 annually. The statement shall be itemized and shall include the following:

(1) an estimate of the administrative expenses of the fund for the following year, which shall be determined by multiplying the figure for administrative expenses as reported in the most recent actuarial valuation prepared by the ~~commission-retained~~ board's actuary by the factor of 1.035;

(2) an estimate of the normal cost of the fund expressed as a dollar amount, which shall be determined by applying the normal cost of the fund as reported in the most recent actuarial valuation prepared by the ~~commission-retained~~ board's actuary and expressed as a percentage of covered payroll ~~to the estimated total covered payroll~~ of all employees covered by the fund for the following year;

(3) an estimate of the contribution required to amortize on a level annual dollar basis the unfunded actuarial accrued liability of the fund by June 30, 2017, using an interest rate of five percent compounded annually as reported in the most recent actuarial

valuation, prepared by the ~~commission-retained~~ board's actuary expressed as a dollar amount. In determining the amount of the unfunded actuarial accrued liability of the fund, all assets other than the assets of the retirement benefit fund shall be valued as current assets as defined under section 356.215, subdivision 1, clause (5), and the assets of the retirement benefit fund shall be valued equal to the actuarially determined required reserves for benefits payable from that fund;

(4) the amount of any deficiency in the actual amount of any employer contribution provided for in this section when compared to the required contribution amount certified for the previous year, plus interest on the amount at the rate of six percent per annum.

Subd. 1a. [CITY CONTRIBUTIONS.] Prior to August 31 of each year, the retirement board shall prepare an itemized statement of the financial requirements of the fund payable by the city for the succeeding fiscal year, and a copy of the statement shall be submitted to the board of estimate and taxation and to the city council by September 15. The financial requirements of the fund payable by the city shall be calculated as follows:

(a) a regular employer contribution of an amount equal to the percentage rounded to the nearest two decimal places of the salaries and wages of all employees covered by the retirement fund which equals the difference between the level normal cost plus administrative cost as reported in the annual actuarial valuation prepared by the ~~commission-retained~~ board's actuary and the employee contributions provided for in section 422A.10 less any amounts contributed toward the payment of the balance of the normal cost not paid by employee contributions by any city owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, or by special school district No. 1 pursuant to subdivision 2;

(b) an additional employer contribution of an amount equal to the percent specified in section 353.27, subdivision 3a, clause (a), multiplied by the salaries and wages of all employees covered by the retirement fund less any amounts contributed toward amortization of the unfunded actuarial accrued liability by June 30, 2017, attributable to their respective covered employees by any city owned public utility, improvement project, other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, or by special school district No. 1 pursuant to subdivision 2; and

(c) a proportional share of an additional employer amortization contribution of an amount equal to \$3,900,000 annually until June 30, 2017, based upon the share of the fund's unfunded actuarial

accrued liability attributed to the city as disclosed in the annual actuarial valuation prepared by the ~~commission-retained~~ board's actuary.

The city council shall, in addition to other taxes levied by the city, annually levy a tax equal to the amount of the financial requirements of the fund which are payable by the city. The tax, when levied, shall be extended upon the county lists and shall be collected and enforced in the same manner as other taxes levied by the city. If the city does not levy a tax sufficient to meet the requirements of this subdivision, the retirement board shall submit the tax levy statement directly to the county auditor, who shall levy the tax. The tax, when levied, shall be extended upon the county lists and shall be collected and paid into the city treasury to the credit of the retirement fund. Any amount to the credit of the retirement fund shall constitute a special fund and shall be used only for the payment of obligations authorized pursuant to this chapter.

Subd. 2. [CONTRIBUTIONS BY OR FOR CITY-OWNED PUBLIC UTILITIES, IMPROVEMENTS, OR MUNICIPAL ACTIVITIES.] Contributions by or for any city-owned public utility, improvement project, and other municipal activities supported in whole or in part by revenues other than real estate taxes, any public corporation, any employing unit of metropolitan government, special school district No. 1, or Hennepin county, on account of any employee covered by the fund, shall be calculated as follows:

(a) a regular employer contribution of an amount equal to the percentage rounded to the nearest two decimal places of the salaries and wages of all employees of the employing unit covered by the retirement fund which equals the difference between the level normal cost plus administrative cost reported in the annual actuarial valuation prepared by the ~~commission-retained~~ board's actuary and the employee contributions provided for in section 422A.10;

(b) an additional employer contribution of an amount equal to the percent specified in section 353.27, subdivision 3a, clause (a), multiplied by the salaries and wages of all employees of the employing unit covered by the retirement fund;

(c) a proportional share of an additional employer amortization contribution of an amount equal to \$3,900,000 annually until June 30, 2017, based upon the share of the fund's unfunded actuarial accrued liability attributed to the employer as disclosed in the annual actuarial valuation prepared by the ~~commission-retained~~ board's actuary.

The city council or any board or commission may, by proper action, provide for the inclusion of the cost of the retirement contributions for employees of any city-owned public utility or for persons employed in any improvement project or other municipal activity

supported in whole or in part by revenues other than taxes who are covered by the retirement fund in the cost of operating the utility, improvement project, or municipal activity. The cost of retirement contributions for these employees shall be determined by the retirement board and the respective governing bodies having jurisdiction over the financing of these operating costs.

The cost of the employer contributions on behalf of employees of special school district No. 1 who are covered by the retirement fund shall be the obligation of the school district. Contributions by the school district to the retirement fund or any other public pension or retirement fund of which its employees are members must be remitted to the fund each month. An amount due and not transmitted begins to accrue interest at the rate of six percent compounded annually 15 days after the date due. The retirement board shall prepare an itemized statement of the financial requirements of the fund payable by the school district, which shall be submitted prior to September 15. Contributions by the school district shall be made at times designated by the retirement board. The school district may levy for its contribution to the retirement fund only to the extent permitted pursuant to section 275.125, subdivision 6a.

The cost of the employer contributions on behalf of elective officers or other employees of Hennepin county who are covered by the retirement fund pursuant to section 422A.09, subdivision 3, clause (2), 422A.22, subdivision 2, or 488A.115, or Laws 1973, chapter 380, section 3, Laws 1975, chapter 402, section 2, or any other applicable law shall be the obligation of Hennepin county. The retirement board shall prepare an itemized statement of the financial requirements of the fund payable by Hennepin county, which shall be submitted prior to September 15. Contributions by Hennepin county shall be made at times designated by the retirement board. Hennepin county may levy for its contribution to the retirement fund.

Subd. 2a. [CONTRIBUTIONS BY METROPOLITAN AIRPORT COMMISSION AND METROPOLITAN WASTE CONTROL COMMISSION.] The metropolitan airport commission and the waste control commission shall pay to the Minneapolis employees retirement fund annually in installments as specified in subdivision 3 the share of the additional support rate required for full amortization of the unfunded actuarial accrued liabilities by June 30, 2017, that is attributable to airport commission or waste control commission employees who are members of the fund. The amount of the payment shall be determined utilizing the most recent actuarial valuation prepared by the actuary retained by the legislative commission on pensions and retirement board.

Subd. 3. [STATE CONTRIBUTIONS.] The state shall pay to the Minneapolis employees retirement fund annually an amount equal to the financial requirements of the Minneapolis employees retirement fund reported in the actuarial valuation of the fund prepared

by the ~~commission retained~~ board's actuary pursuant to section 356.215 for the most recent year but based on a target date for full amortization of the unfunded actuarial accrued liabilities by June 30, 2017, less the amount of employee contributions required pursuant to section 422A.10, and the amount of employer contributions required pursuant to subdivisions 1a, 2, and 2a. Payments shall be made in four equal installments, occurring on March 15, July 15, September 15, and November 15 annually.

Sec. 45. Minnesota Statutes 1988, section 422A.15, subdivision 2, is amended to read:

Subd. 2. [WITHDRAWAL OF VOLUNTARY CONTRIBUTIONS.] Voluntary additions to the employee's deposits made by the employee under section 422A.10 may be withdrawn by the retiring employee or, with the approval of the retirement board, applied to the purchase of an additional annuity computed and determined under a procedure specified by the actuary retained by the ~~legislative commission on pensions and retirement~~ board utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as ~~recommended by the commission-retained actuary~~ and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 46. Minnesota Statutes 1988, section 422A.15, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL DEFINED CONTRIBUTION ANNUITY.] In lieu of the formula pension and annuity, a person who was a contributing member on April 28, 1973, who is eligible to retire and who ceases to be employed and who qualifies for retirement shall have the option of electing to receive a retirement allowance known as "the \$2 bill and annuity."

If a member of the contributing class makes the election provided for in this section, the member shall receive a minimum pension of \$2 per month for each year of service. The pension shall be the actuarial equivalent of the accumulated amounts of the annual installments as may be fixed and designated by law throughout the period of service of the retiring employee, not to exceed 25 years, accumulated to the date of retirement at six percent compound interest, and such extra credit to be provided by the city as will produce the minimum pension of \$2 per month for each year of service. The pension shall be in addition to the annuity. The annuity shall be in the actuarial equivalent of the net accumulated contributions to the credit of the retiring employee, calculated at the date of retirement. For the purposes of this chapter, the "service allowance" for members of the contributing class shall consist of an "annuity" and a "pension."

The pension provided for herein shall be the actuarial equivalent

of the accumulated annual installments of \$2 per month for each year of service. The sum of \$2 shall be computed as a single life annuity and subject to the option selections provided for in section 422A.17. The pension and annuity provided for in this subdivision shall be first paid from the contributing member's own contributions and normal earned credits, plus interest, until those credits are exhausted.

The retirement allowance provided under this subdivision or any optional annuity form of the retirement allowance shall be computed and determined under a procedure specified by the ~~commission-retained~~ ~~actuary~~ utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the ~~actuary retained by the legislative commission~~ on pensions and retirement and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 47. Minnesota Statutes 1988, section 422A.16, subdivision 2, is amended to read:

Subd. 2. [DEFERRED DEFINED CONTRIBUTION ANNUITY.] A person who is a member of the contributing class on April 28, 1973, and who makes the election provided for in this subdivision and in subdivision 1, may, upon attaining the age of 55 years, but before attaining the age of 65 years, or someone acting in the member's behalf, may make application to receive the retirement allowance provided for in section 422A.15, subdivision 3, or an optional retirement allowance in the manner provided for by section 422A.17. The retirement allowance shall be the actuarial equivalent of the city's contribution and the member's deposit, as they were on the date the separation becomes permanent, plus interest, as provided for in section 422A.12.

The retirement allowance provided under this subdivision or any optional annuity form of the retirement allowance shall be computed and determined under a procedure specified by the ~~commission-retained~~ ~~actuary~~ utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the ~~commission-retained~~ ~~actuary~~ and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 48. Minnesota Statutes 1988, section 422A.16, subdivision 3a, is amended to read:

Subd. 3a. [DEATH WHILE DEFERRED SURVIVOR BENEFIT.] If a person who has become permanently separated from the service of the city after 20 or more years of service as a contributing member, has at separation allowed the member's contributions to the fund to remain on deposit, and has filed a written request with

the board on prescribed forms, dies before the effective date of retirement as determined by the board, the board shall pay a monthly allowance for life to the surviving spouse of the employee, in lieu of the city credit referred to in section 422A.23. The monthly allowance provided in this subdivision shall be the actuarial equivalent of a single life service allowance specified in section 422A.15, subdivision 1, which would have been payable to the person on the date of death, notwithstanding the age requirement stated in section 422A.15, subdivision 1. For purposes of this subdivision, the amount of any excess contributions or voluntary additions by the person shall not be included in determining the monthly allowance.

The surviving spouse allowance under this subdivision shall be computed and determined under a procedure specified by the ~~commission-retained~~ actuary utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the ~~commission-retained~~ actuary and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 49. Minnesota Statutes 1988, section 422A.17, is amended to read:

422A.17 [RETIREMENT ALLOWANCE; OPTIONS.]

At retirement, any employee who is eligible to receive a service allowance may elect to receive benefits in a retirement allowance payable throughout life or may on retirement elect to receive the actuarial equivalent at that time of annuity, pension, or retirement allowance in a lesser annuity, or a lesser pension, or a lesser retirement allowance, payable throughout life, with the provisions that:

Option I. If the benefit recipient dies before receiving in payments an amount equal to the present value of the benefit recipient's annuity, pension, or retirement allowance, as of the date of the benefit recipient's retirement, the balance shall be paid to the benefit recipient's legal representatives or to such person, having an insurable interest in the benefit recipient's life, as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option II. Upon the death of the benefit recipient, the benefit recipient's annuity, pension, or retirement allowance shall be continued throughout the life of and paid to the person, having an insurable interest in the benefit recipient's life, as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option III. Upon death of the benefit recipient, one-half of the benefit recipient's annuity, pension, or retirement allowance shall be

continued throughout the life of and paid to the person, having an insurable interest in the benefit recipient's life, as the benefit recipient shall nominate by written designation duly acknowledged and filed with the retirement board as of the date of retirement, or

Option IV. Other optional retirement allowance forms shall be paid to the benefit recipient or other person or persons the benefit recipient nominates, provided that the optional annuity is of equivalent actuarial value to the applicable single life annuity calculated under section 422A.15 and is approved by the retirement board.

Any optional retirement allowance shall be computed and determined under a procedure specified by the ~~commission-retained actuary~~ utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as recommended by the ~~commission-retained actuary~~ and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

~~In adopting optional annuity forms, the board of trustees shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of the board of trustees.~~

Sec. 50. Minnesota Statutes 1988, section 422A.23, subdivision 6, is amended to read:

Subd. 6. [SURVIVOR BENEFIT EMPLOYEE CONTRIBUTION.] The retirement board shall create a reserve account for survivor's benefits from which shall be paid on an actuarial basis all survivor benefits due and payable. At the end of each fiscal year, as part of the annual actuarial valuation of the fund prepared by the ~~commission-retained board's~~ actuary, a determination of the normal cost of the benefits payable from the survivor's benefit account shall be made and the board shall reduce or increase the employee contribution rate of one-fourth of one percent if and when it is determined based on the annual actuarial valuation that the member contribution rate is in excess of or is less than the amount necessary to pay for 50 percent of the calculated normal cost of the survivor benefits provided in this section.

Sec. 51. Minnesota Statutes 1988, section 422A.23, subdivision 7, is amended to read:

Subd. 7. [ACTIVE MEMBER SURVIVOR COVERAGE.] If the contributing member dies after having been in the service of the city 20 or more years, and before the effective date of retirement, as determined by the retirement board, the board shall pay a monthly allowance for life to the designated beneficiary of the employee. The monthly allowance herein provided for shall be the actuarial equivalent of a single life service allowance specified in section 422A.15,

subdivision 1, which would have been payable to the employee on the date of death, notwithstanding the age requirement stated in section 422A.15, subdivision 1. For purposes of this section, the amount of any excess contributions or voluntary additions by the member shall not be included in the calculations in determining the monthly allowance.

The survivor allowance under this subdivision shall be computed and determined under a ~~procedure specified by the commission-retained actuary~~ utilizing the appropriate mortality table established by the board of trustees based on the experience of the fund as ~~recommended by the commission-retained actuary~~ and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 52. Minnesota Statutes 1988, section 490.121, subdivision 20, is amended to read:

Subd. 20. [ACTUARIAL EQUIVALENT.] "Actuarial equivalent" means the condition of one annuity or benefit having an equal actuarial present value as another annuity or benefit, determined as of a given date with each actuarial present value based on the appropriate mortality table adopted by the board of trustees based on the experience of the fund as ~~recommended by the commission-retained actuary~~ and using the applicable preretirement or postretirement interest rate assumption specified in section 356.215, subdivision 4d.

Sec. 53. Minnesota Statutes 1988, section 490.124, subdivision 11, is amended to read:

Subd. 11. [OPTIONAL ANNUITIES.] No survivor or death benefits may be paid in connection with the death of a judge who retires after December 31, 1973, except as otherwise provided in sections 490.121 to 490.132. Within 30 days before retirement, except as provided in subdivision 10, a judge may elect to receive, instead of the normal retirement annuity, an optional retirement annuity in the form of an annuity payable for a period certain and for life after that period, a joint and survivor annuity without reinstatement in the event of the designated beneficiary predeceasing the retired judge, or a joint and survivor annuity with reinstatement in the event of the designated beneficiary predeceasing the retired judge. An optional retirement annuity must be actuarially equivalent to a single life annuity with no term certain and must be established by the board of directors of the Minnesota state retirement system. ~~In establishing these optional retirement annuity forms, the board shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement. The recommendations must be a part of the permanent records of the board.~~

Sec. 54. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 352.116, subdivision 4, is repealed.

Sec. 55. [EFFECTIVE DATE.]

Sections 1 to 54 are effective July 1, 1990."

Delete the title and insert:

"A bill for an act relating to governmental affairs; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; creating fire protection systems account; providing for fees and a surcharge; reallocating powers and duties among actuaries retained by the legislative commission on pensions and retirement and various public pension plans; imposing a penalty; appropriating money; amending Minnesota Statutes 1988, sections 3.85, subdivisions 10 and 11; 3A.11, subdivision 1; 11A.18, subdivision 11; 352.01, subdivision 12; 352.03, subdivision 6; 352.119, subdivision 2; 352.85, subdivision 6; 352.86, subdivision 4; 352B.02, subdivision 1e; 352B.26, subdivision 3; 353.01, subdivision 14; 353.03, subdivision 3a; 353.271, subdivision 2; 353.29, subdivision 6; 354.05, subdivision 7; 354.06, subdivision 2a; 354.07, subdivision 1; 354.42, subdivision 5; 354A.011, subdivision 3a; 354A.021, subdivision 7; 354A.33; 354A.41, subdivision 2; 356.20, subdivisions 3 and 4; 356.215, subdivisions 2, 3, 5, 6, and 7; 422A.01, subdivision 6; 422A.04, subdivision 3; 422A.06, subdivisions 2, 5, and 8; 422A.101, as amended; 422A.15, subdivisions 2 and 3; 422A.16, subdivisions 2 and 3a; 422A.17; 422A.23, subdivisions 6 and 7; 490.121, subdivision 20; 490.124, subdivision 11; Minnesota Statutes 1989 Supplement, sections 11A.18, subdivision 9; 136.82, subdivision 2; 352B.08, subdivision 3; 353.30, subdivision 3; 354.35; 354A.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3A and 352C; proposing coding for new law as Minnesota Statutes, chapter 299M; repealing Minnesota Statutes 1989 Supplement, section 352.116, subdivision 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1884, A bill for an act relating to domestic abuse; authorizing courts to exclude a respondent from the place of employment of a petitioner in an order for protection; clarifying the probable cause arrest provision for violations of orders for protec-

tion; authorizing bonds to ensure compliance with orders for protection; authorizing referrals to prosecuting authorities for violations of orders for protection; improving prosecutorial procedures in domestic abuse cases; requiring the commissioner of public safety to study the feasibility and costs of a statewide computerized database on domestic abuse; amending Minnesota Statutes 1988, sections 518B.01, subdivisions 6, 7, and 14; and 611A.0315, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A.

Reported the same back with the following amendments:

Page 7, delete section 6

Amend the title as follows:

Page 1, line 10, delete everything after the semicolon

Page 1, delete lines 11 and 12

Page 1, line 13, delete "domestic abuse;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1887, A bill for an act relating to health; providing limited prescription privileges for physician assistants; amending Minnesota Statutes 1988, section 151.37, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [147.35] [PHYSICIAN ASSISTANTS; DELEGATED AUTHORITY TO PRESCRIBE AND ADMINISTER DRUGS AND MEDICAL DEVICES.]

Subdivision 1. [DELEGATION OF AUTHORITY TO PRESCRIBE AND ADMINISTER DRUGS AND MEDICAL DEVICES.] (a) A supervising physician may delegate to a physician assistant who is registered with the board of medical examiners and certified by the National Commission on Certification of Physician Assistants and who is under the supervising physician's supervision, the authority

to prescribe and administer legend drugs and medical devices, subject to the requirements in this section and other requirements established by the commissioner of health in rules.

(b) The agreement between the physician assistant and supervising physician and any alternate supervising physicians must include a statement by the supervising physician regarding delegation or nondelegation of the functions of prescribing and administering of legend drugs and medical devices to the physician assistant. The statement must include a protocol indicating categories of drugs for which the supervising physician delegates prescriptive authority. The delegation must be appropriate to the physician assistant's practice and within the scope of the physician assistant's training. The commissioner of health shall identify categories of drugs, if any, for which delegated prescribing is inappropriate. Physician assistants who have been delegated the authority to prescribe and administer legend drugs and medical devices shall provide evidence of current certification by the National Commission on Certification of Physician Assistants when registering or reregistering as physician assistants. Supervising physicians shall retrospectively review, on a daily basis, the prescribing and administering of legend drugs and medical devices by physician assistants, when this authority has been delegated to the physician assistant as part of the delegation agreement between the physician and the physician assistant. During each on-site visit required under Minnesota Rules, the supervising physician shall document by signature and date that the prescriptive practice of the physician assistant has been reviewed.

(c) The commissioner of health shall establish by rule:

(1) a system of identifying physician assistants eligible to prescribe drugs and medical devices;

(2) a method of determining the categories of prescription drugs and medical devices that each physician assistant is allowed to prescribe; and

(3) a system of transmitting to pharmacies a listing of physician assistants eligible to prescribe prescription drugs and medical devices and the types of drugs and medical devices they are allowed to prescribe.

Subd. 2. [AUTHORITY TO ADOPT RULES.] The commissioner of health may adopt or amend rules to implement this section, including the amendment of rules previously adopted under section 214.13. The commissioner may delegate to the board of medical examiners the authority to implement and enforce the rules.

Sec. 2. Minnesota Statutes 1988, section 151.37, is amended by adding a subdivision to read:

Subd. 2a. A supervising physician may delegate to a physician assistant who is registered with the board of medical examiners and certified by the National Commission on Certification of Physician Assistants and who is under the supervising physician's supervision, the authority to prescribe and administer legend drugs and medical devices, subject to the requirements in section 1 and other requirements established by the commissioner of health in rules.

Sec. 3. [PERMANENT REGISTRATION OF PHYSICIAN ASSISTANTS.]

The board of medical examiners shall register those physician assistants who were granted temporary registration under Minnesota Rules, part 5600.2640, subpart 1, but who have been unable to meet the requirements of Minnesota Rules, part 5600.2640, subpart 2, within the designated time due to a change in certification examination eligibility requirements made by the National Commission on Certification of Physician Assistants. These individuals shall be allowed to reregister under Minnesota Rules, part 5600.2645, without having to meet the requirements of Minnesota Rules, part 5600.2640, subpart 2.

Sec. 4. [APPROPRIATIONS.]

\$5,300 is appropriated to the commissioner of health from the special revenue fund for the fiscal year ending June 30, 1991, to administer section 1.

Sec. 5. [EFFECTIVE DATE.]

Section 1, subdivision 1, paragraphs (b) and (c), are effective June 1, 1991. Section 1, subdivision 2, and section 3, are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; delegating authority to prescribe and administer drugs and medical devices; providing limited prescription privileges for physician assistants; appropriating money; amending Minnesota Statutes 1988, section 151.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 147."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1889, A bill for an act relating to health; providing programs and incentives for persons to volunteer as bone marrow donors; requiring the commissioner of health to educate residents about the need for volunteer bone marrow donors; requiring paid leave for employees to donate bone marrow; requiring a bone marrow donor drive to encourage state employees to volunteer as bone marrow donors; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 145 and 181.

Reported the same back with the following amendments:

Page 1, line 20, before the period insert "and the attendant risks of the procedure"

Page 3, line 9, delete "\$" and insert "\$15,000"

Page 3, line 13, delete "\$" and insert "\$15,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1898, A bill for an act relating to traffic regulations; requiring annual inspections of commercial motor vehicles; providing for the certification of persons to conduct annual inspections; requiring daily pretrip inspections; prescribing fees; providing penalties; amending Minnesota Statutes 1988, sections 221.031, subdivision 1, and by adding a subdivision; 221.221, subdivisions 2 and 3; and 221.605, subdivision 1; Minnesota Statutes 1989 Supplement, section 221.031, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the following amendments:

Page 1, line 28, before the period insert "or a bus operated by a public transit authority established under chapter 458A or 473"

Page 2, line 19, delete "or"

Page 2, line 21, before the period insert ", or (iii) is engaged

primarily in the business of repairing and servicing commercial motor vehicles"

Page 10, after line 32, insert:

"Sec. 10. [APPROPRIATION.]

\$263,000 is appropriated from the trunk highway fund to the department of public safety for the purposes of sections 1 to 9."

Page 11, delete line 3 and insert "Section 1, subdivisions 1 and 3 to 9, and sections 2 to 11 are effective July 1, 1990. Section 1, subdivision 2, is effective April 1, 1991."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "penalties;" insert "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1965, A bill for an act relating to health; providing exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; establishing an emergency medical services advisory council; exempting ambulances from vehicle license fees, registration, and excise taxes; regulating the provision of special transportation services; requiring studies; increasing medical assistance rates for ambulance services; providing funding for continuing education and equipment; creating emergency medical services personnel account and dedicating part of certain driver's license fees to the account; establishing task forces for medical directors and advisers; determining daily wage of volunteer first responder or member of law enforcement assistance organization, for purposes of workers' compensation; establishing an incentive plan for ambulance service personnel; setting plan requirements; creating a loan forgiveness program for medical students; providing nursing scholarships; creating a loan forgiveness program for advanced practice nurses; providing funding for summer medical interns; encouraging rural medical school applicants;

requiring a study of medical assistance reimbursement for rural physicians; increasing participation in the rural physicians associates program; creating a rural hospital planning and transition grant program; creating a rural hospital subsidy fund; clarifying requirements for medical assistance coverage of swing beds; requiring a study of rural health professionals; allowing certain entities owning or operating hospitals to provide funds for educational expenses; providing for issuance of special license plates; appropriating money and increasing the complement; amending Minnesota Statutes 1988, sections 144.581, subdivision 1; 171.26; and 176.011, subdivision 9; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.804, subdivisions 1 and 7; 144.809; 144.8091; 168.012, subdivision 1; 168.013, subdivision 1a; 171.06, subdivision 2; 256B.0625, subdivision 2; and 297B.03; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; 147; 148; 168; and 174; proposing coding for new law as Minnesota Statutes, chapter 353E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, 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; and

(5) ambulances owned by ambulance services licensed under section 144.802, the general appearance of which is unmistakable.

(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 and arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the department of corrections shall be registered and shall display appropriate license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these 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. 2. Minnesota Statutes 1989 Supplement, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. [PASSENGER AUTOMOBILES; AMBULANCES; HEARSEs.] (a) On passenger automobiles as defined in section 168.011, subdivision 7, ambulances, and hearses, except as other-

wise provided, the tax shall be \$10 plus an additional tax equal to 1.25 percent of the base value.

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge as reflected on the price listing affixed to the vehicle in conformity with United States Code, title 15, sections 1231 to 1233 (Public Law Number 85-506) or otherwise suggested by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

(c) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

(d) The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$ 0	\$199.99
200	399.99

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

(e) The base value for purposes of this section shall be the middle point between the extremes of its class.

(f) The registrar shall establish the base value, when new, of every passenger automobile, ~~ambulance~~ and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of Extra Session Laws 1971, chapter 31.

(g) Except as provided in paragraph (h), the annual additional tax computed upon the base value as provided herein, during the first and second years of vehicle life shall be computed upon 100 percent of the base value; for the third and fourth years, 90 percent of such value; for the fifth and sixth years, 75 percent of such value; for the seventh year, 60 percent of such value; for the eighth year, 40 percent

of such value; for the ninth year, 30 percent of such value; for the tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

In no event shall the annual additional tax be less than \$25.

(h) The annual additional tax under paragraph (g) on a motor vehicle on which the first annual tax was paid before January 1, 1990, must not exceed the tax that was paid on that vehicle the year before.

Sec. 3. [168.129] [SPECIAL PLATES; NATIONAL EVENTS.]

Subdivision 1. [PLATES ISSUED FOR 14 DAYS.] The registrar shall issue upon request to the sponsor of a special event that is of national significance a distinguishing license plate. The plates will be valid for the duration of the event but in no case for a period longer than 14 days. The plates may be displayed on a passenger vehicle when the use of the vehicle has been donated for the event by the manufacturer.

Subd. 2. [FEE.] The registrar shall collect a fee of \$10 for each pair of plates issued to the sponsor. The minimum quantity to be issued for any event will be 50 pairs.

Subd. 3. [APPLICATION.] The application for special event plates shall include the name of the event, the quantity of plates requested, a certification that insurance as required under section 65B.49, subdivision 3, will be provided, the dates of the event, and the name and address of the sponsor. The application must be filed at least 120 days prior to the event.

Subd. 4. [LIABILITY OF SPONSOR.] The sponsor shall assume liability for all unpaid traffic violations which occurred during the display period.

Sec. 4. [174.315] [APPROPRIATE USES OF SPECIAL TRANSPORTATION.]

Special transportation services shall not provide or offer transportation to persons who might reasonably require basic or advanced life support, as defined in section 144.804, while in the special transportation vehicle. The commissioner of health shall investigate all complaints alleging violations of this section and shall report the results of the investigation to the commissioner of transportation. The minimum penalty for a violation shall be revocation of the certificate issued under section 174.30, subdivision 4a.

Sec. 5. Minnesota Statutes 1988, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire including the following:

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, police officer, firefighter, county highway engineer, and peace officer while engaged in the enforcement of peace or in the pursuit or capture of a person charged with or suspected of crime;

(4) a person requested or commanded to aid an officer in arresting or retaking a person who has escaped from lawful custody, or in executing legal process, in which cases, for purposes of calculating compensation under this chapter, the daily wage of the person shall be the prevailing wage for similar services performed by paid employees;

(5) a county assessor;

(6) an elected or appointed official of the state, or of a county, city, town, school district, or governmental subdivision in the state. An officer of a political subdivision elected or appointed for a regular term of office, or to complete the unexpired portion of a regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(7) an executive officer of a corporation, except those executive officers excluded by section 176.041;

(8) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioners of human services and corrections similar to those of officers and employees of the institutions, and whose services have been accepted or contracted for by the commissioner of human services or corrections as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(9) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision of it. The daily wage of the worker, for the purpose of calculating compensation under this

chapter, shall be the usual wage paid at the time of the injury or death for similar services performed by paid employees;

(10) a voluntary uncompensated worker participating in a program established by a county welfare board. In the event of injury or death of the worker, the wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid in the county at the time of the injury or death for similar services performed by paid employees working a normal day and week;

(11) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089. The daily wage of the worker for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(12) a member of the military forces, as defined in section 190.05, while in state active service, as defined in section 190.05, subdivision 5a. The daily wage of the member for the purpose of calculating compensation under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(13) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138. The daily wage of the worker, for the purposes of calculating compensation under this chapter, shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(14) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota state academy for the deaf or the Minnesota state academy for the blind, and whose services have been accepted or contracted for by the state board of education, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(15) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees;

(16) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of human services for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose;

(17) students enrolled in and regularly attending the medical school of the University of Minnesota in the graduate school program or the postgraduate program. The students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation under this chapter, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits under this chapter;

(18) a faculty member of the University of Minnesota employed for an academic year is also an employee for the period between that academic year and the succeeding academic year if:

(a) the member has a contract or reasonable assurance of a contract from the University of Minnesota for the succeeding academic year; and

(b) the personal injury for which compensation is sought arises out of and in the course of activities related to the faculty member's employment by the University of Minnesota;

(19) a worker who performs volunteer ambulance driver or attendant services is an employee of the political subdivision, nonprofit hospital, nonprofit corporation, or other entity for which the worker performs the services. The daily wage of the worker for the purpose of calculating compensation under this chapter shall be the usual wage paid at the time of injury or death for similar services performed by paid employees;

(20) a voluntary uncompensated worker, accepted by the commissioner of administration, rendering services as a volunteer at the department of administration. In the event of injury or death of the worker, the daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed in institutions by paid employees; and

(21) a voluntary uncompensated worker rendering service directly to the pollution control agency. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees; and

(22) a voluntary uncompensated worker while volunteering services as a first responder or as a member of a law enforcement assistance organization while acting under the supervision and authority of a political subdivision. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees.

If it is difficult to determine the daily wage as provided in this subdivision, the trier of fact may determine the wage upon which the compensation is payable.

Sec. 6. Minnesota Statutes 1988, section 297A.25, is amended by adding a subdivision to read:

Subd. 44. [AMBULANCES.] The lease of a motor vehicle for use as an ambulance by an ambulance service licensed under section 144.802 is exempt.

Sec. 7. Minnesota Statutes 1989 Supplement, 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 1986, as amended through December 31, 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.

(7) Purchase of a motor vehicle for use as an ambulance by an ambulance service licensed under section 144.802.

Sec. 8. [353E.01] [AMBULANCE SERVICE PERSONNEL INCENTIVE PLAN.]

Subdivision 1. [ESTABLISHMENT.] The ambulance service personnel incentive plan is administered by the public employees retirement association under supervision of the association board of directors. To assist it in governing the operations of the plan, the board may appoint an advisory committee of not more than seven members who are representative of ambulance service operators and ambulance service personnel.

Subd. 2. [COVERAGE.] Coverage under the personnel incentive plan is open to ambulance attendants and drivers from participating ambulance services who earn less than \$5,000 a year in hourly stipends or salary from service as an ambulance attendant or driver.

Sec. 9. [353E.02] [ELECTION OF COVERAGE.]

Each public ambulance service or privately operated ambulance service with its base of operation, as defined in section 144.801, subdivision 7, in Minnesota and with eligible personnel may elect to participate in the plan. If a service elects to participate, its eligible personnel may elect to participate or to decline to participate. An individual's initial election must be made within the latter of 30 days of the service's election to participate or 30 days of the date on which the individual was employed by the service or began to provide service for it. The board of trustees of the public employees retirement association shall designate an annual period during which: (1) individuals or ambulance services who initially declined participation may choose to participate; and (2) individuals or ambulance services participating in the retirement plan may choose to end their participation.

Sec. 10. [353E.021] [FUNDING OF PLAN.]

Subdivision 1. [CALCULATION OF CREDIT; 20-YEAR LIMIT.] The plan is funded by general fund appropriations to the public

employees retirement association. Money received by the public employees retirement association shall be remitted to the state board of investment for investment, until allocated and credited to participants. Beginning January 1, 1992, all funds received by the public employees retirement association and investment earnings on the funds, shall be allocated and credited to participants in proportion to the service units credited during the prior year for their years of service as provided in this subdivision and subdivisions 2 and 3.

Participants shall receive credit for two service units for each year of service following January 1, 1992, plus one service unit for each year of service prior to this date. Years of service must be verified by the participant's ambulance service in the report to the public employees retirement association required by section 13. Participant accounts may receive credit for service units for a maximum of 20 years of service.

Subd. 2. [CREDITS FOR FIRST FIVE YEARS.] For the calendar year beginning January 1, 1992, and for each of the next four calendar years, every participant shall receive credit at the end of the calendar year for two service units for that year, plus one-fifth of the total number of service units accumulated according to subdivision 1 for years of service prior to January 1, 1992. The amount of money per service unit that is to be deposited into each participant's account for each year during the period January 1, 1992, to December 31, 1996, is determined by dividing the total appropriation to the public employees retirement association for each fiscal year, plus investment earnings on that amount, by the total number of service units credited to all participants for that calendar year, as calculated according to this subdivision. Money appropriated to the public employees retirement association for fiscal year 1991 shall be allocated and credited with any appropriation received for fiscal year 1992.

Subd. 3. [CREDITS FOR SIXTH AND FOLLOWING YEARS.] For the calendar year beginning January 1, 1997, and for each following calendar year, every participant shall receive credit for two service units at the end of that year. The amount of money per service unit that is to be deposited into each participant's account for each year after December 31, 1996, is determined by dividing the total appropriation to the public employees retirement association for that fiscal year, plus investment earnings on that amount, by the total number of service units credited to all participants for that calendar year, as calculated according to this subdivision.

Subd. 4. [PROHIBITION ON PARTICIPANT AND AMBULANCE SERVICE CONTRIBUTIONS.] Contributions by participants to their accounts, and contributions by ambulance services to their employees' accounts, are prohibited.

Subd. 5. [LIMITATION ON BENEFITS.] Benefits to participants under this plan are limited by and subject to the availability of funding.

Sec. 11. [353E.031] [VESTING.]

(a) Sixty months of service credit, accumulated after January 1, 1992, are required for vesting of retirement benefits. These 60 months must be accumulated within 120 months of the first month of service credit earned after January 1, 1992. No minimum period of service is required for vesting of death benefits, once the retirement plan has taken effect. Upon completion of 60 months of service under the plan with one or more participating ambulance services, a participant terminating active service is entitled to receive the value of the participant's individual account. An application by or on behalf of the participant must be filed before any payment of benefits is made.

(b) Funds credited to a person's account are forfeited at the end of the 120th month after the first month of service credit earned after January 1, 1992, if the person does not have 60 months of service credit at that time. Funds forfeited must be allocated as provided in section 10.

Sec. 12. [353E.05] [INVESTMENT OF FUNDS.]

Subdivision 1. [INVESTMENT.] Money allocated and credited to individual accounts, after the deduction of an amount for administrative expenses, must be remitted to the state board of investment for investment in the Minnesota supplemental investment fund established by section 11A.17. Investment options and procedures are governed by section 353D.05.

Subd. 2. [ADMINISTRATIVE EXPENSES.] The public employees retirement association may deduct a reasonable amount, set annually by the executive director of the association, but not to exceed two percent of the funding of the plan under section 10, to defray the actual and necessary expenses of the association in administering the plan.

Sec. 13. [353E.06] [REPORTING BY AMBULANCE SERVICES.]

The executive director of the public employees retirement association shall prescribe the form of annual and any other reports required from an ambulance service and the election forms required from ambulance service members. Member forms shall contain names, identification numbers, total number of years and dates of accumulated service, and such other data as is required to keep an accurate account of the account value of each participant.

In the event an ambulance service fails to provide required information within 60 days after the public employees retirement association sends the service a notice that the information is overdue, its members forfeit the service units credited and funding allocated for that year. Funds forfeited must be allocated as provided in section 10. Ambulance services that provide fraudulent information shall be suspended from the program for a period of time determined by the executive director and are subject to criminal prosecution.

Sec. 14. [353E.07] [BENEFITS.]

Subdivision 1. [TYPE OF PLAN.] The plan is a defined contribution plan when the benefits are payable upon termination of service, retirement, or death. The amount of benefits is determined by the value of accumulated contributions plus a proportionate share of investment income of the fund credited to each individual account.

Subd. 2. [PAYMENT OF BENEFITS.] Withdrawal of or a retirement benefit based on fund contributions plus accrued investment income is payable immediately upon the death or termination of an active member for a period that exceeds 30 days. An application by or on behalf of the participant must be filed before any payment of benefits may be made.

Subd. 3. [FORM OF BENEFIT.] A retirement benefit is payable in a lump sum equal to the value of a participant's account at the date of retirement and may be rolled over into another qualified plan at the option of the member. As an alternative to a lump sum distribution, the member may choose to have the association use the total account value to purchase an annuity payable at a designated age from an insurance company licensed to do business in the state.

Subd. 4. [DEATH OF A MEMBER.] In the event of the death of an active participant, the total value of the account must be paid in a lump sum to the designated beneficiary or, if none, the estate of the decedent.

Sec. 15. [353E.08] [PORTABILITY.]

Qualified ambulance service personnel who change employment or membership among participating ambulance services remain eligible for service unit credits under the plan.

Sec. 16. [353E.09] [RULES; TAX QUALIFICATION.]

The public employees retirement association may adopt rules required for administration of the plan. The proposed plan shall be formulated and adopted in accordance with applicable restrictions and standards of the Internal Revenue Code and rulings and

regulations of the Internal Revenue Service in order to assure the tax exempt status of the plan as a qualified pension plan. If the public employees retirement association determines that its administration of the plan will jeopardize the tax exempt status of the plan as a qualified pension plan or the tax exempt status of any public pension plan listed in section 356.30, the public employees retirement association may contract with another organization for administration of the plan.

If the executive director of the public employees retirement association determines that the plan must comply with federal ERISA requirements, including any requirements necessary for tax-deferred treatment of contributions and interest earned thereon, participants shall not be credited with service units and the public employees retirement association shall not transfer money into participants' accounts until the director determines that the plan has met ERISA requirements. If the executive director determines that legislative changes are needed to comply with ERISA requirements, the director shall recommend the changes to the legislature at its next regular session.

Sec. 17. [NORTH PINE AREA HOSPITAL DISTRICT.]

Effective retroactive to October 1, 1989, the North Pine Area Hospital District shall not be considered to be a governmental subdivision and employees of the district shall not be considered to be public employees for purposes of membership or participation in the public employees retirement association."

Delete the title and insert:

"A bill for an act relating to health; exempting ambulances from certain fees and excise taxes; allowing special license plates to be issued; regulating the provision of special transportation services; clarifying the definition of employee for workers' compensation; establishing an incentive plan for ambulance service personnel; setting plan requirements; excluding the North Pine Area Hospital District from membership or participation in the public employees retirement association; amending Minnesota Statutes 1988, sections 176.011, subdivision 9; and 297A.25, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 168.012, subdivision 1; 168.013, subdivision 1a; and 297B.03; proposing coding for new law in Minnesota Statutes, chapters 168; and 174; proposing coding for new law as Minnesota Statutes, chapter 353E."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2060, A bill for an act relating to agriculture; providing for mediation and arbitration of certain contract disputes; providing for recapture of capital investments required by certain agricultural contracts; clarifying responsibility of parent companies for affiliates; requiring good faith; prohibiting unfair practices; creating an ombudsman and a task force; extending the availability of an appropriation for a crop management specialist in forage and turf species; appropriating money; amending Laws 1989, chapter 350, article 20, section 25; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Page 3, line 23, delete "double damages," and after "costs" delete the comma

Page 6, line 5, delete "[APPROPRIATION.]" and insert "[COMPLEMENT.]"

Page 6, delete lines 6 and 7

Page 6, line 8, delete everything before "The"

Amend the title as follows:

Page 1, lines 10 and 11, delete "appropriating money,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2061, A bill for an act relating to agriculture; changing the definition of farm products; changing provisions related to wholesale produce dealers; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 17.14, subdivision 3; 27.01, subdivisions 2, 3, 5, 8, and by adding a subdivision; 27.03, subdivision 1, and by adding a subdivision; 27.04; 27.041; 27.05; 27.06; and 27.19; proposing coding for new law in Minnesota Statutes, chapter 27.

Reported the same back with the following amendments:

Page 7, delete lines 30 to 33 and insert "be deposited with the state treasurer and credited to the fruit and vegetable inspection account. The money in the fruit and vegetable inspection account is appropriated to the commissioner to be used to defray"

Page 13, delete lines 25 to 33 and insert:

"Subd. 4. [SEIZURE OF VEHICLES.] If a person doing business in this state does not have a business location in this state and is not licensed as required by this chapter, the commissioner may seize the person's vehicles or the vehicles of the person's agents or contractors pursuant to this subdivision.

The commissioner must hold the seized vehicle, subject to the order of the Ramsey county district court or other district courts. The property held is confiscated when the commissioner complies with this subdivision and the person from whom it was seized is convicted of not having a license or of violating any other provisions of this chapter.

The commissioner shall file with the court a separate complaint against the vehicle held. The complaint must identify the vehicle, describe its use in the violation, and specify the time and place of the violation. A copy of the complaint must be served upon the defendant or the owner of the vehicle.

At any time after seizure of a vehicle, it must be returned to the owner or person having the legal right to possession upon execution of a valid bond to the state with a corporate surety. The bond must be approved by the court conditioned to abide by an order and judgment of the court and to pay not more than twice the value of the vehicle seized.

If the person arrested is acquitted, the court shall dismiss the complaint against the vehicle and order it returned to the person legally entitled to it.

Upon conviction of the person, the court shall issue an order directed to any person that may have any right, title, or interest in, or lien upon, the seized vehicle. The order must describe the vehicle and state that it was seized and that a complaint against it has been filed. The order shall require a person claiming right, title, or interest in, or lien upon, the vehicle to file with the court administrator an answer to the complaint, stating the claim, within ten days after the service of the order. The order shall contain a notice that if the person fails to file an answer within the time limit, the vehicle may be ordered sold by the commissioner.

The court order must be served upon any person known or believed to have any right, title, interest, or lien in the same manner as provided for service of a summons in a civil action, and upon unknown persons by publication, in the same manner as provided for publication of a summons in a civil action.

If an answer is not filed within the time provided in this subdivision, the court administrator shall notify the court and the court shall order the commissioner to sell the vehicle. The net proceeds of the sale shall be deposited in the state treasury.

If an answer is filed within the time provided in this subdivision, the court shall schedule a hearing within ten to 30 days after the time expired for filing the answer. The court, without a jury, shall determine whether the vehicle was used in a violation specified in the complaint and whether the owner had knowledge or reason to believe that the vehicle was being used, or intended to be used, in the violation. The court shall order the commissioner to sell the vehicle that was unlawfully used with knowledge of the owner and to return to the owner a vehicle that was not unlawfully used with the knowledge of the owner. If the vehicle is to be sold, the court shall determine the priority of liens against the vehicle and whether the lienholders had knowledge that the vehicle was being used or was intended to be used. Lienholders that had knowledge of the vehicle use in the violation are not to be paid. The court order must state the priority of the liens to be paid.

After determining the expense of seizing, keeping, and selling the vehicle, the commissioner must pay the liens from the proceeds according to the court order. The remaining proceeds shall be deposited in the state treasury.

A sale under this subdivision cancels all liens on and security interests in the vehicle sold."

Page 13, line 34, delete "DOUBLE"

Page 14, line 6, delete everything before "court"

Page 14, line 7, after "fees" insert "may be recovered"

Page 14, after line 7, insert:

"Sec. 16. [APPROPRIATION.]

The commissioner of finance shall reduce the appropriation from the general fund for fiscal year 1991 for wholesale produce dealers by \$62,000. The general fund complement of the department of agriculture is reduced by one position."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2198, A bill for an act relating to the environment; providing assistance to eligible recipients on methods to prevent toxic pollution; providing financial assistance to research and demonstrate alternative means to prevent toxic pollution; requiring facilities to develop plans to prevent toxic pollution; providing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 115D.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"MINNESOTA TOXIC POLLUTION PREVENTION ACT"

Section 1. [115D.01] [CITATION.]

Sections 1 to 11 may be cited as the "Minnesota toxic pollution prevention act."

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

(a) To protect the public health, welfare, and the environment, the legislature declares that it is the policy of the state to encourage toxic pollution prevention. The preferred means of preventing toxic pollution are techniques and processes that are implemented at the source and that minimize the transfer of toxic pollutants from one environmental medium to another.

(b) The legislature intends that the programs developed under this act shall encourage and lead to a greater awareness of the need for and benefits of toxic pollution prevention, and to a greater degree of cooperation and coordination among all elements of government, industry, and the public in encouraging and carrying out pollution prevention activities.

Sec. 3. [115D.03] [DEFINITIONS.]

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

Subd. 2. [COMMISSION.] "Commission" means the emergency response commission under section 299K.03.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of the pollution control agency.

Subd. 4. [DIRECTOR.] "Director" means the director of the office of waste management.

Subd. 5. [ELIGIBLE RECIPIENTS.] "Eligible recipients" means persons who use, generate, or release toxic pollutants, hazardous substances, and hazardous wastes.

Subd. 6. [FACILITY.] "Facility" means all buildings, equipment, structures, and other stationary items that are located on a single site or on contiguous or adjacent sites and that are owned or operated by the same person, or by any person who controls, is controlled by, or is under common control with such person.

Subd. 7. [PERSON.] "Person" has the meaning given it in section 115B.02, subdivision 12.

Subd. 8. [POLLUTION PREVENTION OR PREVENT POLLUTION.] "Pollution prevention" or "prevent pollution" means eliminating or reducing at the source the use, generation, or release of toxic pollutants, hazardous substances, and hazardous wastes.

Subd. 9. [REDUCE, REDUCING, OR REDUCTION.] "Reduce," "reducing," or "reduction" means lessening the quantity or toxicity of toxic pollutants, hazardous substances, and hazardous wastes used, generated, or released at the source. Methods of reducing pollution include, but are not limited to, process modification, inventory control measures, feedstock substitutions, various house-keeping and management practices, and improved efficiency of machinery. Decreases in quantity or toxicity are not reductions where the decrease is solely the result of a decrease in the output of the facility.

Subd. 10. [RELEASE.] "Release" has the meaning given it in section 115B.02, subdivision 15.

Subd. 11. [TOXIC POLLUTANT.] "Toxic pollutant" means a chemical identified in United States Code, title 42, section 11023(c).

Sec. 4. [115D.04] [POLLUTION PREVENTION ASSISTANCE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The director shall establish a pollution prevention assistance program to assist eligible recipients in preventing pollution. The program must emphasize techniques

and processes that minimize the transfer of pollutants from one environmental medium to another and must focus primarily on toxic pollutants.

Subd. 2. [ASSISTANCE.] The pollution prevention assistance program must include at least the following:

(1) a program to assemble, catalog, and disseminate information on pollution prevention;

(2) a program to provide technical research and assistance, including on-site consultations to identify alternative methods that may be applied to prevent pollution and to provide assistance for planning under section 7, excluding design engineering services; and

(3) outreach programs including seminars, workshops, training programs, and other similar activities designed to provide pollution prevention information and assistance to eligible recipients.

Subd. 3. [ADMINISTRATION.] The pollution prevention assistance program must be coordinated with other public and private programs that provide management and technical assistance to eligible recipients. The director may make grants to public or private entities to operate elements of the program. Grantees shall provide periodic reports on their efforts to assist eligible recipients to reduce pollution.

Sec. 5. [115D.05] [POLLUTION PREVENTION GRANTS.]

Subdivision 1. [PURPOSE.] The director may make grants to study or demonstrate the feasibility of applying specific technologies and methods to prevent pollution.

Subd. 2. [ELIGIBILITY.] (a) Eligible recipients may receive grants under this section.

(b) Grants may be awarded up to a maximum of two-thirds of the total cost of the project. Grant money awarded under this section may not be spent for capital improvements or equipment.

Subd. 3. [PROCEDURE FOR AWARDED GRANTS.] (a) In determining whether to award a grant, the director shall consider at least the following:

(1) the potential of the project to prevent pollution;

(2) the likelihood that the project will develop techniques or processes that will minimize the transfer of pollution from one environmental medium to another;

(3) the extent to which information to be developed through the project will be applicable to other persons in the state;

(4) the willingness of the grant applicant to implement feasible methods and technologies developed under the grant;

(5) the willingness of the grant applicant to assist the director in disseminating information about the pollution prevention methods to be developed through the project; and

(6) the extent to which the project will conform to the pollution prevention policy established in section 2.

(b) The director shall adopt rules to administer the grant program. Prior to completion of any new rulemaking, the director may administer the program under the procedures established in rules promulgated under section 115A.154.

Sec. 6. [115D.06] [GOVERNOR'S AWARD FOR EXCELLENCE IN POLLUTION PREVENTION.]

The governor may issue annual awards in the form of a commendation for excellence in pollution prevention. Applications for these awards shall be administered by the director.

Sec. 7. [115D.07] [TOXIC POLLUTION PREVENTION PLANS.]

Subdivision 1. [REQUIREMENT TO PREPARE AND MAINTAIN A PLAN.] (a) Persons who operate a facility required by United States Code, title 42, section 11023, to submit a toxic chemical release form shall prepare a toxic pollution prevention plan for that facility. The plan must contain the information listed in subdivision 2.

(b) Except for facilities that release less than a total of 10,000 pounds of toxic pollutants annually, the plan must be completed as follows:

(1) on or before July 1, 1991, for facilities having a two-digit standard industrial classification of 35 to 39;

(2) by January 1, 1992, for facilities having a two-digit standard industrial classification of 28 to 34; and

(3) by July 1, 1992, for all other persons required to prepare a plan under this subdivision.

Facilities that release less than a total of 10,000 pounds of toxic pollutants annually must complete their plans by July 1, 1992.

(c) Each plan must be updated every two years and must be maintained at the facility to which it pertains.

Subd. 2. [CONTENTS OF PLAN.] Each toxic pollution prevention plan must establish a program identifying the specific technically and economically practicable steps that could be taken during at least the three years following the date the plan is due, to eliminate or reduce the generation or release of toxic pollutants reported by the facility. Toxic pollutants resulting solely from research and development activities need not be included in the plan. At a minimum, each plan must include:

(1) a policy statement articulating upper management support for eliminating or reducing the generation or release of toxic pollutants at the facility;

(2) a description of the current processes generating or releasing toxic pollutants that specifically describes the types, sources, and quantities of toxic pollutants currently being generated or released by the facility;

(3) a description of the current and past practices used to eliminate or reduce the generation or release of toxic pollutants at the facility and an evaluation of the effectiveness of these practices;

(4) an assessment of technically and economically practicable options available to eliminate or reduce the generation or release of toxic pollutants at the facility, including options such as changing the raw materials, operating techniques, equipment and technology, personnel training, and other practices used at the facility. The assessment may include a cost benefit analysis of the available options;

(5) a statement of objectives based on the assessment in clause (4) and a schedule for achieving those objectives. Wherever technically and economically practicable, the objectives for eliminating or reducing the generation or release of each toxic pollutant at the facility must be expressed in numeric terms. Otherwise, the objectives must include a clearly stated list of actions designed to lead to the establishment of numeric objectives as soon as practicable;

(6) an explanation of the rationale for each objective established for the facility;

(7) a listing of options that were considered not to be economically and technically practicable; and

(8) a certification, signed and dated by the facility manager and an officer of the company under penalty of section 609.63, attesting to the accuracy of the information in the plan.

Sec. 8. [115D.08] [PROGRESS REPORTS.]

Subdivision 1. [REQUIREMENT TO SUBMIT PROGRESS REPORT.] All persons required to prepare a toxic pollution prevention plan under section 7 shall submit an annual progress report to the commissioner that may be drafted in a manner that does not disclose proprietary information. Progress reports are due on October 1 of each year. The first progress reports are due in 1992. At a minimum, each progress report must include:

(1) a summary of each objective established in the plan including the schedule for meeting the objective;

(2) a summary of progress made during the past year, if any, toward meeting each objective established in the plan including the quantity of each toxic pollutant eliminated or reduced;

(3) a statement of the methods through which elimination or reduction has been achieved;

(4) if necessary, an explanation of the reasons objectives were not achieved during the previous year, including identification of any technological, economic, or other impediments the facility faced in its efforts to achieve its objectives; and

(5) a certification, signed and dated by the facility manager and an officer of the company under penalty of section 609.63, attesting that a plan meeting the requirements of section 7 has been prepared and also attesting to the accuracy of the information in the progress report.

Subd. 2. [REVIEW OF PROGRESS REPORTS.] (a) The commissioner shall review all progress reports to determine if they meet the requirements of subdivision 1. If the commissioner determines that a progress report does not meet the requirements, the commissioner shall notify the facility in writing and shall identify specific deficiencies and specify a reasonable time period of not less than 90 days for the facility to modify the progress report.

(b) The commissioner shall be given access to a facility plan required under section 7 if the commissioner determines that the progress report for that facility does not meet the requirements of subdivision 1. Twenty-five or more persons living within ten miles of the facility may submit a petition to the commissioner that identifies specific deficiencies in the progress report and requests the commissioner to review the facility plan. Within 30 days after receipt of the petition, the commissioner shall respond in writing. If the commissioner agrees that the progress report does not meet requirements of subdivision 1, the commissioner shall be given access to the facility plan.

(c) After reviewing the plan and the progress report with any modifications submitted, the commissioner shall state in writing whether the progress report meets the requirements of subdivision 1. If the commissioner determines that a modified progress report still does not meet the requirements of subdivision 1, the commissioner shall schedule a public meeting. The meeting shall be held in the county where the facility is located. The meeting is not subject to the requirements of chapter 14.

(d) The facility shall be given the opportunity to amend the progress report within a period of not less than 30 days after the public meeting.

(e) If the commissioner determines that a modified progress report still does not meet the requirements of subdivision 1, action may be taken under section 115.071 to obtain compliance with sections 1 to 11.

Sec. 9. [115D.09] [CONFIDENTIALITY.]

Information and techniques developed under section 4, the reduction information and techniques under section 5, and the progress reports required under section 8 are public data under chapter 13. The plans required under section 7 are nonpublic data under chapter 13.

Sec. 10. [115D.10] [TOXIC POLLUTION PREVENTION EVALUATION REPORT.]

The director, in cooperation with the commissioner and committees of the legislature annually on progress being made in achieving the objectives of sections 1 to 11. The report must be submitted by December 15 of each year, beginning in 1992.

Sec. 11. [115D.12] [POLLUTION PREVENTION ACCOUNT.]

Subdivision 1. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the environmental fund:

(1) the proceeds of the fees imposed by subdivision 2;

(2) interest attributable to investment of money generated by the fees in subdivision 2; and

(3) money received by the director in the form of gifts, grants other than federal grants, and reimbursements.

Subd. 2. [FEES.] The following pollution prevention fees are established:

(a) Persons required by United States Code, title 42, section 11023, to submit a toxic chemical release form to the commission shall pay a pollution prevention fee of \$150 for each toxic pollutant reported released and a fee based on the total pounds of toxic pollutants reported released per facility. Facilities reporting less than 25,000 pounds annually of toxic pollutants released per facility shall be assessed a fee of \$500. Facilities reporting annual releases of toxic pollutants in excess of 25,000 pounds shall be assessed a graduated fee at the rate of two cents per pound of toxic pollutants reported, not to exceed a total of \$30,000 per facility.

(b) Persons who generate more than 1,000 kilograms of hazardous waste per month but who are not subject to the fee under paragraph (a) must pay a pollution prevention fee of \$500 per facility. Hazardous waste as used in this paragraph has the meaning given it in section 116.06, subdivision 13, and Minnesota Rules, chapter 7045.

(c) Fees required under this subdivision must be paid to the director by January 1 of each year.

Sec. 12. [REPORTS TO THE LEGISLATURE.]

Subdivision 1. [REPORT ON BARRIERS TO POLLUTION PREVENTION.] By January 1, 1991, the director shall prepare and submit a report to the environment and natural resources committees of the legislature analyzing the barriers to pollution prevention. At a minimum, the director shall report on regulatory, economic, educational, and institutional barriers and shall recommend strategies to overcome these barriers. Further, the report shall describe ways in which government may serve as a role model in pollution prevention.

Subd. 2. [REPORT ON TOXIC POLLUTANTS USE REPORTING.] By January 1, 1993, the director shall prepare and submit a report to the environment and natural resources committees of the legislature evaluating the utility of requiring companies to prepare toxic pollutant use reports and reduction plans. The report shall discuss, among other information, the potential uses of the data and the potential impact of such requirements on pollution prevention efforts. The report also shall discuss the need for a chemical accident prevention program to promote safety initiatives by industry. The report shall contain a recommendation as to whether to require toxic pollutant use reports and reduction plans.

Sec. 13. [APPROPRIATIONS.]

Subdivision 1. [OFFICE OF WASTE MANAGEMENT.] \$847,000 is appropriated as follows to the office of waste management for fiscal year 1991:

- (a) For pollution prevention assistance
eligible recipients \$560,000;
- (b) For pollution prevention grants 150,000; and
- (c) For reports to the legislature and
administration of sections 1 to 11 137,000.

The approved complement of the office is increased by three positions.

Subd. 2. [POLLUTION CONTROL AGENCY.] \$45,000 is appropriated from the environmental fund to the pollution control agency for fiscal year 1991, for the purposes specified in sections 1 to 11. The approved complement of the agency is increased by one position.

Subd. 3. [DEPARTMENT OF PUBLIC SAFETY.] \$48,000 is appropriated to the department of public safety from the environmental fund for fiscal year 1991, to assure timely and accurate submittal of the toxic chemical release forms. The approved complement of the department of public safety is increased by one position.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 12 are effective the day after final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2238, A bill for an act relating to drivers' licenses; defining gross vehicle weight and commercial motor vehicle; requiring driver of smaller school bus to have a commercial driver's license with a school bus endorsement; providing for operation of vehicles by holder of class C driver's license; providing for effective date of requirement for commercial driver's license; setting fees; appropriating money; amending Minnesota Statutes 1988, sections 169.01, subdivision 46; 171.01, subdivision 16; and 171.321, subdivision 1; Minnesota Statutes 1989 Supplement, sections 169.01, subdivision 75; 171.01, subdivision 22; 171.02, subdivision 2; and 171.06, subdivision 2; Laws 1989, chapter 307, sections 43 and 44.

Reported the same back with the following amendments:

Page 4, after line 15, insert:

"Sec. 6. Minnesota Statutes 1988, section 171.05, subdivision 1, is amended to read:

Subdivision 1. Any person who is 18 or more years of age and who, except for a lack of instruction in operating a motor vehicle, would otherwise be qualified to obtain a Class C driver's license under this chapter, may apply for an instruction permit and the department shall issue such permit entitling the applicant, while having such permit in immediate possession, to drive a motor vehicle for which a Class C license is valid upon the highways for a period of one year, but such person must be accompanied by an adult licensed driver who is actually occupying a seat beside the driver. Any license of a lower class may be used as an instruction permit for a higher class for a period of six months after passage of the written test or tests required for the higher class and when the licensee is accompanied by and receiving instruction from a holder of the appropriate higher class license. A copy of the record of examination taken for the higher class license must be carried by the driver while using such lower class license as an instruction permit.

Sec. 7. Minnesota Statutes 1988, section 171.05, subdivision 2, is amended to read:

Subd. 2. Notwithstanding any provision in subdivision 1 to the contrary, the department, upon application therefor, may issue an instruction permit to an applicant who is 15, 16, or 17 years of age and who is enrolled in an approved driver education program including behind the wheel training. Such an instruction permit holder who has the permit in possession may operate a motor vehicle while receiving behind the wheel training in an approved driver education program, but only when accompanied by an authorized instructor who occupies the seat beside the permit holder, ~~or~~. During and upon completion of the course, a 16 or 17 year old may operate a motor vehicle while accompanied by an adult licensed driver who is actually occupying a seat beside the driver. During and upon completion of the course, a 15 year old may operate a motor vehicle while accompanied by a licensed parent or guardian or licensed adult driver authorized by the parent or guardian who also must occupy the seat beside the instruction permit holder."

Page 5, delete section 8

Page 7, lines 5, 15, 19, and 23, delete "9" and insert "10"

Page 7, line 26, delete "Sec. 11." and insert "Sec. 12."

Page 7, line 29, delete "10" and insert "11"

Page 7, line 31, delete "11" and insert "12"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "license" insert "or instruction permit"

Page 1, line 11, after the first semicolon insert "171.05, subdivisions 1 and 2;"

Page 1, line 15, delete "sections 43 and" and insert "section"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2323, A bill for an act relating to public employment; expanding coverage of the public employees insurance plan; establishing classes of premiums; amending Minnesota Statutes 1988, section 43A.316, subdivision 8.

Reported the same back with the following amendments:

Page 1, line 21, before "disability" insert "public pension"

Page 2, line 1, before the period insert "except that a former employee who is over age 65 and is not eligible for Medicare coverage is not eligible to participate in the plan"

Page 2, line 7, delete "must" and insert "shall"

Page 2, line 10, after "participants" insert "under this paragraph" and after the semicolon insert "and"

Page 2, line 11, after "participants" insert "under this paragraph" and delete "eligible" and insert "receiving"

Page 2, line 12, delete "for" and delete "; and"

Page 2, delete line 13

Page 2, line 14, delete everything before the period

Page 2, line 16, before the period insert "only when there is a break in coverage between a participant's coverage under a group insurance plan as an employee and the participant's coverage under this section"

Page 2, line 19, strike "employer" and insert "commissioner"

Page 2, line 35, strike everything after "the" and insert "commissioner"

Page 3, after line 3, insert:

"(f) A participant who discontinues coverage may not re-enroll."

Page 3, after line 6, insert:

"Sec. 2. [356.85] [HEALTH INSURANCE WITHHOLDING.]

The director of a public pension fund listed in section 356.20, subdivision 2, shall, upon authorization of a person entitled to receive benefits, withhold premium amounts from the pension benefits and pay the amounts to the public employees insurance plan.

Sec. 3. [NEWLY ELIGIBLE EMPLOYEES; NOTICE.]

A former employee who first becomes eligible to participate in the public employees insurance plan as a result of section 1, must notify the commissioner within 60 days of the effective date of section 1 of intent to participate in the plan. The commissioner, in cooperation with appropriate public pension plans, shall, at least 30 days before the effective date of section 1, notify all persons who become eligible to participate in the plan as a result of section 1 of their option to participate.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1992."

Amend the title as follows:

Page 1, line 5, before the period insert " ; proposing coding for new law in Minnesota Statutes, chapter 356"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2420, A bill for an act relating to traffic safety; providing for administrative impoundment of license plates of vehicles owned by repeat violators of laws relating to driving while intoxicated; providing for issuance of special plates to certain registered owners and certain members of the violator's household; requiring peace officers to serve a notice of intent to impound when serving a notice of intent to revoke the violator's driver's license; providing for administrative and judicial review of impoundment orders; expanding the crime of refusing to submit to an implied consent test; expanding the crime of aggravated driving while intoxicated; reclassifying the crime of "criminal vehicular operation resulting in death" as "criminal vehicular homicide"; expanding the crime of criminal vehicular operation to include repeat DWI violators who negligently cause injury or death while having an alcohol concentration of 0.07 or more; removing requirement that negligence be proven for conviction of criminal vehicular operation if driver's alcohol concentration was 0.10 or more; imposing penalties for criminal vehicular operation resulting in substantial bodily harm; prohibiting constructive possession of alcohol in a private motor vehicle; expanding the definition of possession; prohibiting operation of an aircraft while operator is under the influence of alcohol or a controlled substance; providing for testing for alcohol or controlled substance in aircraft operator and requiring testing under certain conditions; implying consent of aircraft operator to test for alcohol or controlled substance; regulating testing; providing for hearing and appeal; providing penalties; amending Minnesota Statutes 1988, sections 168.041, subdivisions 3, 8, and 10; 169.121, by adding a subdivision; 169.122, subdivision 2; 169.129; and 360.075, subdivisions 1 and 6; Minnesota Statutes 1989 Supplement, sections 168.041, subdivision 4; 169.121, subdivisions 1a and 3; 169.123, subdivision 5c; and 609.21; proposing coding for new law in Minnesota Statutes, chapters 168 and 360; repealing Minnesota Statutes 1988, sections 168.041, subdivisions 3a and 4a; 360.075, subdivision 7; and 360.0751.

Reported the same back with the following amendments:

Page 9, after line 34, insert:

"Sec. 7. [APPROPRIATION.]

\$78,000 is appropriated to the commissioner of public safety for the purposes of this article as follows: \$56,000 from the highway user tax distribution fund, \$12,000 from the trunk highway fund, and \$10,000 from the general fund.

The highway user tax distribution fund-approved complement of the department of public safety is increased by one position.

Page 10, line 3, delete "7" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 34, after the second semicolon insert "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2812, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 188, A bill for an act relating to commerce; requiring mortgage lenders and mortgage brokers to obtain a license from the commissioner of commerce; requiring certain disclosures by mortgage lenders and mortgage brokers; prohibiting certain practices by mortgage lenders and mortgage brokers; appropriating money; amending Minnesota Statutes 1988, sections 82.17, subdivision 4; and 82.18; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1988, section 82.175.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 1001, A bill for an act relating to the community dispute resolution program; giving the state planning agency joint responsibility with the state court administrator's office for administration of the program; establishing eligibility criteria for grant recipients; appropriating money; amending Minnesota Statutes 1988, sections 494.01, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 494; repealing Minnesota Statutes 1988, sections 494.01, subdivisions 3, 4, and 5; and 494.04.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 494.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For the purposes of Laws 1984, chapter 654, article 2, sections 133 to 136 this chapter, "dispute resolution" means a process voluntarily entered by parties in disagreement using mediation or arbitration to reconcile the parties' differences.

Sec. 2. Minnesota Statutes 1988, section 494.01, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT; ADMINISTRATION.] The ~~dispute resolution program shall be established and administered by the state court administrator's office~~ administrator shall administer the dispute resolution program.

Sec. 3. [494.015] [TRAINING AND PROGRAM CERTIFICATION GUIDELINES.]

Subdivision 1. [GUIDELINES.] The state court administrator shall adopt guidelines for use by community dispute resolution programs and training programs for mediators and arbitrators for the community dispute resolution programs. The guidelines must include provisions to ensure that participation in dispute resolution is voluntary, procedures for case processing, and program certification criteria that must be met to receive court referrals.

Subd. 2. [CERTIFICATION.] The state court administrator shall certify programs that meet the requirements for certification set under subdivision 1.

Sec. 4. [494.05] [GRANTS.]

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] A community dispute resolution program is not eligible for a grant under this section unless it:

(1) complies with this chapter and the guidelines and rules adopted under this chapter;

(2) is certified by the state court administrator under section 3, subdivision 2;

(3) demonstrates that at least two-thirds of its annual budget will be derived from sources other than the state;

(4) documents evidence of support within its service area by community organizations, administrative agencies, and judicial and legal system representatives; and

(5) is exempt or has applied for exemption from federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986 or is administered and funded by a city, county, or court system as a distinct, identifiable unit that has a separate and distinguishable operating budget.

Subd. 2. [FUNDING.] Grants under this section must be used for the costs of operating approved programs. A program is eligible to receive a grant equal to one-third of its estimated annual budget, not more than \$25,000 a year.

Subd. 3. [REPORTS.] The state court administrator shall compile a summary report of the data submitted in the previous year and any other relevant information from other sources. The report must be submitted to the legislature by February 1 of each year.

Sec. 5. [APPROPRIATION.]

\$100,000 is appropriated from the general fund to the state court administrator in fiscal year 1991 for grants under section 4. This is a one-time expenditure and is available until expended."

Delete the title and insert:

"A bill for an act relating to the community dispute resolution program; establishing eligibility criteria for grant recipients; appropriating money; amending Minnesota Statutes 1988, sections 494.01, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 494."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 1081, A bill for an act relating to courts; providing for a study by the supreme court of racial bias in the judicial system; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [SUPREME COURT STUDY OF RACIAL BIAS IN THE JUDICIAL SYSTEM.]

Subdivision 1. [STUDY.] The supreme court shall study racial bias in the judicial system in Minnesota. The court shall appoint an advisory task force to assist with the study.

Subd. 2. [CONTENTS.] The study must examine the extent to which racial bias exists in the judicial system, including the existence of discriminatory treatment of litigants, witnesses, jurors, judges, attorneys, and court personnel who are members of racial minorities. The study should:

(1) identify positions within the judicial system including, but not limited to, judges, judicial clerks, court reporters, judicial administrators and their staff, county attorneys, public defenders and their staff, and identify minority representation or underrepresentation in the positions;

(2) review sentencing patterns to see if the length or conditions of sentences vary based on the defendant's race;

(3) review the jury selection process, including grand juries, to determine the representation or underrepresentation of minority populations on juries and determine if the use of peremptory strikes varies based on the juror's race; and

(4) review other aspects of court operations as appropriate to identify patterns of different and unequal treatment of racial minority persons.

The task force shall report its findings and recommendations to

the legislature by January 1, 1993. In the interim the task force may report findings as parts of the study are completed.

Sec. 2. [APPROPRIATION.]

\$25,000 in fiscal year 1991 is appropriated from the general fund to the supreme court to carry out the study under section 1. This is a one-time appropriation and is available until expended."

Delete the title and insert:

"A bill for an act relating to courts; providing for a study by the supreme court of racial bias in the judicial system; appropriating money."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 1162, A bill for an act relating to drivers' licenses; setting deadline for court administrators to forward driver's license or permit applications and fees to the department of public safety; amending Minnesota Statutes 1988, section 171.06, subdivision 4.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 1520, A bill for an act relating to human services; creating a technology assistance review panel; proposing coding for new law in Minnesota Statutes, chapter 256.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [256.9691] [TECHNOLOGY ASSISTANCE REVIEW PANEL.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health shall establish a technology assistance review panel to resolve disputes over the provision of health care benefits for technology-assisted persons who receive benefits under a policy or plan of health, medical, hospitalization, or accident and sickness insurance regulated under chapter 62A, a subscriber contract of a nonprofit health service plan corporation regulated under chapter 62C, or a certificate of coverage of a health maintenance organization regulated under chapter 62D.

Subd. 2. [DEFINITION.] For purposes of this section, "technology-assisted person" means a person who:

- (1) has a chronic health condition;
- (2) requires the routine use of a medical device to compensate for the loss of a life-sustaining body function; and
- (3) requires ongoing care or monitoring by trained personnel on a daily basis.

Subd. 3. [STEERING COMMITTEE.] The commissioner shall appoint a seven-member steering committee to appoint the review panel members, develop policies and procedures for the review process, including the replacement of review panel members, serve as a liaison between the regulatory agencies and the review panel, and provide the review panel with technical assistance. The steering committee shall consist of representatives of the departments of health, human services, and commerce; a health maintenance organization regulated under chapter 62D; an insurer regulated under chapter 62A or a health service plan corporation regulated under chapter 62C; an advocacy organization representing persons who are technology assisted; and a tertiary care center that serves technology-assisted persons. The steering committee shall not be reimbursed for any expenses as defined under section 15.0575, subdivision 3. The steering committee shall dissolve no later than June 30, 1992.

Subd. 4. [COMPOSITION OF REVIEW PANEL.] (a) The review panel shall be appointed by the members of the steering committee that do not represent state agencies and must include:

- (1) a medical director from an insurer regulated under chapter 62A, a health service plan corporation regulated under chapter 62C, or a health maintenance organization regulated under chapter 62D;
- (2) a contract benefits analyst from an insurer regulated under chapter 62A, a health service plan corporation regulated under chapter 62C, or a health maintenance organization regulated under chapter 62D;

(3) a consumer board member of an insurer regulated under chapter 62A, a health service plan corporation regulated under chapter 62C, or a health maintenance organization regulated under chapter 62D;

(4) a physician with expertise in providing care for technology-assisted persons in a nonhospital setting;

(5) a registered nurse with expertise in providing care for technology-assisted persons in a nonhospital setting; and

(6) a consumer of health care benefits regulated under chapter 62A, 62C, or 62D who is a technology-assisted person or the parent or guardian of a technology-assisted person.

(b) The term of service for review panel members is three years except that, for the initial appointment, the steering committee shall establish procedures to assure that the terms of the members are staggered. Members are eligible to serve two consecutive terms.

Subd. 5. [AUTHORITY.] The review panel may review cases involving disputes over the provision of contract benefits regarding discharge planning, home health care benefits eligibility and coverage, or changes in the level of home health care services for technology-assisted persons. The review may be requested by a third-party payor, a health or social service professional, or a parent or guardian of a technology-assisted child or a technology-assisted adult. For the case to be eligible for review by the panel, the parent or guardian of a technology-assisted child or technology-assisted adult must consent to the review. The review panel may not review cases involving discharge to a long-term care facility or cases involving coverage by title 18 or 19 of the Social Security Act or other public funding sources. The review panel may seek advice from experts outside the membership of the panel as necessary. The internal grievance process within an insurer, health service plan corporation, or health maintenance organization, except binding arbitration, must be exhausted before requesting a review by the review panel. The recommendations of the review panel are not binding. If, following a review by the review panel, a complaint is filed with the appropriate state agency regarding the same subject matter, the findings of the review panel must be made available to the agency upon request and with the consent of the parent or guardian of a technology-assisted child or technology-assisted adult. The information must be maintained by the agency as nonpublic information under chapter 13. The steering committee may establish policies for reimbursement of expenses for review panel members consistent with the provisions of section 15.0575, subdivision 3.

Subd. 6. [CONFIDENTIALITY.] All proceedings of the review organization are nonpublic under chapter 13. All data, information, and findings acquired and developed by the review panel in the

exercise of its duties or functions must be held in confidence, may not be disclosed to anyone except to the extent necessary to carry out one or more of the purposes of the review panel or as described in subdivision 5, and are not subject to subpoena or discovery. Members of the review panel may not disclose what transpired at a meeting of the review panel except to the extent necessary to carry out one or more of the purposes of the review panel. The proceedings and record of the review panel are not subject to discovery or introduction into evidence in any civil action against a health care professional or insurer, health service plan corporation, or health maintenance organization, arising out of the matter or matters that are the subject of consideration by the review panel.

Subd. 7. [LIMITATION ON LIABILITY FOR MEMBERS OF STEERING COMMITTEE AND REVIEW PANEL.] A person who is a member of, or who acts in an advisory capacity to or who gives counsel or services to, the steering committee or review panel is not liable for damages or other relief in any action brought by a person or persons whose case has been reviewed by the panel, by reason of the performance of any duty, function, or activity of the review panel, unless the performance of the duty, function, or activity was motivated by malice toward the person affected. A member is not liable for damages or other relief in any action by reason of the performance of the member of any duty, function, or activity as a member of the steering committee or review panel or by reason of any recommendation or action of the review committee when the member acts in the reasonable belief that the action or recommendation is warranted by the facts known to the member or review panel after reasonable efforts to ascertain the facts.

Sec. 2. [APPROPRIATION.]

\$34,000 is appropriated from the general fund to the commissioner of health for the fiscal year ending June 30, 1991, for the purpose of operating the technology assistance review panel. The commissioner may contract with an organization or entity to provide administrative support services for the review panel.

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 health; creating a technology assistance review panel; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 1838; A bill for an act relating to health; requiring a surcharge fee for hearing instrument sellers; allowing cease and desist orders against a person violating occupation regulations; requiring positive results from a toxicology test of a pregnant woman or infant to be recorded on the birth certificate or fetal death report; amending Minnesota Statutes 1988, section 214.11; Minnesota Statutes 1989 Supplement, sections 144.698, subdivision 1; 214.06, subdivision 1; and 626.5562, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 153A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 144.698, subdivision 1, is amended to read:

Subdivision 1. [YEARLY REPORTS.] Each hospital and each outpatient surgical center, which has not filed the financial information required by this section with a voluntary, nonprofit reporting organization pursuant to section 144.702, shall file annually with the commissioner of health after the close of the fiscal year:

(1) a balance sheet detailing the assets, liabilities, and net worth of the hospital;

(2) a detailed statement of income and expenses;

(3) a copy of its most recent cost report, if any, filed pursuant to requirements of Title XVIII of the United States Social Security Act;

(4) a copy of all changes to articles of incorporation or bylaws;

(5) information on services provided to benefit the community, including services provided at no cost or for a reduced fee to patients unable to pay, teaching and research activities, or other community or charitable activities;

(6) information required on the revenue and expense report form set in effect on July 1, 1989 or as amended by the commissioner of health in rule; and

(7) other information required by the commissioner in rule.

Sec. 2. [153A.175] [COSTS.]

The costs for establishing the regulatory systems required by sections 153A.13 to 153A.18 shall be recovered by assessing hearing instrument sellers, in addition to the permit fee required in section 153A.17, an annual surcharge fee of \$36 for a period of five years. The receipts from the annual surcharge fee must be credited to the general fund as nondedicated receipts.

Sec. 3. Minnesota Statutes 1988, section 214.001, subdivision 3, is amended to read:

Subd. 3. If the legislature finds after evaluation of the factors identified in subdivision 2 that it is necessary to regulate an occupation not heretofore credentialed or regulated, then regulation should be implemented consistent with the policy of this section, in modes in the following order:

(a) Creation or extension of common law or statutory causes of civil action, and the creation or extension of criminal prohibitions;

(b) Imposition of inspection requirements and the ability to enforce violations by injunctive relief in the courts;

(c) Implementation of a system of permits that requires all practitioners to file with the state, on a form provided by the state, their name, home and business address, telephone number, education, training and degrees held, if any, and any other relevant experience, and to comply with a code of ethical conduct, or with other requirements necessary to protect the public;

(d) Implementation of a system of registration whereby practitioners who will be the only persons permitted authorized to use a designated title are listed on an official roster after having met predetermined qualifications; or

(d) (e) Implementation of a system of licensing whereby a practitioner must receive recognition by the state of having met predetermined qualifications, and persons not so licensed are prohibited from practicing.

Two or more of these modes may be simultaneously implemented if necessary and appropriate.

Sec. 4. Minnesota Statutes 1989 Supplement, section 214.06, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health-related licensing boards and all non-health-related licensing boards shall by rule, with the approval of the commissioner of finance, adjust any fee which the commissioner of health or the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128. For members of an occupation registered after July 1, 1984, by the commissioner of health under the provisions of section 214.13 or other law, the fee established must include an amount necessary to recover, over a five-year period, the commissioner's direct expenditures for adoption of the rules ~~providing for registration of regulating~~ members of the occupation. All fees received shall be deposited in the state treasury. Fees received by health-related licensing boards must be credited to the special revenue fund.

Sec. 5. Minnesota Statutes 1988, section 214.11, is amended to read:

214.11 [ADDITIONAL REMEDY REMEDIES.]

Subdivision 1. [CEASE AND DESIST ORDER.] The commissioner of health may issue a cease and desist order to stop a person from engaging in an unauthorized practice or violating or threatening to violate a statute, rule, or order which the commissioner of health has issued or is empowered to enforce. The cease and desist order must state the reason for its issuance and give notice of the person's right to request a hearing under sections 14.57 to 14.62. If, within 15 days after service of the order, the subject of the order fails to request a hearing in writing, the commissioner of health may issue a final order.

A hearing must be initiated by the commissioner of health not later than 30 days after the date the commissioner receives a written hearing request. Within 30 days after receiving the administrative law judge's report, the commissioner of health shall issue a final order modifying, vacating, or making permanent the cease and desist order as the facts require. The final order remains in effect until modified or vacated by the commissioner of health.

When a request for a stay accompanies a timely hearing request, the commissioner of health may, by discretion, grant the stay. If the commissioner of health does not grant a requested stay, the commissioner shall refer the request to the office of administrative hearings within three working days after receiving the request. Within ten days after receiving the request from the commissioner of health, an administrative law judge shall issue a recommendation to grant or deny the stay. The commissioner of health shall grant or

deny the stay within five days after receiving the administrative law judge's recommendation.

In the event of noncompliance with a cease and desist order, the commissioner of health may institute a proceeding in Ramsey county district court to obtain injunctive relief or other appropriate relief, including a civil penalty payable to the commissioner of health not exceeding \$10,000 for each separate violation.

Subd. 2. [INJUNCTIVE RELIEF.] In addition to any other remedy provided by law, including the issuance of a cease and desist order under subdivision 1, the commissioner of health or a licensing board may in its own name may bring an action in Ramsey county district court for injunctive relief to restrain any unauthorized practice or violation or threatened violation of any statute or, rule, or order which the board or commissioner of health is empowered to regulate or, enforce, or issue. A temporary restraining order may be granted in the proceeding if continued activity by a person would create an imminent a serious risk of harm to others.

Subd. 3. [ADDITIONAL POWERS.] The issuance of a cease and desist order or injunctive relief granted pursuant to under this section shall does not relieve a person enjoined from criminal prosecution by any competent authority or from disciplinary action by the commissioner of health or board in respect to the person's license or application for license or renewal.

Sec. 6. Minnesota Statutes 1989 Supplement, section 626.5562, subdivision 3, is amended to read:

Subd. 3. [REPORT TO DEPARTMENT OF HEALTH.] Physicians shall report to the department of health the results of positive tests performed under subdivisions 1 and 2. A report shall be made on February 1 and August 1 of each year, the certificate of live birth medical supplement or report of fetal death medical supplement when filed beginning February 1, 1990. The reports are medical data under section 13.42.

Sec. 7. [EFFECTIVE DATE.]

Section 2 is effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to health; requiring a surcharge fee for hearing instrument sellers; requiring permit systems and ethical codes for occupations regulated by a health-related board; allowing cease and desist orders against a person violating occupation regulations; requiring positive results from a toxicology test of a pregnant woman or infant to be recorded on the birth certificate or fetal

death report; amending Minnesota Statutes 1988, sections 214.001, subdivision 3; and 214.11; Minnesota Statutes 1989 Supplement, sections 144.698, subdivision 1; 214.06, subdivision 1; and 626.5562, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 153A."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1453, 1884, 1887, 1889, 1898, 1965, 2060, 2061, 2198, 2238, 2323, 2420 and 2812 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1847, 2430, 188, 1001, 1081, 1162, 1520 and 1838 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Dempsey and McDonald introduced:

H. F. No. 2824, A bill for an act relating to education; establishing a program providing general education revenue for lower-income pupils who attend nonpublic schools participating in the program; establishing certain requirements and restrictions; amending Minnesota Statutes 1988, section 124.223; Minnesota Statutes 1989 Supplement, section 121.11, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 129B.

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

Milbert, Pugh and Quinn introduced:

H. F. No. 2825, A bill for an act relating to taxation; repealing the lawful gambling combined receipts tax; providing for refunds; appropriating money; repealing Minnesota Statutes Second 1989 Supplement, section 349.212, subdivision 6.

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

Nelson, C.; Johnson, R.; Anderson, R.; Kinkel and Uphus introduced:

H. F. No. 2826, A resolution memorializing the President and Congress of the United States to prevent the severe cutbacks in local programming on KCCO/KCCW-TV in Alexandria and Walker.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Dawkins introduced:

H. A. No. 50, A proposal to study proposed legislation regarding registration, regulation and use of off-road recreational vehicles.

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

Otis, Reding, Peterson, Boo and Anderson, R., introduced:

H. A. No. 51, A proposal to study location of state offices outside the metropolitan area.

The advisory was referred to the Committee on Governmental Operations.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2025, A bill for an act relating to agriculture; creating a restricted seed potato growing area and historic certified seed potato

area; providing restrictions; requiring a study; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 21.

The Senate has appointed as such committee:

Messrs. Stumpf, Frederick and Langseth.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2131, A bill for an act relating to crimes; prohibiting wild land arson fires; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

The Senate has appointed as such committee:

Messrs Dahl; Merriam; Knaak; Peterson, R. W., and Lessard.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2200, A bill for an act relating to education; starting, developing, adding to, clarifying, and financing elementary and secondary and related education programs and services, including those relating to general education, transportation, special programs, drug prevention and other community programs, facilities, programs of cooperation, other aids and levies, rural health care, and the department of education; providing for technical rate changes; authorizing bonds and tax levies; appropriating money; amending Minnesota Statutes 1988, sections 120.062, subdivision 9, and by adding a subdivision; 121.148; 121.15, subdivisions 1 and 7; 121.88, subdivision 6; 121.882, subdivision 9, and by adding a subdivision; 121.908, subdivision 3; 121.917, subdivision 4; 122.91, by adding a subdivision; 122.93, by adding a subdivision; 122.94, subdivision 5; 123.33, subdivision 1; 123.35, by adding subdivisions; 123.3514, subdivisions 6 and 6b; 123.36, subdivision 10; 123.37,

subdivision 1; 123.38, subdivisions 1 and 2b; 123.39, subdivision 6; 123.58, subdivisions 2 and 6; 123.9361; 123.947; 124.14, subdivision 7; 124.195, subdivision 10, and by adding subdivisions; 124.26, by adding a subdivision; 124.2711, subdivision 2; 124.494, by adding a subdivision; 124A.02, subdivision 1; 124A.036, subdivision 5, and by adding a subdivision; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 125.185, by adding a subdivision; 125.231, subdivision 6; 125.60, subdivision 2; 126.12, subdivision 2; 126.666, subdivisions 2 and 4; 126.70, subdivision 2a; 129B.53, subdivision 3; 141.25, subdivisions 7 and 9; 181A.04, by adding a subdivision; 181A.12, subdivision 1; 275.125, subdivision 4; and 471.59, subdivision 2; Minnesota Statutes 1989 Supplement, sections 121.111, subdivisions 1 and 2; 121.15, subdivision 2; 121.612, subdivisions 3 and 5; 121.88, subdivision 9; 121.882, subdivision 2; 122.243, subdivision 2; 122.91, subdivisions 1 and 5; 122.92, subdivision 1; 122.94, subdivision 6; 122.945, subdivision 2; 123.58, subdivision 9; 124.10, subdivision 2; 124.155, subdivision 2; 124.19, subdivision 7; 124.225, subdivisions 1, 3a, and 8k; 124.26, subdivisions 7 and 8; 124.2711, subdivisions 1 and 3; 124.2713; 124.2715; 124.2721; 124.2725, subdivision 8, and by adding a subdivision; 124.38, subdivision 7; 124.573, subdivision 2d; 124.83, subdivision 6; 124.90, subdivision 2; 124A.22, subdivision 2a; 126.22, subdivisions 2 and 3; 128B.03, subdivision 4; 129.128; 141.35; 275.125, subdivisions 5c, 5e, 6h, 6i, 8b, 9a, 9b, 9c, 11d, and 18; Minnesota Statutes Second 1989 Supplement, sections 124.2442, subdivision 1; 124.83, subdivisions 1 and 4; 124A.26, subdivision 1; Laws 1959, chapter 462, section 3, subdivision 10, as renumbered, as amended; Laws 1984, chapter 463, article 6, section 15, subdivision 2; Laws 1988, chapter 718, article 6, section 23; and Laws 1989, chapter 329, article 5, section 21, subdivision 4; article 11, sections 15, subdivisions 2 and 12; 16, subdivision 2; article 12, sections 9, subdivision 2; and 11; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 124; 125; 126; 129B; and 237; proposing coding for new law as Minnesota Statutes, chapter 124B; repealing Minnesota Statutes 1988, sections 121.15, subdivision 4; 124.43, subdivisions 2, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1.

The Senate has appointed as such committee:

Messrs. Peterson, R. W., and Pehler; Ms. Reichgott; Messrs. Brandl and Dicklich.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 2130, A bill for an act relating to insurance; regulating the practices and record keeping of, and disclosures by, public adjusters; amending Minnesota Statutes 1988, section 72B.135, by adding subdivisions.

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

Messrs. Cohen, Solon and Frederick.

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

Skoglund 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. 2130. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1743, A bill for an act relating to telephone service; regulating the installation of extended area service in exchanges; requiring the expansion of the metropolitan extended area telephone service, under some circumstances; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Messrs. Schmitz, Waldorf and Dicklich.

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

Jacobs 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. 1743. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1942, A bill for an act relating to insurance; making changes in arbitration proceedings concerning no-fault automobile insurance; amending Minnesota Statutes 1988, section 65B.525, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 72A.327.

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

Messrs. Brandl, Larson and Freeman.

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

Winter 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. 1942. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1670, A bill for an act relating to natural resources; prohibiting transportation of Eurasian water milfoil; providing exceptions; providing penalties for not removing Eurasian water milfoil from watercraft; providing penalties; amending Minnesota Statutes 1988, section 361.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18.

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

Messrs. Luther, Novak and Olson.

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

Skoglund 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. 1670. 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. 2651, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature, with certain conditions; authorizing issuance of state bonds; authorizing the commissioner of finance to make certain covenants to the purchasers of certain bonds or certificates of indebtedness; requiring identification of certain accounts; providing for the reduction and cancellation of certain bond sale authorizations; approving capital loans to certain school districts; not approving capital loans to certain school districts; authorizing certain lease-purchase, lease with option to buy, and rental arrangements by the commissioner of administration; appropriating money; amending Minnesota Statutes 1988, sections 16A.641, subdivision 6; 16A.672, by adding a subdivision; 16B.24, subdivisions 5 and 6; 116.18, subdivision 3d; 136.62, by adding a subdivision; 136A.28, subdivisions 3 and 7; 136C.04, subdivision 4; Minnesota Statutes 1989 Supplement, sections 16A.631; 16A.641, subdivision 7; 16A.69, subdivision 1; 16B.335, subdivision 2; Laws 1979, chapter 280, section 2, as amended; Laws 1989, chapter 329, article 5, section 21, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1988, section 16A.651.

PATRICK E. FLAHAVEN, Secretary of the Senate

Anderson, G., moved that the House refuse to concur in the Senate amendments to H. F. No. 2651, 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.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1807 and 2018.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1807, A bill for an act relating to local government; permitting the issuance of obligations by the Hennepin county board for a public safety building; permitting Rosemount to incur debt for an armory; requiring a planning process and public hearing.

The bill was read for the first time.

Schreiber moved that S. F. No. 1807 and H. F. No. 1877, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2018, A bill for an act relating to lawful gambling; defining lawful purposes for expenditures of gambling profits; establishing licensing qualifications for organizations and manufacturers; requiring organizations to report monthly on expenditures and contributions of gambling profits; authorizing the gambling control board to require recipients of contributions of gambling profits to register with the board; authorizing summary suspension of gambling licenses for failure to file tax returns; authorizing a limited number of video pull-tab devices and establishing standards and requirements for them; requiring inspection and testing of gambling equipment; requiring permits for gambling premises; requiring gambling managers to be licensed; requiring that employees of organizations conducting lawful gambling be registered with the board; requiring local gambling taxes and prescribing uses for revenue therefrom; appropriating money; amending Minnesota Statutes 1988, sections 349.12, subdivisions 10, 18, and by adding subdivisions; 349.16, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.211, by adding a subdivision; 349.212, subdivision 5; 349.2121, subdivisions 1 and 4a; 349.2123; 349.2125, subdivision 4; 349.2127, subdivisions 1, 3, and by adding subdivisions; 349.30, subdivision 2; 349.31; 349.32; 349.34; 349.35, subdivision 1; 349.36; 349.38; 349.39; 349.50, subdivision 8; 349.52, by adding a subdivision; 349.59, subdivision 1; 349.55; 609.75, subdivision 4; Minnesota Statutes 1989 Supplement, sections 299L.03, by adding a subdivision; 349.12, subdivisions 12 and 15; 349.151, subdivision 4, and by adding a subdivision; 349.152, subdivision 2, and by adding subdivisions; 349.161, as amended; 349.162; 349.163, as amended; 349.164; 349.2121, subdivision 2; 349.2122; 349.213; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivisions 11 and 19; 349.15; 349.212, subdivisions 1, 2, and 4; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 4, and 5; 349.22, subdivision 1; 349.501, subdivision 1; 349.502, subdivision 1; 609.76, subdivision 1; Laws 1989, First Special Session chapter 1, article 13, section 27; proposing coding for new law in Minnesota Statutes; chapter 349; repealing Minnesota Statutes 1988, sections 349.14; 349.214, subdivisions 1, 1a, 3, and 4; Minnesota Statutes 1989 Supplement, sections 349.151, subdivision 4a; 349.20; 349.21; 349.22, subdivision 3; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2.

The bill was read for the first time.

Quinn moved that S. F. No. 2018 and H. F. No. 2005, now on General Orders, be referred to the Chief Clerk for comparison: The motion prevailed.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2500

A bill for an act relating to insurance; modifying the effective date of the statutory notice requirement for cancellation or nonrenewal of individual life policies; amending Laws 1989, chapter 330, section 38.

March 30, 1990

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. 2500, 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. 2500 be further amended as follows:

Page 1, line 16, delete "1989" and insert "1984"

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

House Conferees: PHIL CARRUTHERS, WES SKOGLUND AND JERRY KNICKERBOCKER

Senate Conferees: SAM G. SOLON, DON ANDERSON AND MICHAEL O. FREEMAN.

Carruthers moved that the report of the Conference Committee on H. F. No. 2500 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2500, A bill for an act relating to insurance; modifying the effective date of the statutory notice requirement for cancella-

tion or nonrenewal of individual life policies; amending Laws 1989, chapter 330, section 38.

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2135

A bill for an act relating to Anoka county; authorizing the sale or exchange of certain land.

April 2, 1990

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. 2135, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment.

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

House Conferees: JOE QUINN, CHARLIE WEAVER AND JOEL JACOBS.

Senate Conferees: STEVEN G. NOVAK, DON FRANK AND GENE MERIAM.

Quinn moved that the report of the Conference Committee on H. F. No. 2135 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2135, A bill for an act relating to Anoka county; authorizing the sale or exchange of certain land.

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2056

A bill for an act relating to public safety; making it a crime for a driver to flee a peace officer from another state into Minnesota; authorizing a peace officer of another state to enter Minnesota in fresh pursuit for traffic and misdemeanor offenses; authorizing the admissibility of relevant evidence obtained in another state into evidence at Minnesota civil and criminal trials; granting peace officers of other states the authority to transport persons in legal custody under certain circumstances; amending Minnesota Statutes 1988, section 609.487, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 626 and 634.

April 3, 1990

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. 2056, 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: MARVIN K. DAUNER, TERRY DEMPSEY AND KATHLEEN VELLENGA.

Senate Conferees: KEITH LANGSETH, LEROY A. STUMPF AND DAVID J. FREDERICKSON.

Dauner moved that the report of the Conference Committee on H. F. No. 2056 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2056, A bill for an act relating to public safety; making it a crime for a driver to flee a peace officer from another state into Minnesota; authorizing a peace officer of another state to enter Minnesota in fresh pursuit for traffic and misdemeanor offenses; authorizing the admissibility of relevant evidence obtained in another state into evidence at Minnesota civil and criminal trials; granting peace officers of other states the authority to transport persons in legal custody under certain circumstances; amending Minnesota Statutes 1988, section 609.487, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 626 and 634.

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

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

Those who voted in the affirmative were:

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

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Long, 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 Special Orders pending for today, Thursday, April 5, 1990:

S. F. No. 2412 and H. F. No. 2005.

SPECIAL ORDERS

The Speaker called Rodosovich to the Chair.

S. F. No. 2412 was reported to the House.

Simoneau, Sviggum and Begich moved to amend S. F. No. 2412, as follows:

Page 1, after line 21, insert:

"Sec. 2. Minnesota Statutes 1988, section 79A.12, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT.] The security fund may assess each of its members a pro rata share of the funding necessary to carry out its obligation and the purposes of this chapter. Total annual assessments in any calendar year shall not exceed four ten percent of the workers' compensation benefits paid under sections 176.101 and 176.111 during the previous calendar year. The annual assessment calculation shall not include supplementary benefits paid which will be reimbursed by the special compensation fund. Funds obtained by assessments pursuant to this subdivision may only be used for the purposes of this chapter. The trustees shall certify to the commissioner the collection and receipt of all money from assessments, noting any delinquencies. The trustees shall take any action deemed appropriate to collect any delinquent assessments."

Renumber subsequent sections

Correct internal cross-references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2412, A bill for an act relating to state government; requiring the state board of investment to invest certain assets currently managed by the commerce department; amending Minnesota Statutes 1988, section 79.251, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bishop	Burger	Clark
Anderson, G.	Begich	Blatz	Carlson, D.	Cooper
Anderson, R.	Bennett	Boo	Carlson, L.	Dauner
Battaglia	Bertram	Brown	Carruthers	Dawkins

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

The bill was passed, as amended, and its title agreed to.

Gutknecht was excused between the hours of 2:50 p.m. and 4:00 p.m.

S. F. No. 2489 was reported to the House.

Rukavina; Carlson, D.; Vellenga and Hasskamp moved to amend S. F. No. 2489, as follows:

Page 1, after line 14, insert:

"Section 1. Minnesota Statutes 1988, section 92.46, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC CAMPGROUNDS.] (a) The director may designate suitable portions of the state lands withdrawn from sale and not reserved, as provided in section 92.45, as permanent state public campgrounds. The director may have the land surveyed and platted into lots of convenient size, and lease them for cottage and camp purposes under terms and conditions the director prescribes, subject to the provisions of this section.

(b) A lease may not be for a term more than 20 years. The lease may allow renewal, from time to time, for additional terms of no longer than 20 years each. The lease may be canceled by the commissioner 90 days after giving the person leasing the land written notice of violation of lease conditions. The lease rate shall be based on the appraised value of leased land as determined by the commissioner of natural resources and shall be adjusted by the

commissioner at the fifth, tenth, and 15th anniversary of the lease, if the appraised value has increased or decreased. For leases that are renewed in 1991 and following years, the lease rate shall be five percent of the appraised value of the leased land. The appraised value shall be the value of the leased land without any private improvements and must be comparable to similar land without any improvements within the same county. The minimum appraised value that the commissioner assigns to the leased land must be substantially equal to the county assessor's estimated market value of similar land adjusted by the assessment/sales ratio as determined by the department of revenue.

(c) By July 1, 1986, the commissioner of natural resources shall adopt rules under chapter 14 to establish procedures for leasing land under this section. The rules shall be subject to review and approval by the commissioners of revenue and administration prior to the initial publication pursuant to chapter 14 and prior to their final adoption. The rules must address at least the following:

- (1) method of appraising the property; and
- (2) determination of lease rates; and
- (3) an appeal procedure for both the appraised values and lease rates.

(d) All money received from these leases must be credited to the fund to which the proceeds of the land belong.

Notwithstanding section 16A.125 or any other law to the contrary, 50 percent of the money received from the lease of permanent school fund lands leased pursuant to this subdivision shall be deposited into the permanent school trust fund. However, in fiscal years 1987, 1988, 1989, 1990, 1991, and 1992, the money received from the lease of permanent school fund lands that would otherwise be deposited into the permanent school fund is hereby appropriated to survey, appraise, and pay associated selling costs of lots as required in section 92.67, subdivision 3. The money appropriated may not be used to pay the cost of surveying lots not scheduled for sale. Any money designated for deposit in the permanent school fund that is not needed to survey, appraise, and pay associated selling costs of lots, as required in section 92.67, shall be deposited in the permanent school fund. The commissioner shall add to the appraised value of any lot offered for sale the costs of surveying, appraising, and selling the lot, and shall first deposit into the permanent school fund an amount equal to the costs of surveying, appraising, and selling any lot paid out of the permanent school fund. Any remaining money shall be deposited into any other contributing funds in proportion to the contribution from each fund. In no case may the commissioner add to the appraised value of any lot offered for sale an amount more than \$700 for the costs of surveying and appraising the lot.

Sec. 2. Minnesota Statutes 1988, section 92.67, subdivision 1, is amended to read:

Subdivision 1. [SALE REQUIREMENT.] Notwithstanding section 92.45 or any other law, at the request of a lessee or as otherwise provided in this section, the commissioner of natural resources shall sell state property bordering public waters that is leased for the purpose of a private cabin under section 92.46. Requests for sale must be made prior to December 31, 1992, and the commissioner shall complete all requested sales and sales arising from those requests by December 31, 1993, subject to subdivision 3, clause (d). The sale shall be made in accordance with laws providing for the sale of trust fund land except as modified by the provisions of this section. In 1990 and 1991 a request for sale may be withdrawn by a lessee at any time more than ten days before the day set for a sale. Property withdrawn from sale by its lessee is not subject to sale under this section until the lessee makes another request. Property withdrawn from sale shall continue to be governed by other law.

Sec. 3. Minnesota Statutes 1988, section 92.67, subdivision 4, is amended to read:

Subd. 4. [TIMING OF SALES.] (a) The commissioner shall offer lakeshore cabin site lots for sale pursuant to written request and in accordance with the following schedule:

(1) as to requests received before January 1, 1988, the sale shall be held not later than by October 31, 1988, if possible. However, if a lot is not offered for sale by that date, the lot shall be offered for sale at the next sale in the next year;

(2) as to requests received each calendar year after December 31, 1987, the sale shall be held in June, July, or August of the year after the request is received;

(3) notwithstanding clause (2), the commissioner may offer a lot for sale in the year the request is received if the commissioner will offer for sale in that year other lots platted with the late requested lot;

(4) notwithstanding clause (2), if more than 50 percent of the lessees in a platted area request by December 31 of a calendar year that their lots be offered for sale, the commissioner shall offer for sale at one time during June, July, or August of the following year all lots in a platted area. If a lessee, whose lot is located in a plat where more than 50 percent of the lessees request that their lots be offered for sale, requests in writing that the lessee's lot not be offered for sale, the commissioner may not offer the lot for sale ~~until 1993;~~ and

(5) lots that are unsold for any reason at the end of 1993 shall be offered for sale in increments over a period of five years beginning in 1994. Lots that are unsold for any reason at the end of 1998 shall be offered for sale in 1999 and each year thereafter until sold.

(b) Lots not sold the first year offered may be reoffered in a succeeding year, following reappraisal if it is determined necessary by the commissioner.

(c) If a person other than the lessee purchases the leased lakeshore cabin site, the purchaser must make payment in full to the lessee, in the manner provided in section 92.06, subdivision 4, for the appraised value of any improvements. Failure of a successful bidder to comply with this provision voids the sale and the property may be reoffered for sale as provided in section 92.06, subdivision 4."

Page 10, line 21, delete "Sections 1 to 10 are" and insert "This act is"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 2, after "lands;" insert "regulating certain leases and sales;"

Page 1, line 13, after "834" insert "; amending Minnesota Statutes 1988, sections 92.46, subdivision 1; and 92.67, subdivisions 1 and 4"

A roll call was requested and properly seconded.

Kahn moved to amend the Rukavina et al amendment to S. F. No. 2489, as follows:

In the Rukavina amendment, page 3, line 21, delete "and 1991"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 21 yeas and 93 nays as follows:

Those who voted in the affirmative were:

Abrams	Johnson, A.	Miller	Osthoff	Welle
Bauerly	Kahn	Munger	Scheid	
Carlson, L.	Knickerbocker	Nelson, K.	Skoglund	
Dawkins	McEachern	Olsen, S.	Stanius	
Greenfield	Milbert	Onnen	Vellenga	

Those who voted in the negative were:

Anderson, R.	Girard	Kostohryz	Orenstein	Schafer
Battaglia	Gruenes	Krueger	Ostrom	Schreiber
Begich	Hasskamp	Lasley	Otis	Seaberg
Bennett	Haukoos	Lieder	Ozment	Solberg
Bertram	Hausman	Limmer	Pappas	Steensma
Bishop	Heap	Lynch	Pellow	Sviggun
Blatz	Henry	Macklin	Pelowski	Swenson
Boo	Himle	Marsh	Poppenhagen	Tjornhom
Brown	Hugoson	McDonald	Price	Tompkins
Burger	Jacobs	McGuire	Pugh	Trimble
Carlson, D.	Janezich	McPherson	Quinn	Tunheim
Carruthers	Jaros	Morrison	Redalen	Uphus
Clark	Jefferson	Murphy	Reding	Waltman
Cooper	Jennings	Nelson, C.	Rest	Wenzel
Dauner	Johnson, R.	Neuenschwander	Richter	Williams
Dempsey	Johnson, V.	Ogren	Rodosovich	Winter
Dorn	Kalis	Olson, E.	Rukavina	Spk. Vanasek
Forsythe	Kelso	Olson, K.	Runbeck	
Frederick	Kinkel	Omann	Sarna	

The motion did not prevail and the amendment to the amendment was not adopted.

Miller was excused for the remainder of today's session.

Lasley moved to amend the Rukavina et al amendment to S. F. No. 2489, as follows:

Page 1, line 23, delete "five" and insert "eight"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 17 yeas and 97 nays as follows:

Those who voted in the affirmative were:

Abrams	Heap	Lasley	Osthoff	Vellenga
Anderson, G.	Kahn	Nelson, K.	Scheid	
Bauerly	Kalis	Olsen, S.	Simoneau	
Greenfield	Knickerbocker	Onnen	Skoglund	

Those who voted in the negative were:

Anderson, R.	Frerichs	Krueger	Otis	Seaberg
Battaglia	Girard	Lieder	Ozment	Solberg
Begich	Gruenes	Limmer	Pappas	Sparby
Bennett	Hartle	Lynch	Pauly	Stanisus
Bishop	Hasskamp	Macklin	Pellow	Steensma
Blatz	Haukoos	Marsh	Pelowski	Sviggum
Boo	Hausman	McDonald	Peterson	Swenson
Brown	Henry	McGuire	Price	Tjornhom
Burger	Himle	McPherson	Pugh	Tompkins
Carlson, D.	Hugoson	Milbert	Redalen	Trimble
Carlson, L.	Jacobs	Morrison	Reding	Uphus
Carruthers	Janezich	Murphy	Rest	Valento
Clark	Jaros	Nelson, C.	Rice	Waltman
Cooper	Jennings	Neuenschwander	Richter	Weaver
Dauner	Johnson, A.	O'Connor	Rodosovich	Wenzel
Dawkins	Johnson, R.	Olson, E.	Rukavina	Winter
Dempsey	Johnson, V.	Olson, K.	Runbeck	Spk. Vanasek
Dille	Kelly	Omann	Sarna	
Dorn	Kinkel	Orenstein	Schafer	
Frederick	Kostohryz	Ostrom	Schreiber	

The motion did not prevail and the amendment to the amendment was not adopted.

McEachern and Munger moved to amend the Rukavina et al amendment to S. F. No. 2489, as follows:

Pages 3 and 4, delete sections 2 and 3, and insert:

“Sec. 2. [REPEALER.]

Minnesota Statutes 1988, section 92.67, is repealed.”

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 26 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Bauerly	Kelso	Nelson, K.	Segal	Welle
Bertram	Knickerbocker	Olson, K.	Simoneau	Winter
Dawkins	Lasley	Osthoff	Skoglund	
Jacobs	McEachern	Rice	Stanisus	
Kahn	McGuire	Runbeck	Steensma	
Kalis	Munger	Scheid	Tunheim	

Those who voted in the negative were:

Abrams	Blatz	Carlson, L.	Dille	Girard
Anderson, R.	Boo	Carruthers	Dorn	Gruenes
Battaglia	Brown	Clark	Forsythe	Hartle
Begich	Burger	Cooper	Frederick	Haukoos
Bennett	Carlson, D.	Dauner	Frerichs	Hausman

Heap	Lieder	Olsen, S.	Quinn	Tjornhom
Henry	Limmer	Olson, E.	Redalen	Tompkins
Himle	Lynch	Omamn	Reding	Trimble
Hugoson	Macklin	Onnen	Rest	Uphus
Janezich	Marsh	Orenstein	Richter	Valento
Jaros	McDonald	Ostrom	Rukavina	Wagenius
Jefferson	McPherson	Pappas	Sarna	Waltman
Jennings	Milbert	Pauly	Schafer	Weaver
Johnson, A.	Morrison	Pellow	Schreiber	Wenzel
Johnson, R.	Murphy	Pelowski	Seaberg	
Johnson, V.	Nelson, C.	Peterson	Solberg	
Kinkel	Neuenschwander	Poppenhagen	Svigum	
Krueger	O'Connor	Pugh	Swenson	

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Rukavina et al amendment and the roll was called. There were 108 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Frerichs	Lasley	Orenstein	Seaberg
Battaglia	Girard	Lieder	Ostrom	Solberg
Begich	Gruenes	Limmer	Otis	Sparby
Bennett	Hartle	Long	Ozment	Stanius
Bertram	Hasskamp	Lynch	Pappas	Steensma
Bishop	Haukoos	Macklin	Pauly	Svigum
Blatz	Hausman	Marsh	Pellow	Swenson
Boo	Heap	McDonald	Pelowski	Tjornhom
Brown	Henry	McGuire	Peterson	Tompkins
Burger	Himle	McPherson	Poppenhagen	Trimble
Carlson, D.	Hugoson	Milbert	Price	Uphus
Carlson, L.	Jacobs	Morrison	Pugh	Valento
Carruthers	Janezich	Munger	Quinn	Vellenga
Clark	Jaros	Murphy	Redalen	Wagenius
Cooper	Jefferson	Nelson, C.	Reding	Waltman
Dauner	Jennings	Neuenschwander	Rest	Weaver
Dawkins	Johnson, A.	O'Connor	Richter	Wenzel
Dempsey	Johnson, R.	Ogren	Rodosovich	Williams
Dille	Johnson, V.	Olson, E.	Rukavina	Winter
Dorn	Kelly	Olson, K.	Runbeck	Spk. Vanasek
Forsythe	Kinkel	Omamn	Sarna	
Frederick	Krueger	Onnen	Schafer	

Those who voted in the negative were:

Abrams	Kelso	Olsen, S.	Simoneau
Bauerly	Knickerbocker	Osthoff	Skoglund
Kahn	McEachern	Scheid	Tunheim
Kalis	Nelson, K.	Schreiber	Welle

The motion prevailed and the amendment was adopted.

Poppenhagen moved to amend S. F. No. 2489, as amended, as follows:

Page 10, after line 19, insert:

"Sec. 11. [PRIVATE SALE OF TAX-FORFEITED LAND; BECKER COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.241, the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Becker county, on behalf of the state, shall convey by private sale the tax-forfeited land described in paragraph (c).

(b) The land described in paragraph (c) must be sold by private sale to Gary E. and Margaret J. Hukee of Lake Elmo, Minnesota. The attorney general shall prepare appropriate instruments of conveyance with a precise description of all land subject to this section. The conveyance must be for a consideration of taxes due on the property, any special assessments reinstated under Minnesota Statutes, section 282.251, and any penalties, interest, and costs, under the terms provided for repurchase in Minnesota Statutes, section 282.261, subdivisions 1, 2, and 4.

(c) The land that may be conveyed is located in Becker county, is designated as tax parcel 33-0015-000, and is described as:

(1) the Northeast Quarter of the Southwest Quarter of Section 3, Township 139 North, Range 38 West;

(2) the Southeast Quarter of the Northeast Quarter of Section 3, Township 139 North, Range 38 West; and

(3) the West One-Half of the Northeast Quarter of Section 3, Township 139 North, Range 38 West;

(4) less that portion taken for highway purposes.

(d) Mr. and Mrs. Hukee, due to mistake and severe medical and employment difficulties, failed to pay the taxes. Becker county finds that the property would be put to better use if returned to private ownership."

Page 10, line 20, delete "11" and insert "12"

Page 10, line 21, delete "10" and insert "11"

Amend the title as follows:

Page 1, line 13, before the period insert "; authorizing private sale of certain tax-forfeited land in Becker county"

The motion prevailed and the amendment was adopted.

Anderson, R., and Rukavina moved to amend S. F. No. 2489, as amended, as follows:

Page 10, after line 19, insert:

"Section 11. [SALE OF TAX-FORFEITED LAND; OTTER TAIL COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, Otter Tail county may sell the tax-forfeited lands bordering public water and described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general.

(c) The lands that may be conveyed are located in Otter Tail county and are described as:

(1) Lot 13, Sylvanus Crest, Clitherall Township;

(2) Lot 14, Sylvanus Crest, Clitherall Township;

(3) Government Lot 8, Section 32, Township 133, Range 43;

(4) Part of Government Lot 10, beginning 282.5 feet southwesterly of the northwest corner of Lot 71, Pleasure Park Beach; thence southeast 199.6 feet; thence southwest 75 feet on lake; thence northwest 214.14 feet; thence northeast 75 feet to beginning, Section 4, Township 134, Range 39;

(5) All of lot 1, Except North 10 feet, Quiram's Beach, Star Lake Township;

(6) Lot 1, Silent Acres, Dora Township.

(d) The county has determined that the county's land management interests would best be served if the lands were sold to the public."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Speaker pro tempore Rodosovich called Quinn to the Chair.

Carlson, D., moved to amend S. F. No. 2489, as amended, as follows:

Page 10, after line 19, insert:

"Sec. 11. [SALE OF TAX-FORFEITED LAND; PINE COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, Pine county may sell the tax-forfeited lands bordering public waters that are described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general.

(c) The lands that may be conveyed are located in Pine county and are described as follows:

(1) In Windemere township, Lots 56, 57, and 58 on Sturgeon Island, Section 16, Township 45 North, Range 19 West;

(2) In the city of Willow River:

(i) Rearrangement of Auditor's Subdivision, Part of Lot 4, less the following: Commencing at the southeasterly corner of Lot 2, Block 2, Townsite of Willow River, running thence easterly on prolongation of southerly line of said Lot 2 150 feet to East bank of the creek running through said Auditor Lot 4, thence southerly along East bank of creek to South line of Section 2, Township 44 North, Range 20 West, thence westerly along said South line to point of intersection with easterly line of Willow Street in Townsite of Willow River thence northerly along East line of Willow Street 304.5 feet, more or less, to Southwest corner of Auditor Lot 6 thence easterly 150 feet to prolongation of easterly line of said Auditor Lot 6 thence northerly 119 feet to point of beginning. Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West; and

(ii) Part of Lot 15, viz: Beginning at the Northeast corner of Lot 4, Block 2, Townsite of Willow River, thence along North line of Lot 15, Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West, to Creek, South along Creek approximately 75 feet, thence westerly to Southeast corner of Lot 4, Block 2, Townsite of Willow River and East 75 feet to point of beginning, Rearrangement of Auditor's Subdivision of Section 2, Township 44 North, Range 20 West.

(3) In Windemere township, Part of Government Lot 8 viz:

Beginning at a point on the South line 1336.15 feet West of the Southeast corner thereof, thence to the right an angle of 77 degrees, 27 minutes, for a distance of 406.12 feet, more or less, to shore of Sand Lake, thence southwesterly on shore 620 feet, more or less, to South line of Lot 8, thence East 568.44 feet, more or less, to point of beginning, less 1.22 acres to Vogel and 0.37 acre to Lund and less 0.24 acre to Lund; all in Section 6, Township 45 North, Range 19 West.

(4) In Windemere township, Part of East 50 feet of West 100 feet of Government Lot 8 lying North of a line described as follows: Beginning at a point on West boundary line of Lot 8, which is 1742 feet North of the Southwest corner of Section 4, Township 45 North, Range 19 West, measured along West boundary line thence northeasterly forming an angle of 53 degrees 21 minutes with West boundary line 124.6 feet, more or less, to point 100 feet East of West boundary line measured at right angles thereto on East line of land.

(d) The county has determined that the county's land management interests would best be served if the lands were privately owned."

Page 10, line 21, delete "10" and insert "11"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2489, A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land in Koochiching and Lincoln counties; authorizing the private sale of certain state lands in Scott, Hubbard, and Fillmore counties; appropriating proceeds of the Scott county conveyance; authorizing the sale of certain surplus land in Lake county; authorizing the sale of certain trust fund land in St. Louis county; authorizing the sale of surplus land in Grant county for recreational purposes; authorizing the sale of certain wildlife land in Washington county to independent school district No. 834.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed, as amended, and its title agreed to.

H. F. No. 1854 was reported to the House.

Pugh moved to amend H. F. No. 1854, the first engrossment, as follows:

Page 1, after line 16, insert:

"Section 1. Minnesota Statutes 1988, section 287.01, is amended by adding a subdivision to read:

Subd. 4. [DECREE OF MARRIAGE DISSOLUTION.] "Decree of marriage dissolution" includes a summary real estate disposition judgment or an instrument made pursuant to it."

Re number the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 10, delete "section" and insert "sections 287.01, by adding a subdivision,"

The motion prevailed and the amendment was adopted.

H. F. No. 1854, A bill for an act relating to real estate; validating certain cancellation of contracts; validating certain conveyances by religious corporations; allowing county boards to set certain fees charged by the examiner of titles; providing for the effect of dissolution on joint tenancy; permitting the filing of summaries of dissolution judgments in real estate filings; clarifying provisions on certain liens by reordering clauses; amending Minnesota Statutes 1988, sections 287.01, by adding a subdivision; 500.19, subdivision 5; and 514.12, subdivision 3; Minnesota Statutes Second 1989 Supplement, section 508A.82; proposing coding for new law in Minnesota Statutes, chapters 315, 518, and 559; repealing Minnesota Statutes 1988, section 580.031.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed, as amended, and its title agreed to.

The Speaker resumed the Chair.

H. F. No. 2599, A bill for an act relating to retirement; Minneap-

olis municipal employees; consolidating funds within the fund, excluding CETA employees; removing mandatory retirement age; establishing a bounce-back annuity; increasing survivor benefits; amending Minnesota Statutes 1988, sections 422A.06, subdivisions 1, 3, 5, 6, and 8; 422A.09, subdivision 3; 422A.13, subdivision 2; 422A.17; and 422A.23, subdivisions 2, 6, 9, and 10; Minnesota Statutes 1989 Supplement, section 356.215, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 422A.

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

The bill was passed and its title agreed to.

SUSPENSION OF RULES

Quinn moved that the rules be so far suspended that the comparison report on S. F. No. 2018 and H. F. No. 2005 be reported at this time. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 2018 and H. F. No. 2005, which had been referred to the

Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Quinn moved that the rules be so far suspended that S. F. No. 2018 be substituted for H. F. No. 2005 and that the House File be indefinitely postponed. The motion prevailed.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Quinn moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2018 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Quinn moved that the Rules of the House be so far suspended that S. F. No. 2018 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2018 was read for the second time.

Quinn moved to amend S. F. No. 2018, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 297A.01, subdivision 16, is amended to read:

Subd. 16. [CAPITAL EQUIPMENT.] Capital equipment means machinery and equipment and the materials and supplies necessary to construct or install the machinery or equipment. To qualify under this definition the capital equipment must be used by the purchaser or lessee for manufacturing, fabricating, or refining a product to be sold at retail and must be used for the establishment of a new or the physical expansion of an existing manufacturing, fabricating, or refining facility in the state. Capital equipment does not include (1) machinery or equipment purchased or leased to replace machinery or equipment performing substantially the same function in an existing facility; or (2) repair or replacement parts; or (3) machinery or equipment used to extract, receive, or store raw materials.

Sec. 2. Minnesota Statutes 1989 Supplement, section 299L.03, is amended by adding a subdivision to read:

Subd. 9. [VIDEO GAMES OF CHANCE.] The commissioner shall exercise all powers and duties assigned to the commissioner relating

to video games of chance under sections 349.50 to 349.60 through the division and director.

Sec. 3. Minnesota Statutes 1989 Supplement, section 299L.03, is amended by adding a subdivision to read:

Subd. 10. [FINGERPRINTING.] The director may require that any: (1) licensee under sections 349.11 to 349.23, (2) employee of such a licensee, or (3) shareholder or officer of such a licensee be fingerprinted by the director, or otherwise submit to fingerprinting in a form and manner acceptable to the director.

Sec. 4. [299L.06] [JURISDICTION.]

In any investigation or other enforcement activity where there is probable cause to believe that a criminal violation relating to gambling has occurred, the division shall be the primary investigation entity where enforcement rests.

Sec. 5. Minnesota Statutes 1988, section 349.12, subdivision 10, is amended to read:

Subd. 10. "Pull-tab" means a single folded or banded ticket or a card with a face covered to conceal one or more numbers or symbols, where one or more of each set of tickets or cards has been designated in advance as a winner. "Pull-tab" also includes a ticket sold in a gambling device known as a ticket jar, and includes plays on a video pull-tab device and video pull-tab device memory chips.

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

Subd. 10a. [VIDEO PULL-TAB DEVICE.] "Video pull-tab device" means an electronic video device that on the insertion of cash or a token simulates the game of pull-tabs.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 349.12, subdivision 11, is amended to read:

Subd. 11. (a) "Lawful purpose" means one or more of the following:

(1) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded;

(2) initiating, performing, or fostering worthy public works or

enabling or furthering the erection or maintenance of public structures;

(3) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people;

(4) payment of local taxes authorized under this chapter, and taxes imposed by the United States on receipts from lawful gambling;

(5) any expenditure by, or any contribution to, a hospital or nursing home exempt from taxation under section 501(c)(3) of the Internal Revenue Code;

(6) payment of reasonable costs incurred in complying with the performing of annual audits required under section 349.19, subdivision 9;

(7) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization; or

(8) if approved by the board, construction, improvement, expansion, maintenance, and repair of athletic fields and outdoor ice rinks and their appurtenances, owned by the organization or a public agency.

(b) "Lawful purpose" does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property or capital assets owned or leased by an organization, other than a hospital or nursing home exempt from taxation under section 501(c)(3) of the Internal Revenue Code, unless the board has first specifically authorized the expenditures after finding: (1) that the property or capital assets will be used exclusively for one or more of the purposes specified in paragraph (a), clauses (1) to (3); or (2) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; or (3) with respect to expenditures for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance. The board shall by rule adopt procedures and standards to administer this subdivision.

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are

in conformity with standards prescribed by the board under section 19;

(2) a contribution to an organization designed to assist an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an organization designed to assist an individual for treatment for delayed post-traumatic stress syndrome, or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals, where the funds are awarded through an open and fair selection process not controlled by the contributing organization;

(6) activities by a veterans organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community;

(7) recreational and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity;

(8) payment of local taxes authorized under this chapter, and taxes imposed by the United States on receipts from lawful gambling;

(9) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency; or

(10) a contribution to or expenditure by a nonprofit organization, church or body of communicants, gathered in common membership for mutual support and edification in piety, worship, or religious observances.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value; or

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a).

Sec. 8. Minnesota Statutes 1989 Supplement, section 349.12, subdivision 12, is amended to read:

Subd. 12. [ORGANIZATION.] "Organization" means any fraternal, religious, veterans, or other nonprofit organization ~~which has at least 15 active members, and either has been duly incorporated as a nonprofit organization for at least three years, or has been recognized by the Internal Revenue Service as exempt from income taxation for the most recent three years.~~

Sec. 9. Minnesota Statutes 1989 Supplement, section 349.12, subdivision 15, is amended to read:

Subd. 15. [GAMBLING EQUIPMENT.] "Gambling equipment" means: bingo cards or sheets, devices for selecting bingo numbers, pull-tabs, jar tickets, pull-tab and/or tipboard dispensing machines, video pull-tab devices, video pull-tab device memory chips, paddle-wheels, and tipboards.

Sec. 10. Minnesota Statutes 1988, section 349.12, subdivision 18, is amended to read:

Subd. 18. [DEAL.] "Deal" means each separate package, or series of packages, consisting of one game of pull-tabs or tipboards with the same serial number. "Deal" also includes a video pull-tab device memory chip.

Sec. 11. Minnesota Statutes Second 1989 Supplement, section 349.12, subdivision 19, is amended to read:

Subd. 19. [IDEAL GROSS.] "Ideal gross" means the total amount of receipts that would be received if every individual ticket in the pull-tab or tipboard deal was sold at its face value. In the calculation of ideal gross and prizes, a free play ticket shall be valued at face value. In the case of video pull-tab devices "ideal gross" is the total amount of receipts that can be received by the read-only memory chip driving the device.

Sec. 12. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 30. [501(c)(3) ORGANIZATION.] "501(c)(3) organization" is an organization exempt from the payment of federal income taxes under section 501(c)(3) of the Internal Revenue Code.

Sec. 13. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 31. [AFFILIATE.] "Affiliate" is any person or entity directly or indirectly controlling, controlled by, or under common control or

ownership with a licensee of the board or any officer or director of a licensee of the board.

Sec. 14. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 32. [PERSON.] "Person" is an individual, firm, association, partnership, corporation, trustee, or legal representative.

Sec. 15. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 33. [VIDEO PULL-TAB DEVICE WHOLESALER.] "Video pull-tab device wholesaler" is a person who purchases video pull-tab devices from a manufacturer and sells them to a distributor.

Sec. 16. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 34. [FLARE.] "Flare" is the posted display, with registration stamp affixed, that sets forth the rules of a particular game of pull-tabs or tipboards, and that is associated with a specific deal of pull-tabs or grouping of tipboards.

Sec. 17. Minnesota Statutes Second 1989 Supplement, section 349.15, is amended to read:

349.15 [USE OF GROSS PROFITS.]

(a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized at a regular meeting of the conducting organization. Provided that no more than 55 percent of the gross profit less the tax imposed under section 349.212, subdivision 1, from bingo, no more than 50 percent of the gross profit from raffles, paddlewheels, and tipboards, and no more than 50 percent of the gross profit less the taxes imposed by section 349.212, subdivisions 1, 4, and 6, from other forms of lawful gambling pull-tabs, may be expended for allowable expenses related to lawful gambling.

(b) The board shall provide by rule for the administration of this section, including specifying allowable expenses. The rules must specify that no more than one-third of the annual premium on a policy of liability insurance procured by the organization may be taken as an allowable expense. This expense shall be allowed by the board only to the extent that it relates directly to the conduct of lawful gambling and is verified in the manner the board prescribes by rule. The rules may provide a maximum percentage of gross profits which may be expended for certain expenses.

(c) Allowable expenses also include reasonable costs of bank account service charges, and the reasonable costs of an audit required by the board, except an audit required under section 349.19, subdivision 9.

(d) Allowable expenses include reasonable legal fees and damages that relate to the conducting of lawful gambling, except for legal fees or damages incurred in defending the organization against the board, attorney general, United States attorney, commissioner of revenue, or a county or city attorney.

Sec. 18. Minnesota Statutes 1989 Supplement, section 349.151, subdivision 4, is amended to read:

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

(1) to regulate lawful gambling to ensure it is conducted in the public interest;

(2) to issue, revoke, and suspend licenses to organizations, distributors, bingo halls, and manufacturers under sections 349.16, 349.161, 349.163, and 349.164, and gambling managers;

(2) (3) to collect and deposit license, permit, and registration fees due under this chapter;

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

(4) (5) to make rules required authorized by this chapter;

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

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

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

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

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

(10) to issue premises permits to organizations licensed to conduct lawful gambling;

(11) to delegate to the director the authority to issue licenses and premises permits under criteria established by the board;

(12) to suspend or revoke licenses and premises permits of organizations, distributors, manufacturers, bingo halls, or gambling managers for violations of law or board rule;

(13) to register recipients of net profits from lawful gambling and to revoke or suspend such registrations;

(14) to register employees of organizations licensed to conduct lawful gambling;

(15) to require fingerprints from those persons determined by board rule to be subject to fingerprinting; and

(16) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) Any organization, distributor, bingo hall operator, or manufacturer assessed a civil penalty may request a hearing before the board. Hearings conducted on appeals of imposition of penalties are not subject to the provisions of the administrative procedure act.

(c) All fees and penalties received by the board must be deposited in the general fund.

Sec. 19. Minnesota Statutes 1989 Supplement, section 349.152, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF THE DIRECTOR.] The director has the following duties:

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

(2) to employ and supervise personnel of the board;

(3) to advise and make recommendations to the board on rules;

(4) to issue licenses and premises permits as authorized by the board;

(5) to issue cease and desist orders;

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

(7) to ensure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees.

Sec. 20. Minnesota Statutes 1989 Supplement, section 349.152, is amended by adding a subdivision to read:

Subd. 3. [CEASE AND DESIST ORDERS.] Whenever it appears to the director that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule:

(a) The director has the power to issue and cause to be served upon the person an order requiring the person to cease and desist from violations of this chapter. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. A hearing shall be held not later than seven days after the request for the hearing is received by the board after which and within 20 days of the date of the hearing the board shall issue an order vacating the cease and desist order or making it permanent as the facts require. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(b) The board may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with this chapter or any rule and may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the board to post a bond.

Sec. 21. Minnesota Statutes 1989 Supplement, section 349.152, is amended by adding a subdivision to read:

Subd. 4. [EXECUTIVE ASSISTANT.] The director may appoint an executive assistant to the director, who is in the unclassified service.

Sec. 22. [349.154] [EXPENDITURE OF NET PROFITS FROM LAWFUL GAMBLING.]

Subdivision 1. [STANDARDS FOR CERTAIN ORGANIZATIONS.] The board shall by rule prescribe standards that must be met by any licensed organization that is a 501(c)(3) organization. The standards must provide:

(1) operating standards for the organization, including a maximum percentage or percentages of the organization's total expenditures that may be expended for the organization's administration and operation; and

(2) standards for any expenditure by the organization of net profits from lawful gambling, including a requirement that the expenditure be related to the primary purpose of the organization.

Subd. 2. [NET PROFIT REPORTS.] (a) Each licensed organization must report monthly to the board on a form prescribed by the board each expenditure and contribution of net profits from lawful gambling. The reports must provide for each expenditure or contribution:

(1) the name, address, and telephone number of the recipient of the expenditure or contribution;

(2) the date the contribution was approved by the organization;

(3) the date, amount, and check number of the expenditure or contribution; and

(4) a brief description of how the expenditure or contribution meets one or more of the purposes in section 349.12, subdivision 11, paragraph (a).

(b) Each report required under paragraph (a) must be accompanied by an acknowledgment, on a form the board prescribes, of each contribution of net profits from lawful gambling included in the report. The acknowledgment must be signed by the recipient of the contribution, or, if the recipient is not an individual, or other authorized representative of the recipient, by an officer. The acknowledgment must include the name and address of the contributing organization and each item in paragraph (a), clauses (1) to (3).

(c) The board shall provide the commissioners of revenue and public safety copies of each report received under this subdivision.

Subd. 3. [REGISTRATION OF LAWFUL GAMBLING NET PROFIT RECIPIENTS.] The board may by rule require that any individual, organization, or other entity must be registered with the board to receive a contribution of net profits from lawful gambling. The rules may designate and define specific categories of recipients which are subject to registration. The board may suspend or revoke

the registration of any recipient the board determines has made an unlawful expenditure of net profits from lawful gambling.

Sec. 23. Minnesota Statutes 1988, section 349.16, as amended by Laws 1989, chapter 334, article 2, sections 20 and 21, and Laws 1989, First Special Session chapter 1, article 13, section 8, is amended to read:

349.16 [ORGANIZATION LICENSES.]

Subdivision 1. [LICENSE REQUIRED.] An organization may conduct lawful gambling if it has a license to conduct lawful gambling and complies with this chapter.

Subd. 2. [ISSUANCE OF GAMBLING LICENSES.] Licenses authorizing organizations to conduct lawful gambling may be issued by the board to organizations meeting the following qualifications ~~of section 349.14~~, if the board determines that the license is consistent with the purpose of sections 349.11 to 349.22:

(a) The organization must have been in existence for the most recent three years preceding the license application as a registered Minnesota nonprofit corporation or as an organization designated as exempt from the payment of income taxes by the Internal Revenue Code.

(b) The organization at the time of licensing must have at least 15 active members.

(c) The organization must not be in existence solely for the purpose of conducting gambling.

(d) The organization must not have as an officer or member of the governing body any person who has within the five years prior to the issuance of the license been convicted in a federal or state court of a felony or gross misdemeanor or who has ever been convicted of a crime involving gambling or who has had a license issued by the board or director revoked for a violation of law or board rule.

(e) The organization has identified in its license application the lawful purposes on which it proposes to expend net profits from lawful gambling.

(f) The organization has identified on its license application a gambling manager and certifies that the manager is qualified under this section.

(g) The organization must not, in the opinion of the board after consultation with the commissioner of revenue, be seeking licensing

primarily for the purpose of evading or reducing the tax imposed by section 349.212, subdivision 6.

Subd. 3. [TERM OF LICENSE: SUSPENSION AND REVOCATION] (a) Licenses issued under this section are valid for one year and may be suspended by the board for a violation of law or board rule or revoked for what the board determines to be a pattern of willful violations violation of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

(b) The board may summarily suspend the license of an organization that is more than three months late in filing a tax return required under this chapter, and may keep the suspension in effect until all required returns are filed. The board must notify an organization at least 14 days before suspending the organization's license under this paragraph. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge's report must be issued within 20 days after the close of the hearing record. In all cases involving summary suspension, the board must issue its final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.

(c) When an organization's license is suspended or revoked under this subdivision, the board shall within three days notify all municipalities in which the organization's gambling premises are located, and all licensed distributors in the state.

Subd. 1a. [RESTRICTIONS ON LICENSE ISSUANCE.] On and after October 1, 1989, the board shall not issue an initial license to any organization if the board, in consultation with the department of revenue, determines that the organization is seeking licensing for the primary purpose of evading or reducing the tax imposed by section 349.212, subdivision 6.

Subd. 2 4. [APPLICATION.] All applications for a license under this section must be on a form prescribed by the board. The board may require the applying organization to submit a copy of its articles of incorporation and other documents it deems necessary.

Subd. 5. [RENEWALS.] The board shall not renew a license issued under this section unless it determines that the organization is (1) in compliance with all laws and rules governing lawful gambling; and (2) is not delinquent in filing tax returns or paying taxes required under this chapter. The board may delegate to the director the authority to make determinations required under this subdivision.

Subd. 3 6. [FEES.] The board may issue four classes of organization licenses: a class A license authorizing all forms of lawful gambling; a class B license authorizing all forms of lawful gambling

except bingo; a class C license authorizing bingo only; and a class D license authorizing raffles only. The annual license fee for each class of license is:

- (1) \$200 for a class A license;
- (2) \$125 for a class B license;
- (3) \$100 for a class C license; and

(4) \$75 for a class D license. board shall not charge a fee for an organization license.

Subd. 7. [PURCHASE OF GAMBLING EQUIPMENT.] An organization may purchase gambling equipment only from a person licensed as a distributor.

Subd. 4 8. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations or bingo halls applying for or renewing a license to conduct lawful gambling or operate a bingo hall. An investigation fee may not exceed the following limits:

- (1) for cities of the first class, \$500;
- (2) for cities of the second class, \$250;
- (3) for all other cities, \$100; and
- (4) for counties, \$375.

Sec. 24. Minnesota Statutes 1989 Supplement, section 349.161, as amended by Laws 1989, First Special Session chapter 1, article 13, section 9, is amended to read:

349.161 [DISTRIBUTOR LICENSES.]

Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.]
No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state for gambling purposes, other than for lawful gambling exempt or excluded from licensing under section 349.214, except to an organization licensed for lawful gambling;

(2) sell, offer for sale, or furnish gambling equipment to ~~an organization licensed~~ for lawful gambling without having obtained a distributor license under this section;

(3) sell, offer for sale, or furnish gambling equipment for use within the state that is not purchased or obtained from a manufacturer or distributor licensed under this chapter, or in the case of video pull-tab devices, purchased or obtained from a manufacturer or a video pull-tab device wholesaler; or

(4) sell, offer for sale, or furnish gambling equipment for use within the state that has the same serial number as another item of gambling equipment of the same type sold or offered for sale or furnished for use in the state by that distributor.

~~No licensed organization may purchase gambling equipment from any person not licensed as a distributor under this section.~~

Nothing in this subdivision prohibits the otherwise lawful sale of video pull-tab devices to a distributor by a licensed video pull-tab device wholesaler.

Subd. 2. [LICENSE APPLICATION.] The board may issue licenses for the sale of gambling equipment to persons who meet the qualifications of this section if the board determines that a license is consistent with the purpose of sections 349.11 to 349.22. Applications must be on a form the board prescribes.

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, other person in a supervisory or management position, or employee eligible to make sales on behalf of the distributor a person, who:

(1) has been convicted of a felony ~~within the past five years;~~

(2) has ever been convicted of a felony involving fraud or misrepresentation or a crime involving gambling;

(3) has ever been convicted of (i) assault, (ii) any criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(4) is or has ever been engaged in an illegal business;

(4) (5) owes \$500 or more in delinquent taxes as defined in section 270.72;

(5) (6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; or

(6) (7) after demand, has not filed tax returns required by the commissioner of revenue.

Subd. 4. [FEES.] The annual fee for a distributor's license is \$2,500.

Subd. 5. [PROHIBITION.] (a) No distributor, or employee of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, ~~distributor's or any~~ representative, agent, affiliate, or employee of a distributor, may be (1) involved directly in the operation conduct of lawful gambling ~~conducted~~ by an organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state by an organization.

(c) No ~~manufacturer or distributor or person acting as a~~ any representative, agent, affiliate, or employee of a ~~manufacturer or distributor~~ may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor, ~~distributor's or any~~ representative, agent, affiliate, or employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor is being used in the conduct of lawful gambling.

(e) No distributor, ~~distributor's or any~~ representative, agent, affiliate, or employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.

(f) No distributor or ~~any~~ representative, agent, affiliate, or employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

(g) No distributor may purchase gambling equipment from any person not licensed as a manufacturer under section 349.163.

(h) No distributor may sell gambling equipment to any person in Minnesota other than (i) a licensed organization or organization exempt from licensing, or (ii) the governing body of an Indian tribe.

Subd. 6. [REVOCATION AND SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule ~~or~~. A license under this section may be revoked for (1) failure to meet the qualifications in subdivision 3 at any time; or revoked (2) for what the board determines to be a pattern of a willful

violations violation of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Subd. 7. [CRIMINAL HISTORY.] The board may request the assistance of the division of gambling enforcement in investigating the background of an applicant for a distributor's license and may reimburse the division of gambling enforcement for the costs thereof. The board has access to all criminal history data compiled by the division of gambling enforcement on licensees and applicants.

Subd. 8. [EMPLOYEES OF DISTRIBUTORS.] Licensed distributors shall provide the board upon request with the names and home addresses of all employees. Each distributor, and employee of a distributor, or a person making sales of gambling equipment on behalf of a distributor must have in their possession a picture identification card approved by the board. No person other than an employee of a licensed distributor shall make any sales on behalf of a licensed distributor.

Subd. 9. [LEASES OF VIDEO PULL-TAB DEVICES.] For purposes of this section the terms "sell" and "sale" include the lease of a video pull-tab device or pull-tab dispensing machine by a distributor to a licensed organization.

Sec. 25. [349.1611] [VIDEO PULL-TAB DEVICE WHOLE-SALER.]

Subdivision 1. [LICENSE REQUIRED.] No person may engage in the business of purchasing video pull-tab devices from a manufacturer for sale to a distributor without having obtained a license from the board. The board may issue a license to persons who meet the qualifications of this section if the board determines that issuance of the license is consistent with the purposes of section 349.11 to 349.23. Applications must be on a form the board prescribes. Video pull-tab device wholesaler's licenses are valid for one year. The fee for a video pull-tab device wholesaler's license is \$2,500.

Subd. 2. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, other person in a supervisory or management position, or employee eligible to make sales on behalf of the distributor, a person, who:

- (1) has been convicted of a felony;
- (2) has ever been convicted of a felony involving fraud or misrepresentation or a crime involving gambling;
- (3) has ever been convicted of (i) assault, (ii) any criminal

violation involving the use of a firearm, or (iii) making terroristic threats;

(4) is or has ever been engaged in an illegal business;

(5) owes \$500 or more in delinquent taxes as defined in section 270.72;

(6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; or

(7) after demand, has not filed tax returns required by the commissioner of revenue.

A video pull-tab device wholesaler's license may not be issued to any person licensed as a distributor under section 349.161.

Subd. 3. [PROHIBITIONS.] All prohibitions applicable to distributors or manufacturers under section 349.161, subdivision 5, apply to video pull-tab device wholesalers.

Subd. 4. [REVOCATION; SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule. A license under this section may be revoked for (1) failure to meet the qualifications in subdivision 2 at any time, or (2) for a willful violation of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Sec. 26. Minnesota Statutes 1989 Supplement, section 349.162, is amended to read:

349.162 [EQUIPMENT REGISTERED.]

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

(b) From January 1, 1991, to June 30, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "For Sale in Minnesota Only."

(c) On and after July 1, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "Manufactured in Minnesota For Sale in Minnesota Only."

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

(1) the identity of the person or firm from whom the equipment was distributor purchased the equipment;

(2) the registration number of the equipment;

(3) the name and, address and license or exempt permit number of the organization to which the sale was made;

(4) the date of the sale;

(5) the name of the person who ordered the equipment; and

(6) the name of the person who received the equipment;

(7) the type of equipment;

(8) the serial number of the equipment;

(9) the name, form number, or other identifying information for each game; and

(10) in the case of bingo cards sold on and after January 1, 1991, the individual number of each card.

The invoice for each sale must be retained for at least two three and one-half years after the sale is completed and a copy of each invoice is to be delivered to the board in the manner and time prescribed by the board. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the board, in a form the board prescribes, its sales of each type of gambling equipment. Employees of the division and the division of gambling enforcement may inspect the business premises, books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

Subd. 3. [EXEMPTION.] For purposes of this section, bingo cards or sheets need not be stamped.

Subd. 4. [PROHIBITION.] (a) No person other than a licensed distributor may possess unaffixed registration stamps issued by the board.

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

(c) On and after January 1, 1991, no distributor may:

(1) sell a bingo card that does not bear an individual number; or

(2) sell a package of bingo cards that does not contain bingo cards in numerical order.

Subd. 5. [SALES FROM FACILITIES.] (a) All gambling equipment purchased or possessed by a licensed distributor for resale in Minnesota must, prior to the equipment's resale, be unloaded into a sales or storage facility located in Minnesota which the distributor owns or leases; and which has been registered, in advance and in writing, with the division of gambling enforcement as a sales or storage facility of the distributor's. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a sales or storage facility which has been registered with the division of gambling enforcement. No gambling equipment may be moved from the facility unless the gambling equipment has been first registered with the board.

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

(c) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than a registered sales or storage facility are contraband under section 349.2125. This paragraph does not apply to unregistered gambling equipment being transported in interstate commerce between locations outside Minnesota, if the interstate shipment is verified by a bill of lading or other valid shipping document.

Subd. 6. [VIDEO PULL-TAB DEVICE MEMORY CHIPS.] For purposes of this section only, "gambling equipment" includes any memory chip used or intended to be used to drive a video pull-tab device.

Subd. 7. [REMOVAL OF EQUIPMENT FROM INVENTORY.] Authorized employees of the division, the division of gambling enforcement of the department of public safety, and the commissioner of revenue may remove gambling equipment from the inventories of distributors and organizations and test that equipment to determine its compliance with all applicable laws and rules. A distributor or organization may return to the manufacturer thereof any gambling equipment which is determined to be in violation of law or rule. The cost to an organization of gambling equipment removed from inventory under this paragraph and found to be in compliance with all applicable law and rules is an allowable expense under section 349.15.

Sec. 27. Minnesota Statutes 1989 Supplement, section 349.163, as amended by Laws 1989, First Special Session chapter 1, article 13, section 10, is amended to read:

349.163 [LICENSING OF MANUFACTURERS.]

Subdivision 1. [LICENSE REQUIRED.] No manufacturer of gambling equipment may sell any gambling equipment to any person unless the manufacturer has been issued a current and valid license by the board under objective this section and other criteria prescribed by the board by rule.

A manufacturer licensed under this section may not also be directly or indirectly licensed as a distributor under section 349.161 or as a video pull-tab wholesaler under section 22.

Subd. 1a. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, other person in a supervisory or management position, or employee eligible to make sales on behalf of the distributor, a person, who:

(1) has been convicted of a felony;

(2) has ever been convicted of a felony involving fraud, misrepresentation, or a crime involving gambling;

(3) has ever been convicted of (i) assault, (ii) any criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(4) is or has ever been engaged in an illegal business;

(5) owes \$500 or more in delinquent taxes as defined in section 270.72;

(6) has had a sales and use tax permit revoked by the commissioner of revenue within the last two years; or

(7) after demand, has not filed tax returns required by the commissioner of revenue.

Subd. 1b. [APPLICATIONS; INFORMATION.] An applicant for a manufacturer's license must list on the license application the names and addresses of all subsidiaries, affiliates, and branches in which the applicant has any form of ownership or control, in whole or in part, without regard to whether the subsidiary, affiliate, or branch does business in Minnesota.

Subd. 2. [LICENSE; FEE.] A license under this section is valid for one year. The annual fee for the license is \$2,500.

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

(1) sell gambling equipment to any person not licensed as a distributor unless the manufacturer is also a licensed distributor; or

(2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use in this state;

(3) on and after January 1, 1991, sell to any person in Minnesota a pull-tab on which the manufacturer has not clearly printed the words "For Sale in Minnesota Only;" or

(4) on and after January 1, 1991, sell to any person inside or outside the state, including the governing body of any Indian tribe, other than a Minnesota licensed distributor, a pull-tab marked "For Sale in Minnesota Only."

(b) A manufacturer, affiliate of a manufacturer, or person acting as a representative, agent, or employee of a manufacturer may not provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(c) On and after July 1, 1992, all pull-tabs sold by a licensed manufacturer to a person in Minnesota must (1) be manufactured within Minnesota, and (2) be clearly marked with the words "Manufactured in Minnesota For Sale in Minnesota Only." A manufacturer may not place the words required in this paragraph on any pull-tab not manufactured in Minnesota.

Subd. 4. [INSPECTION OF MANUFACTURERS.] Employees of the division and the division of gambling enforcement may inspect the books, records, inventory, and manufacturing operations of a

licensed manufacturer without notice during the normal business hours of the manufacturer.

Subd. 5. [PULL-TAB AND TIPBOARD FLARES.] (a) A manufacturer may not ship or cause to be shipped into this state any deal of pull-tabs or tipboards that does not have its own individual flare as required for that deal by rule of the board. No person other than a manufacturer may manufacture, alter, modify, or otherwise change a flare for a deal of pull-tabs or tipboards except as allowed by this chapter or board rules.

(b) The flare of each deal of pull-tabs and tipboards sold by a manufacturer in Minnesota must have the Minnesota gambling stamp affixed. The flare, with the stamp affixed, must be placed inside the wrapping of the deal which the flare describes.

(c) Each pull-tab and tipboard flare must bear the following statement, printed in letters large enough to be clearly legible:

"Pull-tab or tipboard purchasers—This pull-tab or tipboard game is not legal in Minnesota unless:

—a Minnesota gambling stamp is affixed to this sheet, and

—the serial number handwritten on the gambling stamp is the same as the serial number printed on this sheet, and on the pull-tab ticket or tipboard you have purchased."

(d) The flare of each pull-tab and tipboard game must bear the serial number of the game, printed in numbers at least one-half inch high.

(e) The flare of each pull-tab and tipboard game must be imprinted at the bottom with a bar code which provides:

- (1) the name of the game;
- (2) the serial number of the game;
- (3) the name of the manufacturer;
- (4) the number of tickets or tipboards in the deal;
- (5) the odds of winning each prize in the deal; and
- (6) any other information the board by rule requires.

The serial number included in the bar code must be the same as the serial number of the tickets or tipboards included in the deal. A

manufacturer who manufactures a deal of pull-tabs or tipboards must affix to the outside of the box containing that game the same bar code which is imprinted at the bottom of a flare for that deal.

(f) No person may alter the bar code which appears on the outside of a box containing a deal of pull-tabs or tipboards. Possession of a box containing a deal of pull-tabs or tipboards which has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

Subd. 6. [SAMPLES OF GAMBLING EQUIPMENT.] The board shall require each licensed manufacturer to submit samples to the board of each item of gambling equipment the manufacturer manufactures for sale in this state. The board shall inspect and test all such equipment as it deems necessary to determine the equipment's compliance with law and board rules. The board may request the assistance of the commissioner of public safety and the director of the state lottery division in performing such tests.

Subd. 7. [RECYCLED PAPER REQUIRED.] All pull-tabs sold in Minnesota by a licensed manufacturer on and after January 1, 1991, must be manufactured on recycled paper.

Sec. 28. Minnesota Statutes 1989 Supplement, section 349.164, is amended to read:

349.164 [BINGO HALL LICENSES.]

Subdivision 1. [LICENSE REQUIRED.] No person may lease a facility to more than one individual, corporation, partnership, or organization to conduct bingo without having obtained a current and valid bingo hall license under this section; unless the lessor is a licensed organization.

Subd. 2. [LICENSE APPLICATION.] The board may issue a bingo hall license to persons who meet the qualifications of this section if the board determines that a license is consistent with the purpose of sections 349.11 to 349.22. Applications must be on a form the board prescribes. The board may not issue or renew a bingo hall license unless the conditions of section 349.213, subdivision 2, have been satisfied.

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a organization, corporation, firm, or partnership which is not the legal owner of the facility, or to a person, organization, corporation, firm, or partnership which has as an officer, director, or other person in a supervisory or management position, who:

- (1) has been convicted of a felony within the past five years;

(2) has ever been convicted of a felony involving fraud or misrepresentation or a crime involving gambling; or

(3) has every been convicted of (i) assault, (ii) any criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(4) owes delinquent taxes in excess of \$500 as defined in section 270.72; or

(5) after demand, has not filed tax returns required by the commissioner of revenue.

Subd. 4. [FEES.] The annual fee for a bingo hall license is \$2,500.

Subd. 5. [CRIMINAL HISTORY.] The board may request the assistance of the division of gambling enforcement in investigating the background of an applicant for a bingo hall license and may reimburse the division of gambling enforcement for the costs. The board has access to all criminal history data compiled by the bureau of criminal apprehension and the division of gambling enforcement on licensees and applicants.

Subd. 6. [~~PROHIBITION~~ PROHIBITED ACTS.] No bingo hall licensee, person holding a financial or managerial interest in a bingo hall, or an affiliate thereof may also:

(1) be a licensed distributor or licensed manufacturer or affiliate of the distributor or manufacturer under section 349.161 or 349.163 or a wholesale distributor of alcoholic beverages;

Subd. 7. [RESTRICTIONS.] A bingo hall licensee or affiliate of the licensee may not:

(1) (2) provide any staff to conduct or assist in the conduct of bingo or any other form of lawful gambling during the bingo occasion on the premises;

(2) (3) acquire, provide storage or inventory control, or report the use of any gambling equipment used by an organization that conducts bingo lawful gambling on the premises;

(3) (4) provide accounting services to an organization conducting bingo lawful gambling on the premises;

(4) (5) solicit, suggest, encourage, or make any expenditures of gross receipts of an organization from lawful gambling; or

(5) (6) charge any fee to a person at a bingo occasion, without

which the person could not play a bingo game or participate in another form of lawful gambling on the premises;

(7) provide assistance or participate in the conduct of lawful gambling on the premises; or

(8) permit more than 21 bingo occasions to be conducted on the premises in any week.

Subd. 8 7. [LEASES.] All of the remuneration to be received from the organization for the conduct of lawful gambling must be stated in the lease. No amount may be paid by the organization or received by ~~the operator~~ of the bingo hall licensee based on the number of participants attending the bingo occasion or participating in lawful gambling on the premises, or based on the gross receipts or profit received by the organization. All provisions of section 349.18 apply to lawful gambling conducted in bingo halls.

Subd. 9 8. [REVOCATION AND SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule or revoked for (1) failure to meet the qualifications in subdivision 3 at any time; or revoked for what the board determines to be (2) a pattern of willful violations violation of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Sec. 29. [349.165] [PREMISES PERMITS.]

Subdivision 1. [PREMISES PERMIT REQUIRED; APPLICATION.] No licensed organization may conduct any lawful gambling at any site unless it has first obtained from the board a premises permit for the site. The board shall prescribe a form for permit applications, and each application for a permit must be submitted on a separate form. The board may by rule limit the number of premises permits that may be issued to an organization.

Subd. 2. [CONTENTS OF APPLICATION.] Each application for a premises permit must contain:

(1) the name and address of the applying organization and of the organization's gambling manager;

(2) a description of the site for which the permit is sought, including its address and, where applicable, its placement within another premises or establishment;

(3) if the site is leased, the name and address of the lessor and such information about the lease as the board requires, including all rents and other charges for the use of the site; and

(4) other information the board deems necessary to carry out its purposes.

An organization holding a premises permit must notify the board within ten days whenever any material change is made in the above information.

Subd. 3. [FEES.] The board may issue four classes of premises permits, corresponding to the classes of licenses authorized under section 349.16, subdivision 6. The annual fee for each class of permit is:

- (1) \$200 for a class A permit;
- (2) \$125 for a class B permit;
- (3) \$100 for a class C permit; and
- (4) \$75 for a class D permit.

Subd. 4. [IDENTIFICATION OF PREMISES.] No organization may seek or accept assistance from a manufacturer or distributor, or a representative, agent, affiliate, or employee of a manufacturer or distributor, in identifying potential locations for gambling conducted by the organization.

Sec. 30. [349.166] [EXEMPTIONS; EXCLUSIONS.]

Subdivision 1. [EXCLUSIONS.] (a) Bingo may be conducted without a license and without complying with sections 349.17, subdivision 1, and 349.18, if it is conducted:

(1) in connection with a county fair, the state fair, or a civic celebration if it is not conducted for more than 12 consecutive days in a calendar year; or

(2) by an organization that conducts four or fewer bingo occasions in a calendar year.

No organization that holds a license to conduct lawful gambling under this chapter may conduct bingo under this subdivision.

(b) Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization without compliance with sections 349.11 to 349.213 if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, no more than two bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid

for any persons who conduct the bingo, a manager is appointed to supervise the bingo, and the manager registers with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

(c) Raffles may be conducted by an organization without complying with sections 349.11 to 349.14 and 349.151 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750.

Subd. 2. [EXEMPTIONS.] (a) Lawful gambling may be conducted by an organization as defined in section 349.12, subdivision 12, without complying with sections 349.151 to 349.16; 349.167; 349.168; 349.18; 349.19; and 349.212 if:

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

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

(3) the organization pays a fee of \$25 to the board, notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, or 60 days for an occasion held in the case of a city of the first class, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

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

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

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

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

(d) Unused pull-tab and tipboard deals must be returned to the

distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

(e) An organization that is exempt from taxation on purchases of pull-tabs and tipboards under section 349.212, subdivision 4, paragraph (c), must return to the distributor any tipboard or pull-tab deal no part of which is used at the lawful gambling occasion for which it was purchased by the organization.

Subd. 3. [RAFFLES; CERTAIN ORGANIZATIONS.] The provisions of sections 349.21 and 349.211, subdivision 3, and the membership requirements of sections 349.14 and 349.20 do not apply to raffles conducted by an organization which directly or under contract to the state or a political subdivision delivers health or social services and which is a 501(c)(3) organization if the prizes awarded in the raffles are real or personal property donated by an individual, firm, or other organization. The person who accounts for the gross receipts, expenses, and profits of the raffles may be the same person who accounts for other funds of the organization.

Subd. 4. [TAXATION.] An organization's receipts from lawful gambling that is exempt from licensing under this section is not subject to the tax imposed by section 297A.02 or 349.212.

Sec. 31. [349.167] [GAMBLING MANAGERS.]

Subdivision 1. [GAMBLING MANAGER REQUIRED.] (a) All lawful gambling conducted by a licensed organization must be under the supervision of a gambling manager. A gambling manager designated by an organization to supervise lawful gambling is responsible for the gross receipts of the organization and for its conduct in compliance with all laws and rules. The organization must maintain, or require the person designated as a gambling manager to maintain, a fidelity bond in the sum or \$25,000 in favor of the organization and the state, conditioned on (1) the faithful performance of the manager's duties; and (2) the payment of all taxes due under this chapter on lawful expenditures of gross profits from lawful gambling. The terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation. In the case of conflicting claims against a bond a claim by the state has preference over a claim by the organization.

(b) A person may not act as a gambling manager for more than one organization.

(c) An organization may not conduct lawful gambling without having a gambling manager. The board must be notified in writing of a change in gambling managers. Notification must be made

within ten days of the date the gambling manager assumes the manager's duties.

(d) An organization may not have more than one gambling manager at any time.

Subd. 2. [GAMBLING MANAGERS; LICENSES.] No person may serve as a gambling manager for any organization unless the person possesses a valid gambling manager's license from the board. The board may issue a gambling manager's license to a person applying for the license who:

(1) has received training as required in subdivision 5;

(2) has not been convicted of a felony in a state or federal court;

(3) has not at any time within the five years prior to the license application committed any violation of law or board rule which resulted in the revocation of any license issued by the board;

(4) has never been convicted in a state or federal court of any criminal violation involving fraud, theft, tax evasion, misrepresentation, or gambling;

(5) has never been convicted of (i) assault, (ii) any criminal violation involving the use of a firearm, or (iii) making terroristic threats; and

(6) has not engaged in conduct the board determines is contrary to the public health, welfare, or safety or the integrity of lawful gambling.

A gambling manager's license is valid for one year unless suspended or revoked. The annual fee for a gambling manager's license is \$100.

Subd. 4. [SUSPENSION; REVOCATION.] The board may suspend or revoke, as provided in board rules, a gambling manager's license for a violation of law or board rule. A suspension or revocation is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Subd. 5. [TRAINING OF GAMBLING MANAGERS.] (a) The board shall by rule require all persons licensed as gambling managers to receive periodic training in laws and rules governing lawful gambling. The rules must contain the following requirements:

(1) each gambling manager must have received such training before being issued a new license;

(2) each gambling manager applying for a renewal of a license must have received training within the three years prior to the date of application for the renewal; and

(3) the training required by this subdivision may be provided by a person, firm, association, or organization authorized by the board to provide the training. Before authorizing a person, firm, association, or organization to provide training, the board must determine that:

(i) the provider and all of the provider's personnel conducting the training are qualified to do so;

(ii) the curriculum to be used fully and accurately covers all elements of lawful gambling law and rules that the board determines are necessary for a gambling manager to know and understand;

(iii) the fee to be charged for participants in the training sessions is fair and reasonable; and

(iv) the training provider has an adequate system for documenting completion of training.

The rules may provide for differing training requirements for gambling managers based on the class of license held by the gambling manager's organization.

The board or the director may provide the training required by this subdivision using employees of the division.

Subd. 6. [CRIMINAL HISTORY.] The board may request the assistance of the division of gambling enforcement in investigating the background of an applicant for a gambling manager's license and may reimburse the division of gambling enforcement for the costs thereof. The board has access to all criminal history data compiled by the division of gambling enforcement on licensees and applicants.

Subd. 7. [RECRUITMENT OF GAMBLING MANAGERS.] No organization may seek or accept assistance from a manufacturer or distributor, or a representative, agent, affiliate, or employee of a manufacturer or distributor, in identifying or recruiting candidates to become a gambling manager for the organization.

Sec. 32. [349.168] [GAMBLING EMPLOYEES.]

Subdivision 1. [REGISTRATION OF EMPLOYEES.] No person may receive compensation for participating in the conduct of lawful gambling as an employee of a licensed organization unless the person has first registered with the board on a form the board

prescribes. The form must require that each person registering must provide (1) the person's name, address, and social security number; (2) a current photograph; (3) the name, address, and license number of the employing organization; and (4) a listing of all employment in the conduct of lawful gambling within the previous three years, including the name and address of each employing organization and the circumstances under which the employment was terminated.

Subd. 2. [IDENTIFICATION OF EMPLOYEES.] The board shall issue to each person registering under subdivision 1 a registration number and identification card which must include the employee's photograph. Each person receiving compensation for the conduct of lawful gambling must wear the identification card provided by the board at all times while engaged in such employment.

Subd. 3. [COMPENSATION.] Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that the following persons may receive compensation without being active members: (1) sellers of pull-tabs, tipboards, raffle tickets, paddle-wheel tickets, and bingo paper; and (2) accountants performing auditing or bookkeeping services for the organization; and (3) attorneys providing legal services to the organization.

Subd. 4. [AMOUNTS PAID.] The amounts of compensation which may be paid under this section may be provided for in a schedule of compensation adopted by the board by rule. In adopting a schedule, the board must consider the nature of the participation and the types of lawful gambling participated in.

Subd. 5. [COMPENSATION RECORDS.] An organization paying compensation to persons for the conduct of lawful gambling must maintain a compensation record. The record must be retained for at least two years after the month in which the compensation is paid. The record must be an itemization of each payment made to each recipient of compensation and must include the amount of compensation paid and the full name, address, and membership status of each recipient.

Subd. 6. [COMPENSATION PAID BY CHECK.] Compensation paid by an organization in connection with lawful gambling must be in the form of a check drawn on the organization's gambling account, as specified in section 349.19, and paid directly to the employee of the organization.

Subd. 7. [PENALTY.] (a) An organization that makes payment of compensation, or causes compensation to be made, which violates the provisions of subdivision 4 shall be assessed a civil penalty not to exceed \$1,000 for each violation of subdivision 4. A second violation within 12 months of notification by the board to the

organization of the first violation shall result in suspension of the organization's gambling license for a period of three months, in addition to any civil penalty assessed. A third violation within 12 months of the board's notification to the organization of the second violation shall result in revocation of the organization's gambling license in addition to any civil penalty assessed.

(b) Upon each violation, the director shall notify the organization in writing of its violation and of the penalties under this subdivision for future violations. Notification is effective upon mailing.

(c) For purposes of this subdivision, a violation consists of a payroll period or compensation date that includes payments made in violation of subdivision 4.

Subd. 8. [PERCENTAGE OF GROSS PROFIT PAID.] A licensed organization may pay a percentage of the gross profit from raffle ticket sales to a nonprofit organization which sells raffle tickets for the licensed organization.

Sec. 33. [349.169] [FILING OF PRICES.]

Subdivision 1. [FILING REQUIRED.] All manufacturers and distributors must file with the director, not later than the first day of each month, the prices at which the manufacturer or distributor will sell all gambling equipment in that month. The filing must be on a form the director prescribes. Prices filed must include all charges the manufacturer or distributor makes for each item of gambling equipment sold, including all volume discounts, exclusive of transportation costs. All filings are effective on the first day of the month for which they are filed, except that a manufacturer or distributor may amend a filed price within five days of filing it.

Subd. 2. [COPIES.] The director shall provide copies of price filings to any person requesting them, and may charge a reasonable fee for the copies. Any person may examine price filings in the division office at no cost, and the director shall make the filings available for that purpose.

Subd. 3. [SALES AT FILED PRICES.] No manufacturer may sell to a distributor, and no distributor may sell to an organization, any gambling equipment for any price other than a price the manufacturer or distributor has filed with the director under subdivision 1, exclusive of transportation costs.

Sec. 34. Minnesota Statutes 1988, section 349.17, as amended by Laws 1989, chapter 334, article 2, section 26, is amended to read:

349.17 [CONDUCT OF BINGO.]

Subdivision 1. [BINGO OCCASIONS.] Not more than ~~six~~ seven bingo occasions each week may be conducted by an organization. At least 15 bingo games must be held at each occasion and a bingo occasion must continue for at least 1½ hours but not more than four consecutive hours.

Subd. 2. [BINGO ON LEASED PREMISES.] (a) ~~A person or corporation, other than an organization, which leases any premises that it owns to two or more organizations for purposes including the conduct of bingo occasions, may not allow more than 18 bingo occasions to be conducted on the premises in any week.~~

(b) ~~If an organization conducts bingo on premises it does not own, the organization must provide the board with the name of the owner and lessor of the premises, copies of all agreements between the organization and the owner or lessor, and the names of employees of the owner or lessor who will be responsible for the premises during the bingo occasion held by the organization.~~

(c) ~~During any bingo occasion held~~ conducted by an organization ~~on premises it does not own~~, the organization shall be directly responsible for the:

- (1) staffing of the bingo occasion;
- (2) conducting of lawful gambling during the bingo occasion;
- (3) acquiring, storage, inventory control, and reporting of all gambling equipment used by the organization; ~~and~~
- (4) receipt, accounting, and all expenditures of gross receipts from lawful gambling; and
- (5) preparation of the bingo packets.

Subd. 2a. [DISTRIBUTOR LICENSE EXEMPTION FOR LESSOR.] As part of a lease agreement on a leased bingo premises, the lessor may furnish bingo equipment without being a licensed distributor. For purposes of this section, "furnish" does not include the right to sell or offer for sale.

Subd. 3. Each bingo winner must be determined and every prize shall be awarded and delivered the same day on which the bingo occasion is conducted.

Subd. 4. [CHECKERS.] One or more checkers must be engaged for each bingo occasion. The checker or checkers must record, on a form the board provides, the number of cards played in each game and the prizes awarded to recorded cards. The form must provide for the inclusion of the registration number of each card and must include

a checker's certification that the figures recorded are correct to the best of the checker's knowledge.

Subd. 5. [BINGO CARD NUMBERING.] The board shall by rule require that all licensed organizations (1) conduct bingo only using liquid daubers on cards that bear an individual number recorded by the distributor; (2) sell all bingo cards only in the order of the numbers appearing on the cards; and (3) use each bingo card for no more than one bingo occasion. In lieu of the requirements of clauses (2) and (3), a licensed organization may electronically record the sale of each bingo card at each bingo occasion, using an electronic recording system approved by the board. In lieu of the requirements of clauses (1), (2), and (3), a licensed organization may conduct bingo using electronic remote units which simulate bingo games and which are programmed for a certain number of plays by a central computer, provided that all such electronic equipment is approved by the board.

Sec. 35. [349.172] [PULL-TABS; INFORMATION REQUIRED TO BE POSTED.]

An organization selling pull-tabs, other than plays on a video pull-tab device at any location must post for each deal of pull-tabs all major prizes that have been awarded for pull-tabs purchased from that deal and the name of the winner of each major prize. The information must be posted prominently at the point of sale of the deal. An easily legible pull-tab flare which lists prizes in that deal, and on which prizes are marked or crossed off as they are awarded, satisfies the requirement of this section that major prizes be posted, provided that a separate flare is posted for each deal of pull-tabs. An organization must post or mark off each major prize and post the name of the prize winner immediately upon awarding the prize. A "major prize" in a deal of pull-tabs is any prize that is at least 50 times the face value of any pull-tab in the deal.

Sec. 36. [349.173] [VIDEO PULL-TAB DEVICES.]

Subdivision 1. [LICENSES.] (a) No organization may operate a video pull-tab device for which the board has not issued a license. An application for a video pull-tab device license must be on a form the board prescribes and must contain the following information:

(1) the name, address, and license number of the organization applying for the license;

(2) the name, address, and license number of the distributor that will be leasing the device to the applicant;

(3) the name and address of the premises on which the device is to be located;

(4) the serial number, the model number, and the name of the manufacturer or other identifying number of the device; and

(5) such other information as the board deems necessary to identify the device and insure its compliance with law and board rules.

(b) A license issued under this section is valid for one year. The board shall set and charge a fee for each license under this section in an amount sufficient to reimburse the board for its costs in administering and enforcing this section other than the costs recovered under subdivision 3.

(c) A license issued under this section must display all the information required in paragraph (a), clauses (1) to (5).

(d) The license must specify by name those persons whom the board has approved to have access to the device, and the extent of that access. The board may not approve any person to have such access who is not (1) an active member of the licensed organization applying for the license, or (2) a licensed distributor or an employee thereof. No person other than a licensed peace officer or an authorized employee of the board, the commissioner of revenue or the commissioner of public safety may obtain or attempt to obtain access to a device or to any of its parts or components unless that person is named and authorized on the license to have such access.

Subd. 2. [LICENSES; LIMITATIONS.] (a) The board may not have outstanding at any time more than 100 licenses issued under this section. The board shall, in issuing licenses under this section, insure as nearly as practicable that the locations of the licenses are equally divided between locations where paper pull-tabs will also be sold and locations where paper pull-tabs will not be sold.

(b) All licenses issued under this section expire July 1, 1993.

Subd. 3. [INSPECTION OF DEVICES.] (a) The board may issue a video pull-tab device license only for a device it has determined is in compliance with all applicable law and rules. The board shall examine and if necessary conduct tests on each video pull-tab device for which a license is applied, and may examine and if necessary conduct tests on any component of such a video pull-tab device. The board may request the assistance of the commissioner of public safety or contract for the services of a consultant or testing laboratory in making examinations or conducting tests. The board shall require that the manufacturer of a video pull-tab device pay all costs of examining and testing the device or any of its components.

(b) No manufacturer, distributor, or video pull-tab device wholesaler may sell or lease any video pull-tab device unless the board has

determined that the device and all its components are in compliance with all applicable laws and rules.

Subd. 4. [DISPLAY OF LICENSE.] An organization operating a video pull-tab device must prominently display the license on the device at all times when the device is available for play by the public. An organization may display a license only on the device for which it was issued.

Subd. 5. [SPECIFICATIONS.] (a) A video pull-tab device approved by the board must be driven by a sealed read-only memory chip displaying or having attached such information as the board deems necessary, which must include (1) identification of the manufacturer; (2) the number of plays for which the chip has been programmed; (3) the serial number of the chip; and (4) the words "For Sale in Minnesota Only." A chip must be secured within the device by a strip of security tape of a type approved by the board, capable of evidencing the removal of a chip from its memory board.

(b) A chip must be programmed for a specific number of plays and be incapable of offering any plays in excess of that number. The number of plays programmed onto any chip must be the number on which tax has been paid under section 349.212, subdivision 4. The chip must be programmed to accept only the same price for all plays on the chip. A chip must also have programmed onto it the percentage of plays which are winning plays and the percentage of total receipts on all plays which are returned to players as prizes, and may not be capable of having these percentages altered. Winning plays must be randomly distributed on each chip, and a chip must be designed and programmed in such a way that the location of winning chances cannot be determined in advance. A chip on which all programmed plays have been exhausted must be replaced before the device may again be operated.

(c) A video pull-tab device must display, on the video screen or elsewhere, (1) the price of each chance, (2) the percentage of total chances on the chip that are winning chances, (3) the number of free games or credits awarded for each successful chance, (4) the words "For Sale in Minnesota Only," and (5) the serial number of the memory chip driving the device. If the information is displayed on the video screen it must be displayed at all times when the machine is operable but not being played.

(d) A video pull-tab device must contain a prize meter with a printer. The prize meter must be capable of dispensing to any player a voucher containing:

- (1) the name of the establishment where the device is located;
- (2) the organization operating the device;

(3) the license number of the device;

(4) a sequential number of the voucher and a separate encrypted validation number;

(5) the time and date of the play; and

(6) the value of any credits won.

The prize meter must print and retain inside the device a copy of each such voucher issued. The device must not be capable of returning anything to the player other than the voucher.

(e) A video pull-tab device must contain electronic accounting meters which must be maintained at all times, whether or not the game is being supplied with external power. The following information must be recorded and stored on a meter capable of maintaining totals of not less than eight digits:

(1) total coins and bills inserted by players and their value;

(2) total credits wagered;

(3) total credits won; and

(4) total credits paid out by printed ticket voucher.

The following information must be recorded and stored on a meter capable of maintaining totals of not less than six digits:

(1) number of times access was obtained to the compartment containing the memory chip;

(2) number of chances played on the memory chip; and

(3) number of cumulative credits representing credits won and money inserted by a player but not redeemed or played off.

Electronic accounting meters may be cleared only by an employee of the board, or by an authorized person in the presence of an employee of the board. The organization to which the device was leased must make a written record of the readings before and after clearing. The record must include the reason why the meter was cleared. A separate record must be made for each meter cleared. If the record is kept by an authorized person, a copy must be provided to the board.

(f) A video pull-tab device may not offer any game or gambling form other than the simulation of the game of pull-tabs.

(g) A video pull-tab device may not have any functions or parameters adjustable by or through any separate video display or input codes except for the adjustment of wholly cosmetic features.

(h) A video pull-tab device must contain a meter and printer which issues, on activation of a switch, an accounting ticket containing the following information:

- (1) the name of the licensed organization;
- (2) the location of the device;
- (3) the license number and manufacturer's serial number of the device;
- (4) the time and date of the printout;
- (5) the registration number of the chip driving the device;
- (6) the readings from the meter required under paragraph (e); and
- (7) other information the board by rule requires.

No person may activate the switch required in this paragraph who is not authorized by the board to do so.

Subd. 6. [HARDWARE REQUIREMENTS.] (a) A video pull-tab device must have:

- (1) a surge protector for all power fed to the device;
- (2) a power switch located in an accessible place within the interior of the device, which controls the electrical current which powers the device;
- (3) a separate secure compartment for holding coins or currency, with a key or combination different from that used for unlocking any other part of the device;
- (4) a battery back-up or its equivalent, which allows the electronic meters of the device to maintain accurate readings for not less than 180 days after power is discontinued to the device, for all information regarding:

- (i) current and total tallies for amount wagered and paid out;
- (ii) records of access to the logic board compartment;
- (iii) records of access to the cash and coin compartments; and

(iv) other information the board by rule requires.

(b) A video pull-tab device may not have:

(1) any hardware switch capable of altering the payment tables or payout percentages of the device; or

(2) a mechanism or program which will cause the electronic accounting meters to clear automatically.

(c) A video pull-tab device and all its components may not be capable of being adversely affected by static discharge, radio frequency interference, or other electromagnetic interference.

(d) All logic boards, memory chips, and other logic control components of a video pull-tab device must be located in a locked compartment which is separate from any other compartment. The key or combination of this compartment must be different from that used for unlocking any other part of the device.

(e) A video pull-tab device must not be capable of being activated by a credit card.

Subd. 7. [LOCATIONS.] (a) An organization may place a video pull-tab device for operation only in a location approved by the board, which location must be specified on the license. The board may approve locations that are authorized to sell alcoholic beverages at on-sale under chapter 340A. The board may not allow the placement of more than two video pull-tab devices in any location.

(b) All leases by which a licensed organization leases space in a location for the placement of a video pull-tab device are subject to the provisions of section 349.18.

(c) The board, the commissioner of revenue, and the commissioner of public safety may inspect at any time any location agreement made between a distributor and a licensed organization governing the terms of leasing a video pull-tab device.

(d) No video pull-tab device may stand at any place in a location where it cannot readily be observed by employees of the location or persons supervising the device on behalf of a licensed organization.

Subd. 8. [CONDUCT OF GAMBLING ON VIDEO PULL-TAB DEVICES.] No person receiving compensation for participating in the conduct of gambling on a video pull-tab device may gamble on such a device while so participating. No person receiving compensation for participating in the conduct of gambling on a video pull-tab device and no employee of the lessor of the premises on which the device is located may provide any information on the

device that would give any player an unfair advantage in operating the device. No person under age 18 may wager on or receive a prize from a video pull-tab device.

Subd. 9. [PAYMENT OF PRIZES.] An organization may not pay any prize won on a video pull-tab device except on presentation by the winner of the ticket voucher printed by the device's prize meter. The provisions of law and board rules governing the retention of winning pull-tabs apply to ticket vouchers. An organization must upon presentation of a ticket voucher and making payment thereof immediately deface the voucher in a manner that prevents its reuse.

Subd. 10. [LIMITATION OF PRIZES.] A video pull-tab device may not:

- (1) charge any price for a single chance of more than \$2; or
- (2) award any single prize of more than \$250.

Subd. 11. [RULES.] The board may by rule provide additional requirements for video pull-tab devices as it deems necessary to ensure their integrity and the full accounting for all play thereon. The rules may include:

- (1) authorization of persons who have access to any locked area of a video pull-tab device;
- (2) additional device specifications;
- (3) methods of determining randomness of distributing prizes in a memory chip; and
- (4) testing procedures for video pull-tab devices.

Sec. 37. [349.174] [PULL-TAB DISPENSING MACHINES.]

Subdivision 1. [MACHINES AUTHORIZED.] The board may authorize a licensed organization to sell pull-tabs by means of a dispensing device which dispenses pull-tabs on insertion of a coin or currency. The board must indicate on the license of each organization whether the organization is authorized to sell pull-tabs by means of a dispensing device. Each dispensing device installed and maintained by a licensed organization must be of a type approved by the board. The board shall approve for installation only those pull-tab dispensing devices that it determines provide adequate security, integrity, and accountability. The board may not approve for installation any dispensing machine which cannot hold at least 2,500 pull-tabs at any time.

Subd. 2. [MACHINE REQUIREMENTS.] Each pull-tab dispensing machine must have a meter which records (i) the total amounts of coin and currency inserted into the machine, and (ii) the total number of pull-tabs dispensed. The meter must be in a compartment which is separate from the compartment which holds the coins and currency inserted into the machine.

Subd. 3. [ACCESS TO MACHINES.] The board shall specify each person authorized to have access to a pull-tab dispensing machine and shall identify each such person on the license of the organization authorized to install the machine, and the extent of that access. No person may obtain or attempt to obtain access to a pull-tab dispensing machine or any part or component of a machine without being authorized by the board to have such access.

Subd. 4. [DISPLAY OF INFORMATION.] Each pull-tab dispensing machine installed by a licensed organization must conspicuously display the following information:

- (1) the name and license number of the installing organization;
- (2) the number of pull-tabs originally placed in the machine at the beginning of the current game;
- (3) the number and amount of all prizes in the game which are at least 50 times the price of each individual chance in the game; and
- (4) the prize payout percentage for that game.

Pull-tab dispensing machines are subject to the requirements of section 349.172.

Subd. 5. [LEASE OF MACHINES.] A licensed organization may lease a pull-tab dispensing machine only from a distributor licensed under section 349.161.

Subd. 6. [PERMITTED LOCATIONS.] The license of an organization authorized to install a pull-tab dispensing machine must specify the locations where the machines will be installed. The organization must have a premises permit for each such location. Not more than two machines may be installed on any premises.

Subd. 7. [LIMITATIONS.] The board may not (1) authorize more than 100 organizations at any time to operate a pull-tab dispensing machine, or (2) authorize any organization to operate more than two machines.

Subd. 8. [REPEAL.] This section is repealed July 1, 1993.

Sec. 38. [349.175] [PULL-TABS; DEADLINE FOR USE.]

A deal of pull-tabs or tipboards received by an organization before September 1, 1989, must be put into play by that organization before September 1, 1990, unless the deal bears a serial number which allows the deal to be traced back to its manufacturer and to the distributor who sold it to the organization. An organization in possession on and after September 1, 1990, of a deal of pull-tabs or tipboards the organization received before September 1, 1989, may not put such a deal in play but must remove it from the organization's inventory and return it to the manufacturer.

Sec. 39. Minnesota Statutes 1988, section 349.18, as amended by Laws 1989, chapter 334, article 2, sections 27 and 28, is amended to read:

349.18 [PREMISES USED FOR GAMBLING.]

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of one year and must be in writing on a form prescribed by the board. Copies of all leases must be made available to employees of the division and the division of gambling enforcement on request. A lease may not provide for payments determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

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

Subd. 1a. [STORAGE OF GAMBLING EQUIPMENT.] (a) Gambling equipment owned by or in the possession of a licensed an organization must be kept at a licensed gambling premises owned or operated by the organization, or at other storage sites within the state that the organization has notified the board are being used as gambling equipment storage sites. At each storage site or licensed premises, the organization must have the invoices or true and correct copies of the invoices for the purchase of all gambling equipment at the site or premises. No gambling equipment owned by an organization may be kept at a distributor's office, warehouse, storage unit, or other place of the distributor's business.

(b) Gambling equipment, other than devices for selecting bingo numbers, owned by a licensed an organization must be secured and kept separate from gambling equipment owned by other persons, organizations, distributors, or manufacturers consistent with the organization's internal controls filed with the board.

(c) Gambling equipment kept in violation of this subdivision is contraband under section 349.2125.

(d) A ~~licensed~~ An organization may transport gambling equipment it owns or possesses between approved gambling equipment storage sites and to and from licensed distributors.

Subd. 2. [EXCEPTIONS.] (a) A ~~licensed~~ An organization may conduct raffles on a premise it does not own or lease.

(b) A ~~licensed~~ An organization may with the permission of the board, conduct bingo on premises it does not own or lease for up to ~~six~~ 12 consecutive days in a calendar year, in connection with a county fair, the state fair, or ~~even~~ a civic celebration.

(c) A licensed organization may, after compliance with section 349.213, conduct lawful gambling on premises other than the organization's licensed premise for one day per year for not more than 12 hours that day. A lease for that time period for the exempted premises must accompany the request to the board.

Subd. 3. [PROCEEDS FROM RENTAL.] Rental proceeds from premises owned by a ~~licensed~~ an organization and leased ~~or sub-~~ leased to one or more other ~~licensed~~ organizations for the purposes of conducting lawful gambling shall not be reported as gambling proceeds under this chapter.

Subd. 4. [PROHIBITION.] (a) An organization may not pay rent to itself or to any of its affiliates for use of space for conducting lawful gambling.

(b) An organization may not pay rent for space for conducting lawful gambling from any account or fund other than the organization's separate gambling account.

Sec. 40. Minnesota Statutes 1988, section 349.19, as amended by Laws 1989, chapter 334, article 2, sections 29, 30, 32, and 33, and Laws 1989, First Special Session chapter 1, article 13, section 11, is amended to read:

349.19 [RECORDS AND REPORTS.]

Subdivision 1. [REQUIRED RECORD OF RECEIPTS.] A licensed organization must keep a record of each occasion on which it conducts gambling, including each bingo occasion and each day on which other forms of lawful gambling are conducted. The record must include gross receipts, quantities of free plays if any, expenses, prizes, and ~~profits~~ gross profit. The board may by rule provide for the methods by which expenses are documented. ~~Gross receipts for bingo include any amount received by the organization which has been~~

paid by a person at the bingo occasion to play the game, without which the player could not play the game. In the case of bingo, gross receipts must be compared to the checkers' records for the occasion by a person who did not sell cards for the occasion. Separate records must be kept for bingo and all other forms of lawful gambling.

Subd. 2. [ACCOUNTS.] Gross receipts from lawful gambling by each organization at each licensed permitted premises must be segregated from all other revenues of the conducting organization and placed in a separate account. All expenditures for expenses, taxes, and lawful purposes must be made from such a separate account except in the case of expenditures previously approved by the organization's membership for emergencies as defined by board rule. The name and address of the bank and the account number for that separate account for that licensed premises, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made. Gambling receipts must be deposited into the gambling bank account within ~~one business day~~ three days of completion of the bingo occasion, deal, or game from which they are received, and deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game. The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Subd. 3. [EXPENDITURES.] All expenditures of gross profits from lawful gambling must be itemized as to payee, purpose, amount, and date of payment, and must be in compliance with section 349.154. Authorization of the expenditures must be recorded in the regular monthly meeting minutes of the licensed organization. All checks for expenditures of gross profits must be signed by at least two persons authorized by board rules to sign the checks.

Subd. 4. [DISCREPANCIES.] If at a bingo occasion a discrepancy of more than \$20 is found between the gross receipts as reported by the checkers and the gross receipts determined by adding the cash receipts, the discrepancy must be reported to the board within five days of the bingo occasion.

Subd. 5. [REPORTS.] A licensed organization must report to the board and to its membership monthly, or quarterly in the case of a licensed organization which does not report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier

separately. The reports must be on a form the board prescribes. Submission of the report required by section 15 satisfies the requirement for reporting monthly to the board on expenditure of net profits.

Subd. 6. [PRESERVATION OF RECORDS.] Records required to be kept by this section must be preserved by a licensed organization for at least 3½ years and may be inspected by the commissioner of revenue, the commissioner of gaming, or the commissioner of public safety at any reasonable time without notice or a search warrant.

Subd. 7. [TAX RECORDS.] The board may by rule require each licensed organization to provide copies of forms it files with the United States department of the treasury which are required for organizations exempt from income tax.

Subd. 8. [TERMINATION PLAN.] Upon termination of a license for any reason, a licensed organization must notify the board in writing within 15 calendar days of the license termination date of its plan for disposal of registered gambling equipment and distribution of remaining gambling proceeds. Before implementation, a plan must be approved by the board. The board may accept or reject a plan and order submission of a new plan or amend a proposed plan. The board may specify a time for submission of new or amended plans or for completion of an accepted plan.

Subd. 9. [ANNUAL AUDIT; FILING REQUIREMENT.] An organization licensed under this chapter must have an annual financial audit of its lawful gambling activities and funds performed by an independent auditor licensed by the state of Minnesota or performed by an independent accountant who has had prior approval of the board. The board shall by rule prescribe standards for the audit, which must provide for the reconciliation of the organization's gambling account or accounts with the organization's reports filed under subdivision 5 and section 19. A complete, true, and correct copy of the audit report must be filed with the board upon completion of the audit.

Subd. 10. [PULL-TAB RECORDS.] The board shall by rule require a licensed organization to require each winner of a pull-tab prize of \$50 or more to present identification in the form of a drivers license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracing of the winner. The rule must require the organization to retain winning pull-tabs of \$50 or more, and the identification of the winner of each such pull-tab, for 3½ years.

Subd. 11. [INFORMATION MADE PART OF ORGANIZATION MINUTES.] A licensed organization which receives a copy of a written audit under subdivision 9, or an audit or compliance report prepared by an agency of the state, must place the audit report or

compliance report in the minutes of the next meeting of the organization following receipt of the report. Copies of such minutes must be made available to all members of the organization.

Sec. 41. Minnesota Statutes Second 1989 Supplement, section 349.212, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] There is hereby imposed a tax on all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, and (3) operation of video pull-tab devices, at the rate of ten percent on the gross receipts as defined in section 349.12, subdivision 26, less prizes actually paid. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.02 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 4 8, or a tax authorized under section 349.212, subdivision 5.

The tax imposed under this subdivision is payable by the organization or party conducting, directly or indirectly, the gambling.

Sec. 42. Minnesota Statutes Second 1989 Supplement, section 349.212, subdivision 4, is amended to read:

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor, and each read-only memory chip intended to drive a video pull-tab device. The rate of the tax is two percent of the ideal gross of the pull-tab or tipboard deal or the chip. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor and on the sale of a chip intended to drive a video pull-tab device is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this subdivision has been paid and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4 8.

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

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

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

(2) sales to distributors licensed under this chapter;

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

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

(c) In the case of a memory chip intended to drive a video pull-tab device, the liability for the tax imposed by this section is incurred when the chip has been delivered by the distributor to the organization, to a common carrier for delivery to the organization, or when received by the organization's representative at the distributor's place of business, regardless of the distributor's method of accounting.

(d) Pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.214 27, subdivision 2, ~~paragraph (b)~~, are exempt from the tax imposed by this subdivision. A distributor must require an organization conducting exempt gambling to show proof of its exempt status before making a tax-exempt sale of pull-tabs or tipboards to such an organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision.

(e) A distributor reporting the sale of any deal of pull-tabs to the commissioner of revenue must include in the report a duplicate bar code for that deal.

Sec. 43. Minnesota Statutes 1988, section 349.212, subdivision 5, is amended to read:

Subd. 5. [LOCAL GAMBLING TAX.] (a) A statutory or home rule charter city which has one or more licensed organizations operating conducting lawful gambling, and a county which has one or more licensed organizations outside incorporated areas operating conducting lawful gambling, may with the prior approval of the board impose a local gambling tax on each licensed organization within the city's or county's jurisdiction. The tax may be imposed only if the amount to be received by the city or county is necessary to cover the costs incurred by the city or county to regulate lawful gambling. The board may approve a local gambling tax only if it determines that the revenue from the tax will be used exclusively for lawful gambling enforcement and regulation or other law enforcement purposes. The board may withdraw approval of a local gambling tax if it determines that the revenue from the tax is or will be used for any purpose other than lawful gambling enforcement and regulations or other law enforcement.

(b) The tax imposed by this subdivision may not exceed three percent of the gross ~~receipts~~ profit of a licensed organization from all lawful gambling less ~~prizes actually paid out~~ conducted by the organization. A city or county may not use money collected under this subdivision for any purpose other than for the purpose of regulating lawful gambling. A tax imposed under this subdivision is in lieu of all other local taxes and local investigation fees on lawful gambling.

(c) Any city or county that imposes a tax under this subdivision shall annually by March 15 file a report with the board in a form prescribed by the board showing (1) the amount of revenue produced by the tax during the preceding calendar year, and (2) the use of the proceeds of the tax.

Sec. 44. Minnesota Statutes 1988, section 349.2121, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION AND ISSUANCE.] Every distributor licensed by the board who sells pull-tabs and tipboards to organizations authorized to sell pull-tabs and tipboards under this chapter, and every manufacturer who sells video pull-tab devices under this chapter, must file with the commissioner of revenue an application, on a form the commissioner prescribes, for a gambling tax identification number and gambling tax permit. The commissioner, when satisfied that the applicant has a valid license from the board, shall issue the applicant a permit and number. A permit is not assignable and is valid only for the distributor or video pull-tab device manufacturer in whose name it is issued.

Sec. 45. Minnesota Statutes 1989 Supplement, section 349.2121, subdivision 2, is amended to read:

Subd. 2. [RECORDS.] (a) A distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices of pull-tabs and tipboards held, purchased, manufactured, or brought in or caused to be brought in from without this state, and of all sales of pull-tabs and tipboards. The records must show the names and addresses of purchasers, the inventory at the close of each period for which a return is required of all pull-tab and tipboard deals on hand, and other pertinent papers and documents relating to the purchase, sale, or disposition of pull-tab and tipboard deals. Books, records, and other papers and documents required by this section must be kept for a period of at least 3½ years after the date of the documents, or the date of the entries appearing in the records, unless the commissioner of revenue authorizes in writing their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner of revenue, director of gambling enforcement, or any of their duly authorized agents or employees, may enter a place of business of a distributor or organization, any site from which

pull-tabs or tipboards or other gambling equipment are being sold, or any site at which lawful gambling is being conducted, and inspect the premises and the records required to be kept under this section to determine whether or not all the provisions of this section are being fully complied with. If the commissioner of revenue, director of gambling enforcement, or their duly authorized agents or employees are denied free access to or are hindered or interfered with in making an inspection of the distributor's place of business, the permit of the distributor may be revoked by the commissioner, and the license of the distributor may be revoked by the gambling control board.

(b) A distributor who replaces a memory chip used to drive a video pull-tab device after all chances on the chip have been played must retain the chip for 3½ years from the date of its removal from the device. All provisions of law relating to the availability of a distributor's books and records apply to such chips.

Sec. 46. Minnesota Statutes 1988, section 349.2121, subdivision 4a, is amended to read:

Subd. 4a. [REFUND.] (a) If any deal of pull-tabs or tipboards registered with the board and upon which the tax imposed by section 349.212, subdivision 4, has been paid is returned unplayed to the distributor, or if any memory chip used to drive a video pull-tab device is returned to its manufacturer with unplayed chances, the commissioner of revenue shall allow a refund of the tax paid.

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

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

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

Sec. 47. Minnesota Statutes 1989 Supplement, section 349.2122, is amended to read:

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

A manufacturer licensed ~~with~~ by the board who sells pull-tabs and tipboards to a licensed distributor ~~licensed by the board~~ must file with the commissioner of revenue, on a form prescribed by the commissioner, a report of pull-tabs and tipboards sold to ~~licensed distributors~~ any person in the state, including the established governing body of Indian tribes recognized by the United States Department of the Interior. The report must be filed monthly on or before the 25th day of the month succeeding the month in which the sale was made. The commissioner of revenue may inspect the books, records, and inventory of a licensed manufacturer without notice during the normal business hours of the manufacturer. Any person violating this section shall be guilty of a misdemeanor.

Sec. 48. Minnesota Statutes 1988, section 349.2123, is amended to read:

349.2123 [CERTIFIED PHYSICAL INVENTORY.]

The board or commissioner of revenue may, upon request, require a ~~licensed distributor~~ to furnish a certified physical inventory of the pull-tabs and tipboards all gambling equipment in stock. The inventory must contain the information required by the board or the commissioner.

Sec. 49. Minnesota Statutes 1989 Supplement, section 349.213, subdivision 1, is amended to read:

Subdivision 1. [LOCAL REGULATION.] A statutory or home rule city or county has the authority to adopt more stringent regulation of any form of lawful gambling within its jurisdiction, including the prohibition of any form of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.214. The fee for a permit issued under this subdivision may not exceed \$100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are profits less amounts expended for allowable expenses. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 4 8, or 349.212; provided, however, that an ordinance requirement that such organizations must contribute ten percent of their net profits derived from lawful gambling to a fund administered and regulated by the responsible local unit of government without cost to such fund, for disbursement by the responsible local unit of government of the receipts for lawful purposes, is not

considered an expenditure to the city or county nor a tax under section 349.212, and is valid and lawful.

A statutory or home rule city or county may by ordinance require that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance must define the city's or county's trade area and must specify the percentage of lawful purpose expenditures which must be expended within the trade area. A trade area defined by a city under this subdivision must include each city contiguous to the defining city.

Sec. 50. Minnesota Statutes 1989 Supplement, section 349.213, subdivision 2, is amended to read:

Subd. 2. [LOCAL APPROVAL.] Before issuing or renewing ~~an organization license a premises permit or bingo hall license~~, the board must notify the city council of the statutory or home rule city in which the organization's premises or the bingo hall is located or, if the premises or hall is located outside a city, the county board of the county and the town board of the town where the premises or hall is located. The board may require organizations or bingo halls to notify the appropriate local government at the time of application. This required notification is sufficient to constitute the notice required by this subdivision. ~~If the city council or county board adopts a resolution disapproving the license and so informs the board within 60 days of receiving notice of the application, the license may not be issued or renewed. The board may not issue or renew a premises permit or bingo hall license unless the organization submits a resolution from the city council or county board approving the premises permit or bingo hall license. The resolution must have been adopted within 60 days of the date of application for the new or renewed permit or license.~~

Sec. 51. Minnesota Statutes 1988, section 349.30, subdivision 2, is amended to read:

Subd. 2. "Gambling devices" means slot machines, roulette wheels, punchboards, and pin ball machines which return coins or slugs, chips, or tokens of any kind, which are redeemable in merchandise or cash device" has the meaning given it in section 609.75, subdivision 4.

Sec. 52. Minnesota Statutes 1988, section 349.31, is amended to read:

349.31 [GAMBLING DEVICE; POSSESSION OF.]

Subdivision 1. [INTENTIONAL POSSESSION; WILLFUL KEEP-

ING.] The intentional possession or willful keeping of a gambling device on a licensed premises is cause for the suspension or revocation of any license under which the licensed business is carried on upon the premises where the gambling device is found, provided that possession of gambling equipment as defined in section 349.12, subdivision 17, which is used for lawful gambling authorized by this chapter, and the manufacture of gambling devices for use in jurisdictions where use of the gambling device is legal as provided for by section 349.40 shall not be cause for revocation of a license.

Subd. 2. [SUSPENSION AND REVOCATION OF LICENSES.] All licenses under which any licensed business is permitted to be carried on upon the licensed premises shall be suspended or revoked if the intentional possession or willful keeping of any such gambling devices upon the licensed premises is established, notwithstanding that it may not be made to appear that such devices have actually been used or operated for the purpose of gambling.

Sec. 53. Minnesota Statutes 1988, section 349.32, is amended to read:

349.32 [ISSUING AUTHORITY TO REVOKE.]

The proceedings for suspension or revocation shall be had before the issuing authority, which shall have power to suspend or revoke the license or licenses involved, as hereinafter provided.

Sec. 54. Minnesota Statutes 1988, section 349.34, is amended to read:

349.34 [PROCEEDINGS BEFORE ISSUING AUTHORITY; ORDER TO SHOW CAUSE.]

Upon the receipt of such information from any of the peace officers referred to in section 349.33, if any issuing authority is of the opinion that cause exists for the suspension or revocation of any such license, then that authority shall issue an order to show cause directed to the licensee of the premises, stating the ground upon which the proceeding is based and requiring the licensee to appear and show cause at a time and place, within the county in which the licensed premises are located, not less than ten days after the date of the order, why the license should not be suspended or revoked. That order to show cause shall be served upon the licensee in the manner prescribed by law for the service of summons in a civil action, or by certified mail, not less than eight days before the date fixed for the hearing thereof. A copy of the order shall forthwith be mailed to the owner of the premises, as shown by the records in the office of the county recorder, at the owner's last known post office address. A copy of the order shall at the same time be mailed to any other issuing authority, of which the authority issuing the order to show cause has knowledge, by which other license to that licensee may have been

issued, and any such other authority may participate in the suspension or revocation proceedings after notifying the licensee and the officer or authority holding the hearing of its intention so to do on or before the date of hearing, and after the hearing take such action as it could have taken had it instituted the suspension or revocation proceedings in the first instance.

Sec. 55. Minnesota Statutes 1988, section 349.35, subdivision 1, is amended to read:

Subdivision 1. [REVOCATION; STAY; APPEAL.] If, upon the hearing of the order to show cause, it appears that the licensee intentionally possessed or willfully kept upon the licensed premises any gambling device, then the license or licenses under which the licensed business is operated on the licensed premises, shall be suspended or revoked. The order of suspension or revocation shall not be enforced during the period allowed by section 349.39 for taking an appeal.

Sec. 56. Minnesota Statutes 1988, section 349.36, is amended to read:

349.36 [DUTIES OF COUNTY ATTORNEY.]

The county attorney of the county in which the hearing is held, or the city attorney if the issuing authority is the city, shall attend the hearing, interrogate the witnesses, and advise the issuing authority. The county attorney shall also, and appear for the issuing authority on any appeal taken pursuant to the provisions of section 349.39.

Sec. 57. Minnesota Statutes 1988, section 349.38, is amended to read:

349.38 [PROPERTY OWNERS LIABILITY.]

When a license is suspended or revoked under the provisions of sections 349.30 to 349.39, the owner of the premises upon which any licensed business has been operated shall not be penalized by reason thereof unless it is established that the owner had knowledge of the existence of the gambling devices resulting in license suspension or revocation.

Sec. 58. Minnesota Statutes 1988, section 349.39, is amended to read:

349.39 [APPEAL TO DISTRICT COURT; STAY; CONTINUANCE UNDER BOND; HEARING UPON ONE YEAR LIMITATION ON PREMISES.]

Any licensee, or any owner of licensed premises, aggrieved by an order of an issuing authority suspending or revoking any license may appeal from that order to the district court of the county in which the licensee resides by serving a notice of the appeal upon the issuing authority or the clerk thereof. The notice of appeal shall state that the person appealing takes an appeal to that district court from the order suspending or revoking the license or licenses, describing them and identifying the order appealed from. This notice shall be served within 15 days from the date of service of the order appealed from, and the same, with proof of service thereof, shall be filed with the court administrator of the district court of the proper county. The appeal shall stand for trial at the next term of the district court following the filing of the notice of appeal, without the service of any notice of trial, and shall be tried in the district court de novo. The trial shall be by jury if the appellant shall so demand. The licensee may continue to operate the licensed business or businesses until the final disposition of such appeal. If the district court upon the appeal shall determine that any license involved in the appeal should be suspended or revoked, it may, nevertheless, in its discretion permit the continuance of the licensed business under a bond in the amount and in the form and containing the conditions prescribed by the court. The district court on the appeal, or in a separate proceeding, may permit the issuance of a new license to a different licensee before the expiration of the period of one year specified in section 349.35, subdivision 2, upon such terms and conditions imposed by the court as will insure that no gambling device shall thereafter be maintained upon the licensed premises.

Sec. 59. Minnesota Statutes 1988, section 349.50, subdivision 8, is amended to read:

Subd. 8. [VIDEO GAME OF CHANCE.] "Video game of chance" means games or devices that simulate games commonly referred to as poker, blackjack, craps, hi-lo, roulette or other common gambling forms, though not offering any type of pecuniary award or gain to players. The term also includes any video game having one or more of the following characteristics:

(1) it is primarily a game of chance, and has no substantial elements of skill involved;

(2) it awards game credits or replays and contains a meter or device which records unplayed credits or replays and contains a device that permits them to be canceled.

"Video game of chance" does not include a video pull-tab device as defined in section 5.

Sec. 60. Minnesota Statutes 1988, section 349.55, is amended to read:

349.55 [GAME SPECIFICATIONS.]

No payment may be made directly from any game or in connection with the operation of any device. Each game must contain a random character generator, and any internal meter must be nonresetable. Any game canceling replays or credits must cancel them no more than one at a time. A video game of chance may not contain or have attached to it any switch, lever, button, or other device capable of canceling replays or credits in any way other than by playing the game offered by the machine. A video game of chance must be programmed and must operate in such a way that all credits accumulated on a game must automatically cancel within 60 seconds of the completion of a play. No person may cancel replays or credits on a video game of chance in any way other than by playing the game offered by the machine. A video game of chance may not be restarted after cancellation of all accumulated credits except on insertion of a coin.

Sec. 61. [349.61] [REPEAL; TERMINATION OF LICENSES.]

Section 1 and sections 349.50 to 349.60 are repealed January 1, 1992. All licenses issued under sections 349.51 and 349.52 in effect on that date expire on that date. The commissioner of finance shall on that date transfer all money in the video gaming license account to the general fund.

Sec. 62. Minnesota Statutes 1989 Supplement, section 349A.02, subdivision 5, is amended to read:

Subd. 5. [COMPENSATION INCENTIVE PLAN.] The compensation of employees in the division is as provided in chapter 43A. Subject to the provisions of section 43A.18, subdivision 1, the commissioner of employee relations director may, at the request of the director, develop and implement a plan for making incentive payments to employees of the division whose primary responsibilities are in marketing.

Sec. 63. Minnesota Statutes 1988, section 609.75, subdivision 4, is amended to read:

Subd. 4. [GAMBLING DEVICE.] A gambling device is a contrivance which for a consideration affords the player an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance. "Gambling device" includes any video game of chance, as defined in section 349.50, subdivision 8, that is not in compliance with sections 349.50 to 349.60.

Sec. 64. Laws 1989, First Special Session chapter 1, article 13, section 27, is amended to read:

Sec. 27. [STATE TO BE SUPPLIER OF GAMBLING EQUIPMENT.]

~~Notwithstanding any other law to the contrary,~~ After June 30, 1990 1993, the state of Minnesota will be the sole supplier of all gambling equipment under Minnesota Statutes, chapter 349. The commissioner of revenue shall no later than ~~January 15, 1990~~ December 7, 1992, submit to the legislature a bill making all statutory changes required to implement this section including proposing the required staff and appropriation. The bill shall include provisions requiring the state to provide an adequate supply and variety of gambling equipment and to supply it efficiently. The commissioner of revenue shall provide copies of this bill to the chair of the house of representatives tax committee and to the chair of the senate committee on taxes and tax laws. Notwithstanding any contrary requirements of Minnesota Statutes, section 3C.035, subdivision 2, the revisor shall assess the commissioner of revenue for the actual cost of bill drafting services rendered to the department with respect to the bill required by this section.

Sec. 65. [REPORT.]

The gambling control board shall study and report to the legislature by January 15, 1993, on the use of video pull-tab devices in Minnesota. The study must include, among other subjects:

- (1) the volume of gambling on video pull-tab devices compared with paper pull-tabs;
- (2) the effectiveness of video pull-tabs in eliminating pull-tab cheating;
- (3) the effectiveness of state licensing and regulation of video pull-tab devices;
- (4) the effects of video pull-tab devices on the accountability of lawful gambling; and
- (5) recommendations for future legislative action regarding video pull-tab devices.

Sec. 66. [STEARNS COUNTY; SPECIAL LEVY.]

For taxes levied in 1990, payable in 1991 only, Stearns county may levy a tax in an amount not to exceed \$109,000 to cover the cost of the investigation of criminal activity connected with a kidnapping. The levy under this section is not subject to the limitations of Minnesota Statutes, sections 275.50 to 275.56.

Sec. 67. [MILLE LACS COUNTY; SPECIAL LEVY.]

For taxes levied in 1990, payable in 1991 only, Mille Lacs county may levy an amount equal to the expenditures from reserve funds used in 1990 to pay social service costs. The county must provide evidence to the commissioner of revenue that expenditures from reserve funds were made for this purpose. This levy may not exceed \$694,000. This levy is not subject to the levy limitations in Minnesota Statutes, section 275.50 to 275.56.

Sec. 68. [REPEALER.]

(a) Minnesota Statutes 1988, sections 349.14 and 349.214, subdivisions 1, 1a, 3, and 4; Minnesota Statutes 1989 Supplement, section 349.151, subdivision 4a; and Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2, are repealed.

(b) Minnesota Statutes 1989 Supplement, sections 349.20 and 349.21, are repealed.

Sec. 69. [EFFECTIVE DATE.]

Sections 5, 6, 9, 11, 15, 25, 36, 41, 42, 44, 45, 46, and 64 are effective the day following final enactment. Sections 29, 31, 32, 60, 63, and 68, paragraph (b), are effective January 1, 1991."

Delete the title and insert:

"A bill for an act relating to lawful gambling; providing primary enforcement for criminal violations in the division of gambling enforcement; defining lawful purposes for expenditures of gambling profits; establishing licensing qualifications for organizations and manufacturers; requiring organizations to report monthly on expenditures and contributions of gambling profits; authorizing the gambling control board to require recipients of contributions of gambling profits to register with the board; authorizing summary suspension of gambling licenses for failure to file tax returns; authorizing a limited number of video pull-tab devices and establishing standards and requirements for them; regulating pull-tab dispensing machines; requiring inspection and testing of gambling equipment; requiring permits for gambling premises; requiring gambling managers to be licensed; requiring that employees of organizations conducting lawful gambling be registered with the board; expanding allowable uses for revenue from local gambling taxes and requiring board approval of these taxes; specifying authority to establish incentive plans for state lottery employees; repealing video games of chance regulating provisions on January 1, 1992; abolishing lawful gambling on July 1, 1993; amending Minnesota Statutes 1988, sections 297A.01, subdivision 16; 349.12, subdivisions 10, 18, and by adding subdivisions; 349.16, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.212, subdivision 5; 349.2121, subdivisions 1 and 4a; 349.2123; 349.30, subdivision 2; 349.31; 349.32; 349.34; 349.35, subdivision 1; 349.36; 349.38; 349.39;

349.50, subdivision 8; 349.55; and 609.75, subdivision 4; Minnesota Statutes 1989 Supplement, sections 299L.03, by adding subdivisions; 349.12, subdivisions 12 and 15; 349.151, subdivision 4; 349.152, subdivision 2, and by adding subdivisions; 349.161, as amended; 349.162; 349.163, as amended; 349.164; 349.2121, subdivision 2; 349.2122; 349.213, subdivisions 1 and 2; and 349A.02, subdivision 5; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivisions 11 and 19; 349.15; and 349.212, subdivisions 1 and 4; Laws 1989, First Special Session chapter 1, article 13, section 27; proposing coding for new law in Minnesota Statutes, chapters 299L and 349; repealing Minnesota Statutes 1988, sections 349.14; 349.214, subdivisions 1, 1a, 3, and 4; Minnesota Statutes 1989 Supplement, sections 349.151, subdivisions 1, 2, 4, 4a, and 5; 349.152; 349.20; and 349.21; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2.”

The motion prevailed and the amendment was adopted.

Quinn moved to amend S. F. No. 2018, as amended, as follows:

Page 15, line 25, after “for” insert “(1)”

Page 15, line 26, after “rule” insert “or (2) a conviction in another jurisdiction for a criminal violation that is related to gambling, or that would be a felony or gross misdemeanor if committed in Minnesota”

Page 15, line 29, after “may” insert “(1)”

Page 15, line 32, after “filed” insert “; and (2) summarily suspend for not more than 90 days any license issued by the board or director for what the board determines are actions detrimental to the integrity of lawful gambling in Minnesota”

The motion prevailed and the amendment was adopted.

Quinn moved to amend S. F. No. 2018, as amended, as follows:

Page 5, line 22, after “community” insert “, subject to rules of the board”

Page 11, after line 25, insert a section to read:

“Sec. 19. Minnesota Statutes 1988, section 349.151, is amended by adding a subdivision to read:

Subd. 7. [RULES ON CERTAIN LAWFUL PURPOSE EXPENDITURES.] The board shall adopt rules authorizing expenditures of

net profits by organizations which carry out the purposes of section 349.12, subdivision 11, paragraph (a), clause 6. The rules must specify those activities on which net profits may be expended under that clause, and may specify specific dollar amounts which may be expended on each such activity. The rules must provide that any expenditure for those purposes not specifically authorized by the rules must be approved in advance by the board."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 29, after "subdivisions;" insert "349.151, by adding a subdivision;"

A roll call was requested and properly seconded.

Kelly moved to amend the Quinn amendment to S. F. No. 2018, as amended, as follows:

Page 1, line 11 of the Quinn amendment, before the period insert "with input from the affected organizations"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Quinn amendment, as amended, and the roll was called. There were 46 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Himle	Lynch	Ozment	Skoglund
Anderson, G.	Jacobs	Munger	Pappas	Solberg
Bennett	Janezich	Murphy	Price	Stanius
Blatz	Jaros	Nelson, C.	Pugh	Vellenga
Carlson, D.	Kahn	Nelson, K.	Quinn	Wagenius
Carruthers	Kelly	Ogren	Rice	Spk. Vanasek
Clark	Kostohryz	Olson, K.	Rodosovich	
Dawkins	Lasley	Orenstein	Rukavina	
Greenfield	Lieder	Osthoff	Scheid	
Hausman	Long	Otis	Simoneau	

Those who voted in the negative were:

Anderson, R.	Brown	Dille	Gruenes	Henry
Battaglia	Burger	Dorn	Gutknecht	Hugoson
Bauerly	Carlson, L.	Forsythe	Hartle	Jennings
Begich	Cooper	Frederick	Hasskamp	Johnson, A.
Bertram	Dauner	Frerichs	Haukoos	Johnson, R.
Boo	Dempsey	Girard	Heap	Johnson, V.

Kalis	Milbert	Pelowski	Schreiber	Uphus
Kelso	Morrison	Peterson	Seaberg	Valento
Kinkel	Neuenschwander	Poppenhagen	Segal	Waltman
Knickerbocker	O'Connor	Redalen	Sparby	Weaver
Krueger	Olsen, S.	Reding	Steensma	Welle
Limmer	Omann	Rest	Sviggum	Wenzel
Macklin	Onnen	Richter	Swenson	Williams
Marsh	Ostrom	Runbeck	Tjornhom	Winter
McDonald	Pauly	Sarna	Tompkins	
McPherson	Pellow	Schafer	Tunheim	

The motion did not prevail and the amendment, as amended, was not adopted.

Quinn moved to amend S. F. No. 2018, as amended, as follows:

Page 3, line 2, after the comma insert "except a violation relating only to taxation,"

Page 3, line 2, after "division" insert "rather than any other state department, agency, or office,"

The motion prevailed and the amendment was adopted.

Quinn moved to amend S. F. No. 2018, as amended, as follows:

Delete sections 6, 10, 11, 15, 25, 36, 41, 42, 44, 45, 46, and 65

Re-number the remaining sections

Correct internal cross references

Page 7, line 32, delete "video pull-tab devices, video pull-tab"

Page 7, line 33, delete the new language

Page 17, line 31, delete the new language

Page 17, delete lines 32 and 33

Page 18, delete lines 4 to 6

Page 20, delete lines 22 to 25

Page 24, delete lines 15 to 18

Page 25, line 6, delete everything after "349.161" and insert a period

Page 41, line 6, delete everything after "pull-tabs"

Page 41, line 7, delete everything through "device"

Page 66, delete lines 25 and 26

Page 69, line 23, delete "5," and delete "11, 15, 25, 36, 41, 42, 44, 45, 46"

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Quinn amendment and the roll was called. There were 76 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Himle	Macklin	Pelowski	Steensma
Anderson, R.	Jacobs	McEachern	Peterson	Tjornhom
Battaglia	Janezich	McGuire	Price	Trimble
Begich	Jaros	Milbert	Pugh	Tunheim
Brown	Jefferson	Munger	Quinn	Uphus
Burger	Johnson, A.	Murphy	Rest	Vellenga
Carlson, D.	Johnson, R.	Nelson, C.	Rice	Wagenius
Carlson, L.	Kalis	Nelson, K.	Richter	Weaver
Carruthers	Kelso	Neuenschwander	Rodosovich	Welle
Clark	Kinkel	O'Connor	Rukavina	Wenzel
Cooper	Kostohryz	Ogren	Sarna	Winter
Dauner	Krueger	Olson, E.	Segal	Spk. Vanasek
Dawkins	Lasley	Olson, K.	Simoneau	
Greenfield	Lieder	Otis	Skoglund	
Hasskamp	Limmer	Ozment	Sparby	
Hausman	Long	Pauly	Stanius	

Those who voted in the negative were:

Abrams	Frederick	Johnson, V.	Onnen	Schafer
Bennett	Frerichs	Kelly	Orenstein	Scheid
Bertram	Girard	Knickerbocker	Osthoff	Schreiber
Bishop	Gruenes	Lynch	Ostrom	Seaberg
Blatz	Gutknecht	Marsh	Pappas	Sviggun
Boo	Hartle	McDonald	Pellow	Swenson
Dempsey	Haukoos	McPherson	Poppenhagen	Tompkins
Dille	Heap	Morrison	Redalen	Valento
Dorn	Henry	Olsen, S.	Reding	Waltman
Forsythe	Hugoson	Omann	Runbeck	

The motion prevailed and the amendment was adopted.

Ogren, Quinn and Kostohryz moved to amend S. F. No. 2018, as amended, as follows:

Page 8, delete section 11 and insert:

"Sec. 11. Minnesota Statutes Second 1989 Supplement, section 349.12, subdivision 27, is amended to read:

Subd. 27. [FISCAL YEAR.] "Fiscal year 1990" means the period from October 1, 1989, to June 30 May 31, 1990. For all subsequent times, "fiscal year" means the period from July 1 to June 30."

Page 9, line 17, strike "50" and insert "48"

Page 9, line 17, strike "less"

Page 9, strike line 18

Pages 55 to 57, delete sections 41 and 42 and insert:

"Sec. 41. [349.2111] [SALES TAX ON LAWFUL GAMBLING.]

Subdivision 1. [IMPOSITION.] A tax is imposed on all retail sales of lawful gambling. The tax imposed by this section is in lieu of the tax imposed by sections 297A.02 and 297A.14 on retail sales of lawful gambling and all local taxes and license fees, except a fee authorized under section 349.16, subdivision 4, or a tax authorized under section 349.212, subdivision 5.

Subd. 2. [COMPUTATION.] The tax imposed under this subdivision equals the tax that would apply if the lawful gambling activity were subject to the provisions of chapter 297A, except (1) the retailer must state the tax separately from the sale price of the lawful gambling activity and (2) all records concerning administration of the tax are classified as public information.

Subd. 3. [PERMITS.] Each organization, licensed by the board to conduct lawful gambling, must file with the commissioner of revenue an application, on a form and in a manner as prescribed by the commissioner, for a gambling tax permit and identification number.

Subd. 4. [EXEMPTION.] Sales by an organization that qualifies for the exemption from licensing in section 349.214, subdivision 2, paragraph (b), are exempt from the tax imposed by this section. A distributor shall report to the commissioner the sales of pull-tabs and tipboards exempt from tax under this subdivision."

Page 60, after line 12, insert:

"Sec. 46. Minnesota Statutes 1988, section 349.2121, subdivision 6, is amended to read:

Subd. 6. [COLLECTIONS; CIVIL PENALTIES.] (1) The provisions of chapter 297A relating to the commissioner's authority to audit, assess, and collect the tax imposed by that chapter apply to the tax, penalties and interest imposed by section 349.212, subdivision 4 349.2111. The commissioner shall impose civil penalties for violation of this section as provided in section 297A.39, and the addi-

tional tax and penalties are subject to interest at the rate provided in section 270.75.

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

Page 62, after line 27, insert:

"Sec. 51. Minnesota Statutes 1989 Supplement, section 349.217, subdivision 6, is amended to read:

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

Page 69, after line 13, insert:

"Sec. 69. [REQUIRED NOTICE.]

A licensed organization that conducts lawful gambling must post at each location, for three consecutive months after the effective date of the tax imposed by section 349.2111, a notice in the following form:

"NOTICE OF CHANGE IN LAWFUL GAMBLING TAX:

Starting June 1, 1990, lawful gambling sales in Minnesota are subject to the 6 percent state sales tax which applies to other forms of entertainment.

Organizations that conduct gambling no longer pay a separate tax that has been included in the retail sales price of lawful gambling."

The information must be posted prominently at the point of sale. An easily legible separate statement of the tax, on the face of each raffle ticket, satisfies the requirement of this section."

Page 69, after line 21, insert:

“(c) Minnesota Statutes 1989 Supplement, section 349.12, subdivision 20; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivision 19; and 349.212, subdivisions 1, 2, 4, and 6, are repealed.”

Page 69, line 26, after the period insert: “Sections 41, 46, 51, and 70, paragraph (c) are effective for sales made after May 31, 1990.”

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 20, after the semicolon insert “repealing the lawful gambling tax; imposing the sales tax on lawful gambling;”

Page 1, line 31, delete “and 4a” and insert “, 4a, and 6”

Page 1, line 40, after the second semicolon, insert “349.217, subdivision 6;”

Page 1, line 43, after the first semicolon insert “and” and delete everything after the second semicolon

Page 1, line 44, delete “subdivisions 1 and 4;”

Page 2, line 3, after “sections” insert “349.12, subdivision 20;”

Page 2, line 6, delete “section” and insert “sections 349.12, subdivision 19; 349.212, subdivisions 1, 2, 4, and 6;”

A roll call was requested and properly seconded.

The question was taken on the Ogren et al amendment and the roll was called. There were 31 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Jaros	Munger	Otis	Vellenga
Battaglia	Jefferson	Murphy	Pappas	Wagenius
Begich	Johnson, A.	Nelson, K.	Pugh	Wenzel
Dawkins	Kahn	Ogren	Quinn	
Hasskamp	Kostohryz	Olson, K.	Rukavina	
Jacobs	McGuire	Orenstein	Scheid	
Janezich	Milbert	Osthoft	Skoglund	

Those who voted in the negative were:

Abrams	Frederick	Lieder	Pauly	Solberg
Anderson, R.	Frerichs	Limmer	Pellow	Sparby
Bauerly	Girard	Long	Pelowski	Stanisus
Bennett	Gruenes	Lynch	Peterson	Steensma
Bertram	Gutknecht	Macklin	Poppenhagen	Swiggum
Bishop	Hartle	Marsh	Price	Swenson
Boo	Haukoos	McDonald	Redalen	Tjornhom
Brown	Heap	McEachern	Reding	Tompkins
Burger	Henry	McPherson	Rest	Trimble
Carlson, D.	Himle	Morrison	Rice	Tunheim
Carlson, L.	Hugoson	Nelson, C.	Richter	Uphus
Carruthers	Jennings	Neuenschwander	Rodosovich	Valento
Clark	Johnson, V.	O'Connor	Runbeck	Waltman
Cooper	Kalis	Olsen, S.	Sarna	Weaver
Dauner	Kelly	Olson, E.	Schafer	Welle
Dempsey	Kelso	Omann	Schreiber	Williams
Dille	Knickerbocker	Onnen	Seaberg	Winter
Dorn	Krueger	Ostrom	Segal	Spk. Vanasek
Forsythe	Lasley	Ozment	Simoneau	

The motion did not prevail and the amendment was not adopted.

Quinn moved to amend S. F. No. 2018, as amended, as follows:

Page 67, after line 24, insert:

“Sec. 63. Minnesota Statutes 1989 Supplement, section 349A.06, subdivision 4, is amended to read:

Subd. 4. [CRIMINAL HISTORY.] The director may request the director of gambling enforcement to investigate all applicants for lottery retailer contracts to determine their compliance with the requirements of subdivision 2. The director may issue a temporary contract, valid for not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section. The director has access to all criminal history data compiled by the director of gambling enforcement on any person (1) holding or applying for a retailer contract, (2) any person holding a lottery vendor contract or who has submitted a bid on such a contract, and (3) any person applying for employment with the lottery.”

Renumber the remaining sections and correct internal references

Amend the title as follows:

Page 1, line 24, after the semicolon insert “giving lottery director access to certain criminal history data;”

Page 1, line 41, delete the second “and”

Page 1, line 41, after “5,” insert “349A.06, subdivision 4;”

The motion prevailed and the amendment was adopted.

Pappas was excused for the remainder of today's session.

The Speaker called Rodosovich to the Chair.

Solberg; Rukavina; Rice; Kinkel; Kahn; Lieder; Abrams; McEachern; Miller; Carlson, D.; Osthoff; Knickerbocker; Reding; Schafer; Johnson, V.; Begich and Bishop moved to amend S. F. No. 2018, as amended, as follows:

Page 2, after line 7, insert:

"Section 1. Minnesota Statutes 1989 Supplement, section 240.011, is amended to read:

240.011 [DIVISION DIRECTOR OF PARI-MUTUEL RACING.]

Subdivision 1. ~~[DIVISION CREATED.]~~ A division of pari-mutuel racing is created in the department of gaming. The division is under the supervision and control of the Minnesota racing commission.

Subd. 2. ~~[DIRECTOR OF PARI-MUTUEL RACING.]~~ The governor shall appoint the director of pari-mutuel racing, who serves in the unclassified service at the governor's pleasure. The director must be a person qualified by experience in the administration and regulation of pari-mutuel racing to discharge the duties of the director. The governor must select a director from a list of one or more names submitted by the commission.

Sec. 2. Minnesota Statutes 1989 Supplement, section 240.02, subdivision 1, is amended to read:

Subdivision 1. [COMMISSION.] A Minnesota racing commission is established ~~within the division of pari-mutuel racing~~ with the powers and duties specified in this section. ~~Until the effective date of the first vacancy on the commission that occurs after the effective date of Laws 1989, chapter 334, including a vacancy caused by the expiration of a term,~~ The commission consists of nine members appointed by the governor with the advice and consent of the senate ~~and the commissioner of gaming as a nonvoting member. After the date of the first vacancy, the commission consists of eight members appointed by the governor with the advice and consent of the senate, plus the commissioner as a voting member.~~ Not more than five of the members may belong to the same political party. The governor shall designate the chair of the commission. Appointments by the governor are for terms of six years. An appointment to fill a vacancy in an

unexpired term is for the remainder of the term and is with the advice and consent of the senate.

Sec. 3. Minnesota Statutes 1989 Supplement, section 240.02, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] A member of the commission, ~~other than the commissioner~~, must have been a resident of Minnesota for at least five years before appointment, and must have a background and experience as would qualify for membership on the commission. A member must, before taking a place on the commission, file a bond in the principal sum of \$100,000 payable to the state, conditioned upon the faithful performance of duties. No commissioner, nor any member of the commissioner's immediate family residing in the same household, may hold a license issued by the commission or have a direct or indirect financial interest in a corporation, partnership, or association which holds a license issued by the commission.

Sec. 4. Minnesota Statutes 1989 Supplement, section 240.06, subdivision 8, is amended to read:

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

Sec. 5. Minnesota Statutes 1989 Supplement, section 240.28, is amended to read:

240.28 [CONFLICT OF INTEREST.]

Subdivision 1. [FINANCIAL INTEREST.] No person may serve on or be employed by the commission ~~or be employed by the division~~ who has an interest in any corporation, association, or partnership which holds a license from the commission or which holds a contract to supply goods or services to a licensee or at a licensed racetrack, including concessions contracts. No member or employee of the commission ~~or employee of the division~~ may own, wholly or in part, or have an interest in a horse which races at a licensed racetrack in Minnesota. No member or employee of the commission ~~or employee of the division~~ may have a financial interest in or be employed in a profession or business which conflicts with the performance of duties as a member or employee.

Subd. 2. [BETTING.] No member or employee of the commission ~~or employee of the division~~ may bet or cause a bet to be made on a race at a licensed racetrack while serving on or being employed by

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

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

Page 8, after line 13, insert:

"Sec. 17. Minnesota Statutes 1989 Supplement, section 349.12, subdivision 22, is amended to read:

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

Page 10, after line 3, insert:

"Sec. 25. Minnesota Statutes 1989 Supplement, section 349.151, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The board consists of ~~six~~ seven members appointed by the governor with the advice and consent of the senate and the commissioner of gaming as a voting member. Of the members first appointed, one is for a term expiring June 30, 1990, two are for a term expiring June 30, 1991, two are for a term expiring June 30, 1992, and ~~one~~ two are for a term expiring June 30, 1993. After expiration of the initial terms, appointments are for four years. The board shall select one of its members, ~~other than the commissioner,~~ to serve as chair. No more than three members ~~appointed by the governor under this subdivision~~ may belong to the same political party."

Page 12, after line 5, insert:

"Sec. 27. Minnesota Statutes 1989 Supplement, section 349.153, is amended to read:

349.153 [CONFLICT OF INTEREST.]

(a) A person may not serve on the board, be the director, or be an employee of the ~~division~~ board who has an interest in any corporation, association, or partnership that is licensed by the board as a distributor, manufacturer, or a bingo hall under section 349.164.

(b) A member of the board, the director, or an employee of the ~~division board~~ may not participate in the conducting of lawful gambling."

Page 23, line 5, strike "division" and insert "board"

Page 24, line 20, delete "division" and insert "board"

Page 26, line 23, strike "division" and insert "board"

Page 50, line 17, strike "division" and insert "board"

Page 54, line 4, strike "commissioner of gaming" and insert "board"

Page 67, after line 15, insert:

"Sec. 70. Minnesota Statutes 1989 Supplement, section 349A.01, subdivision 9, is amended to read:

Subd. 9. [LOTTERY.] "Lottery" is the state lottery operated by the state lottery ~~division of the department~~.

Sec. 71. Minnesota Statutes 1989 Supplement, section 349A.02, subdivision 1, is amended to read:

Subdivision 1. [DIRECTOR.] A state lottery ~~division~~ is established ~~in the department of gaming~~, under the supervision and control of the director of the state lottery appointed by the governor with the advice and consent of the senate. The governor shall appoint the first director from a list of at least three persons recommended to the governor by the governor's commission on the lottery which was appointed by the governor on December 8, 1988. The director must be qualified by experience and training to supervise the lottery. The director serves in the unclassified service.

Sec. 72. Minnesota Statutes 1989 Supplement, section 349A.02, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEES; CLASSIFICATION.] The director may appoint other personnel as are necessary to operate the state lottery. Employees of the ~~division lottery~~ who are not professional employees as defined in section 179A.03, subdivision 13, and employees whose primary responsibilities are in data processing and accounting, are in the classified service. All other employees of the ~~division lottery~~ are in the unclassified service. At least one position in the ~~division lottery~~ must be an attorney position and the director must employ in that position an attorney to perform legal services for the ~~division lottery~~."

Page 67, line 23, strike "division" and insert "lottery"

Page 67, after line 24, insert:

"Sec. 74. Minnesota Statutes 1989 Supplement, section 349A.02, subdivision 6, is amended to read:

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

Sec. 75. Minnesota Statutes 1989 Supplement, section 349A.02, subdivision 8, is amended to read:

Subd. 8. [ATTORNEY GENERAL.] The attorney general is the attorney for the ~~division~~ lottery.

Sec. 76. Minnesota Statutes 1989 Supplement, section 349A.03, subdivision 1, is amended to read:

Subdivision 1. [BOARD CREATED.] There is created within the ~~division~~ lottery a state lottery board. The board consists of ~~six~~ seven members appointed by the governor ~~plus the commissioner as a voting member~~. Not more than ~~three~~ four of the members appointed by the governor under this subdivision may belong to the same political party and at least three members must reside outside the seven-county metropolitan area. The terms of office, removal from office, and compensation of members of the board, ~~other than the commissioner~~, are as provided in section 15.059 except the board does not expire as provided under section 15.059, subdivision 5. The members of the board shall select the chair of the board, ~~who shall not be the commissioner~~.

Sec. 77. Minnesota Statutes 1989 Supplement, section 349A.06, subdivision 2, is amended to read:

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

(1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) owes \$500 or more in delinquent taxes as defined in section 270.72;

(4) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense;

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

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

(b) An organization, firm, partnership, or corporation that has a stockholder who owns more than five percent of the business or the stock of the corporation, an officer, or director, that does not meet the requirements of paragraph (a), clause (4), is not eligible to be a lottery retailer under this section.

(c) The restrictions under paragraph (a), clause (4), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individual whose actions directly contributed to the disqualification under this subdivision.

Sec. 78. Minnesota Statutes 1989 Supplement, section 349A.06, subdivision 5, is amended to read:

Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract.

(b) A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the ~~division~~ lottery at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account,

correspondence, and other records as is given to employees of the ~~division~~ lottery.

(d) A contract issued under this section may not be transferred or assigned.

(e) The director shall require that lottery tickets may be sold by retailers only for cash.

Sec. 79. Minnesota Statutes 1989 Supplement, section 349A.08, subdivision 7, is amended to read:

Subd. 7. [PAYMENTS PROHIBITED.] (a) No prize may be paid to a member of the board, the director or an employee of the ~~division~~ lottery, or a member of their families residing in the same household of the member, director, or employee. No prize may be paid to an officer or employee of a vendor which at the time the game or drawing was being conducted was involved with providing goods or services to the lottery under a lottery procurement contract.

(b) No prize may be paid for a stolen, altered, or fraudulent ticket.

Sec. 80. Minnesota Statutes 1989 Supplement, section 349A.10, subdivision 3, is amended to read:

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) The director may not credit in any fiscal year amounts to the lottery operations account which when totaled exceed 15 percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend after July 1, 1992, more than $2\frac{3}{4}$ percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the ~~division~~ lottery is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.

Sec. 81. Minnesota Statutes 1989 Supplement, section 349A.10, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT OF RECEIPTS.] (a) The director may require lottery retailers to:

(1) deposit in a separate account to the credit of the lottery fund, in banks designated by the director, all money received by the lottery retailer from the sale of lottery tickets, less money retained as the lottery retailer's commission and for payment of prizes;

(2) file with the director reports of the lottery retailer's receipts and transactions in ticket sales in a form that the director prescribes; and

(3) allow money deposited by the lottery retailer from the sale of lottery tickets to be transferred to the ~~division~~ lottery through electronic fund transfer.

(b) The director may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.

(c) A lottery retailer who fails to pay any money due to the director within the time prescribed by the director shall pay interest on the amount owed at the rate determined by rule.

Sec. 82. Minnesota Statutes 1989 Supplement, section 349A.11, is amended to read:

349A.11 [CONFLICT OF INTEREST.]

(a) The director, a board member, an employee of the ~~division~~ lottery, a member of the immediate family of the director, board member, or employee residing in the same household may not:

(1) purchase a lottery ticket;

(2) have any personal pecuniary interest in any vendor holding a lottery procurement contract, or in any lottery retailer; or

(3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year.

(b) A violation of paragraph (a), clause (1), is a misdemeanor. A violation of paragraph (a), clause (2), is a gross misdemeanor. A violation of paragraph (a), clause (3), is a misdemeanor unless the

gift, gratuity, or other item of value received has a value in excess of \$500, in which case a violation is a gross misdemeanor.

(c) The director or an unclassified employee of the ~~division~~ lottery may not, within one year of terminating employment with the ~~division~~ lottery, accept employment with, act as an agent or attorney for, or otherwise represent any person, corporation, or entity that had any lottery procurement contract or bid for a lottery procurement contract with the ~~division~~ lottery within a period of two years prior to the termination of their employment. A violation of this paragraph is a misdemeanor.

Sec. 83. Minnesota Statutes 1989 Supplement, section 349A.12, subdivision 4, is amended to read:

Subd. 4. [LOTTERY RETAILERS AND VENDORS.] A person who is a lottery retailer, or is applying to be a lottery retailer, a person applying for a contract with the director, or a person under contract with the director to supply goods or services to ~~division~~ lottery may not pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food or beverage, having an aggregate value of over \$100 in any calendar year to the director, board member, employee of the lottery ~~division~~, or to a member of the immediate family residing in the same household as that person."

Page 69, after line 21, insert:

"(c) Minnesota Statutes 1989 Supplement, section 240.01, subdivision 15; 349.12, subdivision 25; 349A.01, subdivisions 3, 4, and 6; and 349B.01; are repealed.

(d) Laws 1989, chapter 334, article 8, section 1, is repealed."

Page 69, line 26, after the period insert "Section 89, paragraphs (c) and (d), are effective July 1, 1990."

Renumber the remaining sections and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Jefferson moved to amend S. F. No. 2018, as amended, as follows:

Page 67, after line 24, insert:

"Sec. 63. Minnesota Statutes 1989 Supplement, section 349A.06, subdivision 2, is amended to read:

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

(1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) owes \$500 or more in delinquent taxes as defined in section 270.72;

(4) has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense;

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

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

(7) is a currency exchange, as defined in section 53A.01.

(b) An organization, firm, partnership, or corporation that has a stockholder who owns more than five percent of the business or the stock of the corporation, an officer, or director, that does not meet the requirements of paragraph (a), clause (4), is not eligible to be a lottery retailer under this section.

(c) The restrictions under paragraph (a), clause (4), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individual whose actions directly contributed to the disqualification under this subdivision."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Quinn, Stanius, Bennett and Swenson moved to amend S. F. No. 2018, as amended, as follows:

Page 69, after line 13, insert:

"Sec. 68. [FUND BALANCE CORRECTION.]

Independent school district No. 624 is eligible for reinstatement of the foundation levy lost through the fund balance reduction provisions of the foundation formula for the 1985-1986, 1986-1987, and 1987-1988 school years if the fund balance reduction was the result of either referendum revenues added to the net unappropriated general fund balance or a transfer of funds from the capital expenditure account to the general fund. The district may make a special levy in an amount not to exceed the amount of the levy reduction caused by the tier two foundation levy reductions for the 1985-1986, 1986-1987, and 1987-1988 school years, but not to exceed \$1,289,418. The district may levy part of the amount:

(1) in 1990 and the remainder in 1991; or

(2) in 1990 and 1991 and the remainder in 1992.

The district may not receive foundation aid, general education aid, or any other aid as a result of levying under this section.

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Nelson, K., raised a point of order pursuant to rule 3.9 that the Quinn et al amendment was not in order. Speaker pro tempore Rodosovich ruled the point of order not well taken and the amendment in order.

The question recurred on the Quinn et al amendment and the roll was called. There were 55 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abrams	Burger	Frerichs	Heap	Limmer
Anderson, R.	Carlson, D.	Girard	Henry	Lynch
Bennett	Dempsey	Gruenes	Himle	Macklin
Bishop	Dille	Gutknecht	Hugoson	Marsh
Blatz	Forsythe	Hartle	Johnson, V.	McDonald
Boo	Frederick	Haukoos	Knickerbocker	McPherson

Neuenschwander	Ozment	Redalen	Schreiber	Tjornhom
Olsen, S.	Pauly	Richter	Segal	Uphus
Olson, K.	Pellow	Runbeck	Stanisus	Valento
Omman	Poppenhagen	Schafer	Svigum	Waltman
Onnen	Quinn	Scheid	Swenson	Weaver

Those who voted in the negative were:

Battaglia	Janezich	Lieder	Ostrom	Solberg
Bauerly	Jaros	Long	Otis	Sparby
Begich	Jefferson	McEachern	Pelowski	Steensma
Bertram	Jennings	McGuire	Peterson	Trimble
Brown	Johnson, A.	Milbert	Price	Tunheim
Carlson, L.	Johnson, R.	Munger	Pugh	Vellenga
Carruthers	Kahn	Murphy	Reding	Wagenius
Clark	Kalis	Nelson, K.	Rest	Welle
Cooper	Kelly	O'Connor	Rice	Williams
Dawkins	Kinkel	Ogren	Sarna	Winter
Dorn	Kostohryz	Olson, E.	Seaberg	
Greenfield	Krueger	Orenstein	Simoneau	
Hausman	Lasley	Osthoff	Skolund	

The motion did not prevail and the amendment was not adopted.

Williams and Kostohryz moved to amend S. F. No. 2018, as amended, as follows:

Page 18, after line 6, insert:

"Until January 1, 1991, this subdivision does not prohibit the otherwise lawful transfer of gambling equipment to a licensed facility located in Minnesota from a facility located in an adjoining state which is owned and operated by the licensed Minnesota distributor who makes the transfer."

The motion prevailed and the amendment was adopted.

Ozment moved to amend S. F. No. 2018, as amended, as follows:

Page 69, after line 13, insert:

"Sec. 68. [ROSEMOUNT; ARMORY LEVY.]

Subdivision 1. [ARMORY LEVY.] The city of Rosemount may levy not more than \$95,000 per year and otherwise incur debt under Minnesota Statutes, chapter 193 or 475 or both, to acquire and better an armory and to be serviced by the levy without regard to the limits on debt service and debt otherwise provided by chapter 193 or 475.

Subd. 2. [REVERSE REFERENDUM.] If the city council proposes to make a levy pursuant to subdivision 1, it shall pass a resolution stating that fact. Thereafter, the resolution shall be published for

two successive weeks in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days thereafter a petition signed by voters equal in number to ten percent of the votes cast in the city in the last general election requesting a referendum on the proposed resolution is filed with the county auditor, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to January 1, 1992.

Subd. 3. [LOCAL APPROVAL.] This section takes effect the day after the governing body of the city of Rosemount complies with Minnesota Statutes, section 645.021, subdivision 3."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Schreiber moved to amend S. F. No. 2018, as amended, as follows:

Page 55, after line 13, insert a section to read:

"Sec. 41. [349.191] [SALES ON CREDIT.]

Subdivision 1. [CREDIT RESTRICTION.] A manufacturer may not offer or extend to a distributor, and a distributor may not extend to an organization, credit for a period of more than 30 days for the sale of any gambling equipment. No right of action exists for the collection of any claim based on credit prohibited by this subdivision. The 30 day period allowed by this subdivision begins with the day immediately following the day of invoice and includes all successive days, including Sundays and holidays, to and including the 30th successive day.

Subd. 2. [INVOICES.] All invoices prepared by a manufacturer or

distributor and presented as part of a credit transaction for the purchase of gambling equipment must clearly bear the words "Notice: State Law Prohibits the Extension of Credit For This Sale For More Than 30 Days."

Subd. 3. [RULES.] Any rule of the board which requires a manufacturer to report to the board any distributor who is delinquent in payment for gambling equipment must provide that a distributor is subject to the rule if the distributor is more than 30 days delinquent in payment to a manufacturer.

Subd. 4. [CREDIT; POSTDATED CHECKS.] For purposes of this subdivision, "credit" includes acceptance by a manufacturer or distributor of a postdated check in payment for gambling equipment."

Renumber the remaining sections and correct internal references

The motion prevailed and the amendment was adopted.

Krueger moved to amend S. F. No. 2018, as amended, as follows:

Page 6, line 2, delete "or"

Page 6, line 6, delete the period and insert "; or

(11) a contribution to a nonprofit private economic development corporation for a purpose permitted by its charter."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Sviggum moved to amend S. F. No. 2018, as amended, as follows:

Page 69, after line 13, insert:

"Sec. 68. [GOODHUE COUNTY; SPECIAL LEVY.]

For taxes levied in 1990, payable in 1991 only, Goodhue county may levy an amount equal to the reduction to its levy limit base, for taxes levied in 1989, under Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 3f, paragraph (i). This levy is

not subject to the levy limitations in Minnesota Statutes, sections 275.50 to 275.56."

Page 69, line 14, delete "68" and insert "69"

Page 69, line 22, delete "69" and insert "70"

Page 69, line 25, delete "68" and insert "69"

Amend the title as follows:

Page 1, line 26, after "1993," insert "providing for certain special property tax levies;"

The motion prevailed and the amendment was adopted.

Frerichs moved to amend S. F. No. 2018, as amended, as follows:

Page 22, line 9, delete "From" and insert "On and after"

Page 22, line 9, delete " , to June 30, 1992,"

Page 22, delete lines 12 to 15.

Page 26, delete lines 16 to 21

A roll call was requested and properly seconded.

The question was taken on the Frerichs amendment and the roll was called. There were 21 yeas and 104 nays as follows:

Those who voted in the affirmative were:

Blatz	Girard	Kelly	Rest	Valento
Boo	Gutknecht	Knickerbocker	Richter	
Forsythe	Heap	McDonald	Schreiber	
Frederick	Henry	Olsen, S.	Sviggum	
Frerichs	Hugoson	Poppenhagen	Swenson	

Those who voted in the negative were:

Abrams	Carlson, D.	Greenfield	Jefferson	Krueger
Anderson, G.	Carlson, L.	Gruenes	Jennings	Lasley
Anderson, R.	Carruthers	Hartle	Johnson, A.	Lieder
Battaglia	Clark	Hasskamp	Johnson, R.	Limmer
Bauerly	Cooper	Haukoos	Johnson, V.	Macklin
Begich	Dauner	Hausman	Kahn	Marsh
Bennett	Dawkins	Himle	Kalis	McEachern
Bertram	Dempsey	Jacobs	Kelso	McGuire
Brown	Dille	Janezich	Kinkel	McPherson
Burger	Dorn	Jaros	Kostohryz	Milbert

Morrison	Onnen	Quinn	Segal	Uphus
Munger	Orenstein	Redalen	Simoneau	Vellenga
Murphy	Osthoff	Reding	Skoglund	Wagenius
Nelson, C.	Ostrom	Rice	Solberg	Waltman
Nelson, K.	Otis	Rodosovich	Sparby	Weaver
Neuenschwander	Ozment	Rukavina	Stanisus	Welle
O'Connor	Pellow	Runbeck	Steensma	Wenzel
Ogren	Pelowski	Sarna	Tjornhom	Williams
Olson, E.	Peterson	Schafer	Tompkins	Winter
Olson, K.	Price	Scheid	Trimble	Spk. Vanasek
Omann	Pugh	Seaberg	Tunheim	

The motion did not prevail and the amendment was not adopted.

Olsen, S., moved to amend S. F. No. 2018, as amended, as follows:

Page 5, after line 34, insert:

"(9) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization paying the taxes;"

Page 5, line 35, delete "(9)" and insert "(10)"

Page 6, line 3, delete "(10)" and insert "(11)"

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., amendment and the roll was called. There were 110 yeas and 17 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Carruthers
Greenfield
Gutknecht
Hausman

Himle
Kahn
Long
Nelson, K.

Osthoff
Otis
Rest
Scheid

Seaberg
Skoglund
Vellenga
Wagenius

Weaver

The motion prevailed and the amendment was adopted.

Winter moved to amend S. F. No. 2018, as amended, as follows:

Page 40, delete lines 26 to 36

Page 41, delete lines 1 to 3

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Winter moved to amend S. F. No. 2018, as amended, as follows:

Pages 57 and 58, delete section 43

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Valento moved to amend S. F. 2018, as amended, as follows:

Page 41, delete lines 6 to 19 and insert:

"Subdivision 1. [BOARD MAY REQUIRE CERTAIN POSTING.]
The board may issue an order requiring any organization selling
paper pull-tabs to post major pull-tab prizes and the names of major
prize winners, if the board has reasonable grounds for believing that
the organization, or a person receiving compensation from the
organization for participating in the sale of pull-tabs, has been or is
providing information to a player or players that provides an unfair

advantage related to the potential winnings from pull-tabs. The board must notify the organization at least 14 days before the order becomes effective. The notice to the organization must describe the organization's right to a hearing under subdivision 3.

Subd. 2. [POSTING; REQUIREMENTS.] The information required to be posted under this section must be posted prominently at the point of sale of the pull-tabs. An easily legible pull-tab flare which lists prizes in the deal for that flare, and on which prizes are marked off as they are awarded, satisfies the requirements of this section that major prizes be posted, provided that a separate flare is posted for each deal of pull-tabs. An organization must post or mark off each major prize and post the name of the prize winner immediately on awarding the prize.

Subd. 3. [APPEAL.] An organization to which the board has issued an order under subdivision 1 may request a contested case hearing on the order. A contested case hearing must be held within 20 days of the effective date of the order, and the administrative law judge's report must be issued within 20 days after the close of the hearing record. In all cases involving an order under subdivision 1 where a hearing has been conducted, the board must issue its final decision within 30 days after the receipt of the report of the administrative law judge and subsequent exceptions and arguments under section 14.61.

Subd. 4. [MAJOR PRIZES.] For purposes of this section, a "major prize" in a deal of pull-tabs is any prize that is at least 50 times the face value of any pull-tab in the deal."

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called. There were 86 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dorn	Jennings	McDonald	Ozment
Battaglia	Forsythe	Johnson, A.	McEachern	Pauly
Bauerly	Frederick	Johnson, R.	McGuire	Pellow
Begich	Frerichs	Johnson, V.	McPherson	Pelowski
Bennett	Gruenes	Kalis	Milbert	Peterson
Bertram	Gutknecht	Kelso	Morrison	Poppenhagen
Boo	Hartle	Kinkel	Neuenschwander	Pugh
Burger	Hasskamp	Knickerbocker	O'Connor	Redalen
Carlson, D.	Haukoos	Krueger	Ogren	Rest
Carlson, L.	Heap	Lieder	Olsen, S.	Richter
Cooper	Henry	Limmer	Olson, E.	Runbeck
Dauner	Hugoson	Lynch	Omann	Sarna
Dempsey	Jacobs	Macklin	Onnen	Schafer
Dille	Janezich	Marsh	Ostrom	Schreiber

Seaberg	Sviggum	Tunheim	Weaver
Sparby	Swenson	Uphus	Wenzel
Stanius	Tjornhom	Valento	Williams
Steensma	Tompkins	Waltman	Winter

Those who voted in the negative were:

Abrams	Hausman	Long	Price	Solberg
Anderson, G.	Himle	Munger	Quinn	Trimble
Blatz	Jarós	Nelson, C.	Reding	Vellenga
Brown	Jefferson	Nelson, K.	Rukavina	Wagenius
Carruthers	Kahn	Oison, K.	Scheid	Welle
Clark	Kelly	Orenstein	Segal	
Dawkins	Kostohryz	Osthoff	Simoneau	
Greenfield	Lasley	Otis	Skoglund	

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

McDonald moved to amend S. F. No. 2018, as amended, as follows:

Page 58, after line 7, insert a section to read:

"Sec. 44. Minnesota Statutes 1989 Supplement, section 349.212, subdivision 6, is amended to read:

Subd. 6. [COMBINED RECEIPTS TAX.] In addition to the taxes imposed under subdivisions 1 and 4, there is imposed a tax on the combined receipts of the organization. As used in this section, "combined receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of bingo, raffles, and paddlewheels, as defined in section 349.12, subdivision 26, for the fiscal year. The combined receipts of an organization are subject to a tax computed according to the following schedule:

If the combined receipts for the
fiscal year are:

Not over \$500,000

Over \$500,000 but not over \$700,000

Over \$700,000 but not over \$900,000

Over \$900,000

The tax is:

zero

two percent of the
amount over \$500,000
but not over \$700,000

\$4,000 plus four
percent of the amount
over \$700,000 but
not over \$900,000

\$12,000 plus six
percent of the amount
over \$900,000"

Renumber the remaining sections and correct internal references

Amend the title as follows:

Page 1, line 20, after the semicolon insert "changing rates of combined receipts tax;"

Page 1, line 44, delete "and 4" and insert ", 4, and 6"

A roll call was requested and properly seconded.

The question was taken on the McDonald amendment and the roll was called. There were 54 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abrams	Gruenes	Limmer	Onnen	Sviggum
Anderson, R.	Gutknecht	Lynch	Ozment	Swenson
Bauerly	Hasskamp	Macklin	Pauly	Tjornhom
Bertram	Haukoos	Marsh	Pellow	Tompkins
Blatz	Heap	McDonald	Poppenhagen	Uphus
Boo	Henry	McGuire	Pugh	Valento
Carlson, D.	Himle	McPherson	Richter	Waltman
Dauner	Hugoson	Milbert	Schafer	Weaver
Dorn	Johnson, R.	Nelson, C.	Schreiber	Wenzel
Frerichs	Kinkel	Olsen, S.	Seaberg	Williams
Girard	Knickerbocker	Omann	Stanis	

Those who voted in the negative were:

Anderson, G.	Hartle	Lieder	Otis	Skoglund
Battaglia	Hausman	Long	Pelowski	Solberg
Begich	Jacobs	McEachern	Peterson	Sparby
Bennett	Janezich	Morrison	Price	Steensma
Brown	Jaros	Munger	Quinn	Trimble
Burger	Jefferson	Murphy	Reding	Tunheim
Carlson, L.	Jennings	Nelson, K.	Rest	Vellenga
Carruthers	Johnson, A.	Neuenschwander	Rice	Wagenius
Clark	Johnson, V.	O'Connor	Rodosovich	Welle
Cooper	Kahn	Ogren	Rukavina	Winter
Dawkins	Kahis	Olson, E.	Runbeck	Spk. Vanasek
Dempsey	Kelly	Olson, K.	Sarna	
Dille	Kostohryz	Orenstein	Scheid	
Frederick	Krueger	Osthoff	Segal	
Greenfield	Lasley	Ostrom	Simoneau	

The motion did not prevail and the amendment was not adopted.

Reding moved to amend S. F. No. 2018, as amended, as follows:

Page 33, line 11, after the period insert "The penalty does not apply if the organization was unable to meet the 30-day requirement in paragraph (a), clause (6), due to the board's failure to provide the organization with the required report form in time sufficient to allow the organization to submit the report within the 30-day requirement."

The motion prevailed and the amendment was adopted.

Dawkins moved to amend S. F. No. 2018, as amended, as follows:

Page 10, line 6, after "(a)" insert "Until July 1, 1993,"

Page 11, after line 25, insert:

"(d) On and after July 1, 1993, the board has only the following powers and duties:

(1) to impose civil penalties of up to \$500 per violation on organizations, distributors, manufacturers, bingo halls, and gambling managers who violate any provision of this chapter or any rule of the board before July 1, 1993; and

(2) to hear appeals of civil penalties imposed by the board before July 1, 1993."

Page 68, after line 18, insert:

"Sec. 64. [GAMBLING BOARD ABOLISHED.]

Subdivision 1. [BOARD ABOLISHED.] The gambling control board, the division of gambling control in the department of gaming, and the position of director of the division of gambling control, are abolished December 31, 1993. The terms of all members of the board expire on that date. The attorney general is the successor agency to the board for the purpose of continuing any actions against the board pending on December 31, 1993, or any appeal of a civil penalty imposed by the board before July 1, 1993.

Subd. 2. [LICENSES.] All licenses issued by the gambling control board in effect on July 1, 1993, expire on that date. The board shall pay from any funds appropriated for the purpose pro rata refunds for the unused portion of licenses that are in effect on July 1, 1993, provided that requests for refunds must be submitted to the board by October 1, 1993.

Subd. 3. [FUNDS.] All funds appropriated to the gambling control board and the division of gambling control shall revert to the general fund on January 1, 1994."

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 Dawkins amendment and the roll was called. There were 24 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Kahn	Orenstein	Scheid
Anderson, G.	Hausman	Knickerbocker	Osthoff	Skoglund
Carruthers	Himle	Long	Otis	Vellenga
Clark	Janezich	McGuire	Price	Wagenius
Dawkins	Jaros	Nelson, K.	Quinn	

Those who voted in the negative were:

Anderson, R.	Frerichs	Kostohryz	Omann	Segal
Battaglia	Girard	Lasley	Onnen	Solberg
Bauerly	Gruenes	Lieder	Ostrom	Sparby
Begich	Gutknecht	Limmer	Ozment	Stanisus
Bennett	Hartle	Lynch	Pellow	Steensma
Bertram	Hasskamp	Macklin	Pelowski	Sviggun
Blatz	Haukoos	Marsh	Peterson	Swenson
Boo	Heap	McDonald	Poppenhagen	Tjornhom
Brown	Henry	McEachern	Pugh	Tompkins
Burger	Hugoson	McPherson	Redalen	Tunheim
Carlson, D.	Jacobs	Milbert	Reding	Uphus
Carlson, L.	Jefferson	Munger	Rice	Valento
Cooper	Jennings	Murphy	Rodosovich	Waltman
Dauner	Johnson, A.	Nelson, C.	Rukavina	Weaver
Dempsey	Johnson, R.	Neuenschwander	Runbeck	Welle
Dille	Johnson, V.	O'Connor	Sarna	Wenzel
Dorn	Kalis	Olsen, S.	Schafer	Williams
Forsythe	Kelso	Olson, E.	Schreiber	Winter
Frederick	Kinkel	Olson, K.	Seaberg	Spk. Vanasek

The motion did not prevail and the amendment was not adopted.

Tjornhom, Redalen and Winter moved to amend S. F. No. 2018, as amended, as follows:

Page 40, line 26, before "The" insert "(a)"

Page 41, after line 3, insert:

"(b) The requirements of paragraph (a) do not apply to a licensed organization that (1) has never received gross receipts from bingo in excess of \$150,000 in any year, and (2) does not pay compensation to any person for participating in the conduct of lawful gambling."

A roll call was requested and properly seconded.

The question was taken on the Tjornhom et al amendment and the roll was called. There were 123 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Jaros	Kahn	Osthoff	Scheid	Solberg
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The motion prevailed and the amendment was adopted.

Schreiber moved to amend S. F. No. 2018, as amended, as follows:

Page 26, line 14, after "premises" insert "or an elected or appointed official"

Page 26, line 15, after "premium," insert "contribution."

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Begich	Boo	Carruthers	Dempsey
Anderson, G.	Bennett	Brown	Clark	Dille
Anderson, R.	Bertram	Burger	Cooper	Dorn
Battaglia	Bishop	Carlson, D.	Dauner	Forsythe
Bauerly	Blatz	Carlson, L.	Dawkins	Frederick

Frerichs	Kahn	Munger	Poppenhagen	Sparby
Girard	Kalis	Murphy	Price	Stanisus
Greenfield	Kelly	Nelson, C.	Pugh	Steensma
Gruenes	Kelso	Nelson, K.	Quinn	Sviggum
Gutknecht	Kinkel	Neuenschwander	Redalen	Swenson
Hartle	Knickerbocker	O'Connor	Reding	Tjornhom
Hasskamp	Kostohryz	Ogren	Rest	Tompkins
Haukoos	Krueger	Olsen, S.	Rice	Trimble
Hausman	Lasley	Olsen, E.	Richter	Tunheim
Heap	Lieder	Olsen, K.	Rodosovich	Uphus
Henry	Limmer	Omann	Rukavina	Valento
Himle	Long	Onnen	Runbeck	Vellenga
Hugoson	Lynch	Orenstein	Sarna	Wagenius
Jacobs	Macklin	Osthoff	Schafer	Waltman
Janezich	Marsh	Ostrom	Scheid	Weaver
Jaros	McDonald	Otis	Schreiber	Welle
Jefferson	McEachern	Ozment	Seaberg	Wenzel
Jennings	McGuire	Pauly	Segal	Williams
Johnson, A.	McPherson	Pellow	Simoneau	Winter
Johnson, R.	Milbert	Pelowski	Skoglund	Spk. Vanasek
Johnson, V.	Morrison	Peterson	Solberg	

The motion prevailed and the amendment was adopted.

Dauner and Poppenhagen moved to amend S. F. No. 2018, as amended, as follows:

Page 69, after line 13, insert:

"Sec. 68. [BECKER COUNTY; SPECIAL LEVY.]

For taxes levied in 1990, payable in 1991 only, Becker county may levy an amount equal to expenditures it made from reserve funds in calendar years 1987 and 1988. For purposes of this section, the reserves used in calendar year 1987 shall include monies received under the federal revenue sharing program from previous years. The county must provide evidence to the commissioner of revenue that it was eligible for a levy limit base adjustment for taxes levied in 1988 for use of reserve funds under Minnesota Statutes 1988, section 275.51, subdivision 3j and did not receive the adjustment. This levy is not subject to the levy limitations in Minnesota Statutes, sections 275.50 to 275.56."

Page 69, line 14, delete "68" and insert "69"

Page 69, line 22, delete "69" and insert "70"

Page 69, line 25, delete "68" and insert "69"

Amend the title as follows:

Page 1, line 26, after "1993;" insert "providing for certain special property tax levies;"

The motion prevailed and the amendment was adopted.

Kelly moved to amend S. F. No. 2018, as amended, as follows:

Page 61, after line 1, insert:

"Sec. 49. Minnesota Statutes 1989 Supplement, section 349.2125, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

(11) any gambling equipment not in conformity with law or board rule.

Sec. 50. Minnesota Statutes 1989 Supplement, section 349.2125, subdivision 3, is amended to read:

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

If demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the state seizing authority by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 349.2121, subdivision 4, the seizing authority shall release the property seized without further legal proceedings.

Sec. 51. Minnesota Statutes 1988, section 349.2125, subdivision 4, is amended to read:

Subd. 4. [DISPOSAL.] (a) The property described in subdivision 1, clauses (4) and (5), must be confiscated after conviction of the person from whom it was seized, upon compliance with the following procedure: the seizing authority shall file with the court a separate complaint against the property, describing it and charging its use in

the specific violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served upon the defendant or person in charge of the property at the time of seizure, if any. If the person arrested is acquitted, the court shall dismiss the complaint against the property and order it returned to the persons legally entitled to it. Upon conviction of the person arrested, the court shall issue an order directed to any person known or believed to have any right, title or interest in, or lien upon, any of the property, and to persons unknown claiming any right, title, interest, or lien in it, describing the property and (1) stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court, (2) requiring the persons to file with the court administrator their answer to the complaint, setting forth any claim they may have to any right or title to, interest in, or lien upon the property, within 30 days after the service of the order, and (3) notifying them in substance that if they fail to file their answer within the time, the property will be ordered sold by the seizing authority. The court shall cause the order to be served upon any person known or believed to have any right, title, interest, or lien as in the case of a summons in a civil action, and upon unknown persons by publication, as provided for service of summons in a civil action. If no answer is filed within the time prescribed, the court shall, upon affidavit by the court administrator, setting forth the fact, order the property sold by the seizing authority. Seventy percent of the proceeds of the sale, after deducting the expense of keeping the property and fees and costs of sale, must be paid into the state treasury and credited to the general fund of forfeited property, after payment of seizure, storage, forfeiture, and sale expenses, must be forwarded to the seizing authority for deposit as a supplement to its operating fund or similar fund for official use, and 20 percent must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes. The remaining ten percent of the proceeds must be forwarded within 60 days after resolution of the forfeiture to the department of human services to fund programs for the treatment of compulsive gamblers. If answer is filed within the time provided, the court shall fix a time for a hearing, which shall be not less than ten nor more than 30 days after the time for filing answer expires. At the time fixed for hearing, unless continued for cause, the matter shall be heard and determined by the court, without a jury, as in other civil actions.

(b) If the court finds that the property, or any part of it, was used in the violation specified in the complaint, it shall order the property unlawfully used, sold as provided by law, unless the owner shows to the satisfaction of the court that the owner had no notice or knowledge or reason to believe that the property was used or intended to be used in the violation. The officer making a sale, after deducting the expense of keeping the property, the fee for seizure, and the costs of the sale, shall pay all liens according to their

priority, which are established at the hearing as being bona fide and as existing without the lienor having any notice or knowledge that the property was being used or was intended to be used for or in connection with the violation specified in the order of the court, and shall pay the balance of the proceeds into the state treasury to be credited to the general fund to the seizing authority for official use and sharing in the manner provided in paragraph (a). A sale under this section shall free the property sold from any and all liens on it. Appeal from the order of the district court will lie as in other civil cases. At any time after seizure of the articles specified in this subdivision, and before the hearing provided for, the property must be returned to the owner or person having a legal right to its possession, upon execution of a good and valid bond to the state, with corporate surety, in the sum of not less than \$100 and not more than double the value of the property seized, to be approved by the court in which the case is triable, or a judge of it, conditioned to abide any order and the judgment of the court, and to pay the full value of the property at the time of the seizure. The seizing authority may dismiss the proceedings outlined in this subdivision when the seizing authority considers it to be in the best interests of the state public interest to do so.

Sec. 52. Minnesota Statutes 1989 Supplement, section 349.2127, subdivision 2, is amended to read:

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

(b) No person other than a licensed distributor or ~~licensed or exempt~~ an organization ~~under section 349.214 licensed or exempt or excluded from licensing under section 349.166~~ may possess with the intent to sell or, offer to sell, or possess gambling equipment, except (1) equipment exempt from taxation, or (2) equipment put into play by a licensed or exempt organization.

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

Sec. 53. Minnesota Statutes 1988, section 349.2127, is amended by adding a subdivision to read:

Subd. 6. [CHECKS FOR GAMBLING PURCHASES.] An organization may not accept checks in payment for the purchase of any gambling equipment or for the chance to participate in any form of lawful gambling.

"Sec. 56. Minnesota Statutes 1989 Supplement, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR.] (a) A person who commits any violation of section 349.11 to 349.23 for which another penalty is not provided is guilty of a gross misdemeanor.

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

(c) A person who violates section 349.2127, subdivision 5, is guilty of a gross misdemeanor if the recipient of the information or anyone acting in concert with the recipient receives prizes valued at more than \$200 but not more than \$2,500. For purposes of this paragraph, the value of prizes received within any six-month period may be aggregated and the defendant charged accordingly.

Sec. 57. Minnesota Statutes 1988, section 349.22, is amended by adding a subdivision to read:

Subd. 1a. [MISDEMEANOR.] Except as otherwise provided in subdivision 3, a person who violates section 349.2127, subdivision 5, is guilty of a misdemeanor.

Sec. 58. Minnesota Statutes 1989 Supplement, section 349.22, subdivision 3, is amended to read:

Subd. 3. [FELONY.] (a) A person violating who does any of the following is guilty of a felony:

(1) violates section 349.2127, subdivision 1 or 3; is guilty of a felony;

(b) A person violating (2) violates section 349.2127, subdivision 2 or 4, by possessing, receiving, or transporting more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs or tipboards, is guilty of a felony;

(3) violates section 349.2127, subdivision 5, if the recipient of the information or anyone acting in concert with the recipient receives prizes valued at more than \$2,500. For purposes of this paragraph, the value of prizes received within any six-month period may be aggregated and the defendant charged accordingly;

(4) knowingly submits false information in any license application or other document or communication submitted to the board;

(5) knowingly submits false information in any report, document, or other communication submitted to the commissioner of revenue in connection with lawful gambling or with any provision of this chapter;

(6) knowing or with reason to know makes an unlawful expenditure of more than \$2,500 of gross profits from lawful gambling; or

(7) violates section 349.2127, subdivision 2, clause (c), if the total face value for all such pull-tabs exceeds \$200. For purposes of this clause, the value of pull-tabs received within any six-month period may be aggregated and the defendant charged accordingly.

Sec. 59. Minnesota Statutes 1988, section 349.22, is amended by adding a subdivision to read:

Subd. 3a. [AGGREGATION.] When the value of prizes or pull-tabs received within a six-month period is aggregated under this section and two or more offenses were 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 section."

Page 66, after line 26, insert:

"Sec. 69. Minnesota Statutes 1989 Supplement, section 349.501, subdivision 1, is amended to read:

Subdivision 1. [TO THE PUBLIC.] An operator must prominently post in the owner's business premises a brief description of the legal consequences of awarding or receiving cash instead of game credits or replays on video games of chance in violation of section sections 349.502 and 609.76, subdivision 1.

The information is prominently posted if it can be readily seen by a player immediately before the player participates in the video game of chance.

Sec. 70. Minnesota Statutes 1989 Supplement, section 349.502, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR.] A person who awards or receives cash instead of game credits or anything of value other than replays on a video game of chance is guilty of a misdemeanor. An owner who directs an employee to violate this section is also considered to have violated this section. For purposes of this subdivision "cash" includes checks.

Sec. 71. Minnesota Statutes 1988, section 349.52, is amended by adding a subdivision to read:

Subd. 5. [LOCAL REGULATION.] A statutory or home rule charter city or county has the authority to adopt more stringent regulations concerning video games of chance, including the prohibition of video games of chance, within its jurisdiction."

Page 67, after line 34, insert:

"Sec. 75. Minnesota Statutes 1989 Supplement, section 609.76, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] Whoever does any of the following 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:

(1) maintains or operates a gambling place or operates a bucket shop;

(2) intentionally participates in the income of a gambling place or bucket shop;

(3) conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so;

(4) sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop;

(5) with intent that it shall be so used, manufactures, sells or offers for sale, in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, and any facility for conducting a lottery, except as provided by section 349.40;

(6) receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so; or

(7) pays any compensation for game credits earned on or otherwise rewards, with anything of value, other than free plays, players of video games of chance as defined under in section 349.50, subdivision 8, or who directs an employee to pay any such compensation or reward.

Sec. 76. Minnesota Statutes 1988, section 609.762, subdivision 1, is amended to read:

Subdivision 1. [FORFEITURE.] The following are subject to forfeiture:

(a) Devices used or intended for use, including those defined in section 349.30, subdivision 2, as a gambling device, except as authorized in sections 349.11 to 349.23 and 349.40;

(b) Gambling equipment as defined in section 349.12, subdivision 15, used or intended for use in violation of any provision of sections 349.11 to 349.22 or any rule authorized thereunder;

(c) All moneys, materials, and other property used or intended for use as payment to participate in gambling or a prize or receipt for gambling;

(e) (d) Books, records, and research products and materials, including formulas, microfilm, tapes, and data used or intended for use in gambling; and

(d) (e) Property used or intended to be used to illegally influence the outcome of a horse race."

Page 69, line 26, after the period, insert "Sections 49 to 53, 56 to 59, 69 to 71, 75, and 76 are effective August 1, 1990. Sections 56, 58, 70, 75, and 76 apply to violations committed on or after that date."

Renumber the sections in sequence

Correct the internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2018, A bill for an act relating to lawful gambling; defining lawful purposes for expenditures of gambling profits; establishing licensing qualifications for organizations and manufacturers; requiring organizations to report monthly on expenditures and contributions of gambling profits; authorizing the gambling control board to require recipients of contributions of gambling profits to register with the board; authorizing summary suspension of gambling licenses for failure to file tax returns; authorizing a limited number of video pull-tab devices and establishing standards and requirements for them; requiring inspection and testing of gambling equipment; requiring permits for gambling premises; requiring gambling managers to be licensed; requiring that employees of organizations conducting lawful gambling be registered with the board; requiring local gambling taxes and prescribing uses for revenue therefrom; appropriating money; amending Minnesota Statutes 1988, sections 349.12, subdivisions 10, 18, and by adding subdivisions; 349.16, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.211, by adding a subdivision; 349.212, subdivision 5; 349.2121, subdivisions 1 and 4a; 349.2123; 349.2125, subdivision 4; 349.2127, subdivisions 1, 3, and by adding subdivisions; 349.30, subdivision 2; 349.31; 349.32; 349.34; 349.35, subdivision 1; 349.36; 349.38; 349.39; 349.50, subdivision 8; 349.52, by adding a subdivision; 349.59, subdivision 1; 349.55; 609.75, subdivision 4; Minnesota Statutes 1989 Supplement, sections 299L.03, by adding a subdivision; 349.12, subdivisions 12 and 15; 349.151, subdivision 4, and by adding a subdivision; 349.152, subdivision 2, and by adding subdivisions; 349.161, as amended; 349.162; 349.163, as amended; 349.164; 349.2121, subdivision 2;

349.2122; 349.213; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivisions 11 and 19; 349.15; 349.212, subdivisions 1, 2, and 4; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 4, and 5; 349.22, subdivision 1; 349.501, subdivision 1; 349.502, subdivision 1; 609.76, subdivision 1; Laws 1989, First Special Session chapter 1, article 13, section 27; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1988, sections 349.14; 349.214, subdivisions 1, 1a, 3, and 4; Minnesota Statutes 1989 Supplement, sections 349.151, subdivision 4a; 349.20; 349.21; 349.22, subdivision 3; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2.

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 68 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, G.	Hausman	McEachern	Ozment	Solberg
Battaglia	Himle	McGuire	Pelowski	Sparby
Begich	Jacobs	Milbert	Peterson	Steensma
Bennett	Janezich	Munger	Poppenhagen	Sviggrum
Brown	Jaros	Murphy	Price	Trimble
Carlson, D.	Jefferson	Nelson, C.	Quinn	Vellenga
Carlson, L.	Johnson, A.	Nelson, K.	Reding	Wagenius
Carruthers	Kalis	O'Connor	Rice	Waltman
Clark	Kelly	Ogren	Rodosovich	Welle
Dauner	Kostohryz	Olson, E.	Rukavina	Wenzel
Dawkins	Krueger	Olson, K.	Sarna	Winter
Dorn	Lasley	Orenstein	Segal	Spk. Vanasek
Forsythe	Lieder	Ostrom	Simoneau	
Greenfield	Long	Otis	Skoglund	

Those who voted in the negative were:

Abrams	Girard	Kelso	Onnen	Stanius
Anderson, R.	Gruenes	Kinkel	Osthoff	Swenson
Bauerly	Gutknecht	Knickerbocker	Pauly	Tjornhom
Bertram	Hartle	Limmer	Pellow	Tompkins
Bishop	Hasskamp	Lynch	Pugh	Tunheim
Blatz	Haukoos	Macklin	Redalen	Uphus
Boo	Heap	Marsh	Rest	Valento
Burger	Henry	McDonald	Richter	Weaver
Cooper	Hugoson	McPherson	Rumbeck	Williams
Dempsey	Jennings	Morrison	Schafer	
Dille	Johnson, R.	Neuenschwander	Scheid	
Frederick	Johnson, V.	Olsen, S.	Schreiber	
Frerichs	Kahn	Omann	Seaberg	

The bill was passed, as amended, and its title agreed to.

SPECIAL ORDERS, Continued

Long moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1815, A bill for an act relating to agriculture; extending the farmer-lender mediation act; appropriating money; amending Laws 1986, chapter 398, article 1, section 18, as amended.

Reported the same back with the following amendments:

Page 1, line 14, delete "\$300,000" and insert "\$100,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2446, A bill for an act relating to the city of Minneapolis; requiring the department of finance to refund a bond allocation deposit to the city of Minneapolis; appropriating money.

Reported the same back with the following amendments:

Page 1, after line 14, insert:

"Sec. 2. [BOND ALLOCATION DEPOSIT REFUND;
KOOCHICHING COUNTY.]

\$42,150 is appropriated from the general fund to the county of Koochiching to refund the balance of a deposit paid as part of an application for a bond allocation under Minnesota Statutes, chapter

474A. The county was unable to accept an allocation because of federal denial of a proposed urban development action grant."

Page 1, line 15, delete "2" and insert "3"

Page 1, line 16, delete "Section 1" and insert "This act"

Delete the title and insert:

"A bill for an act relating to appropriations; providing for the refund of bond allocation deposits."

With the recommendation that when so amended the bill pass.

The report was adopted.

Long from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2817, A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1988, section 343.21, subdivision 10, as amended.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1815, 2446 and 2817 were read for the second time.

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. 1981, A bill for an act relating to motor vehicles;

providing for temporary permit while awaiting delivery of special vehicle license plates; requiring registered owner of motor vehicle to list address or mailing address of primary residence on application for registration; permitting motor vehicle owners to classify residence addresses as private data and to use mailing addresses on motor vehicle registration forms; clarifying when inspection fee must be paid to receive certificate of inspection for salvage vehicle; clarifying disclosure requirements for motor vehicle pollution control system; amending Minnesota Statutes 1988, sections 168.09, by adding a subdivision; 168.10, subdivision 1; and 325E.0951, subdivision 3a; Minnesota Statutes 1989 Supplement, section 168A.152, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 168.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2056, A bill for an act relating to public safety; making it a crime for a driver to flee a peace officer from another state into Minnesota; authorizing a peace officer of another state to enter Minnesota in fresh pursuit for traffic and misdemeanor offenses; authorizing the admissibility of relevant evidence obtained in another state into evidence at Minnesota civil and criminal trials; granting peace officers of other states the authority to transport persons in legal custody under certain circumstances; amending Minnesota Statutes 1988, section 609.487, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 626 and 634.

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. 2135, A bill for an act relating to Anoka county; authorizing the sale or exchange of certain land.

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. 2500, A bill for an act relating to insurance; modifying the effective date of the statutory notice requirement for cancellation or nonrenewal of individual life policies; amending Laws 1989, chapter 330, section 38.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2419, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1988, sections 2.722, subdivision 1; 3C.035, subdivision 3; 3C.11, subdivision 2; 5.13; 11A.07, subdivision 5; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.53; 15.054; 15.06, subdivision 1; 15.51; 15.52, subdivisions 2 and 3; 15.53, subdivision 1; 15.56, subdivision 5; 15.59; 16A.10, by adding a subdivision; 16A.127, subdivisions 3 and 8; 16B.24, subdivision 5, and by adding subdivisions; 16B.28, subdivision 2; 16B.48, subdivisions 4 and 5; 16B.51, subdivision 2; 16B.53, subdivision 3; 16B.85, subdivisions 2, 3, and 5; 17.102, subdivision 4; 40A.08; 40A.151; 40A.152, subdivision 3; 40A.16; 41A.04, subdivision 1; 41A.05, subdivision 2;

41A.051; 41A.066, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 84.027, by adding a subdivision; 84.154, subdivision 5; 84.943; 84A.53; 84A.54; 89.37, subdivision 4; 89.58; 97A.065, subdivision 2; 97C.001, subdivision 1; 105.485, subdivision 3; 110B.04, subdivision 7; 110B.08, subdivision 5; 115.103, subdivision 1; 115A.072, subdivision 1; 115A.15, subdivision 6; 116.36, subdivision 1; 116.65, subdivision 3; 116C.03, subdivisions 4 and 5; 116C.712, subdivisions 3 and 5; 116D.04, subdivisions 5a and 10; 116D.045, subdivision 3; 116J.971, by adding a subdivision; 116J.980; 116L.03, by adding a subdivision; 116P.11; 126.115, subdivision 3; 144.226, subdivision 3; 144.70, subdivision 2; 144.8093, subdivisions 2, 3, and 4; 144A.071, subdivision 5; 144A.31, subdivision 1; 144A.33, subdivision 4; 145A.02, subdivision 16; 145A.09, subdivision 6; 157.045; 169.126, subdivision 4b; 171.06, subdivision 2a; 176B.02; 176B.04; 181.953; 183.545, subdivision 9; 184.33, subdivision 1, and by adding a subdivision; 184.35; 190.08, by adding a subdivision; 192.85; 196.054, subdivision 2; 197.23, subdivision 2; 201.023; 204B.14, subdivision 5; 214.141; 240A.02, subdivisions 1 and 3; 240A.03, subdivision 13, and by adding a subdivision; 243.48, subdivision 1; 268.026, subdivision 2; 268.361, subdivision 3; 268.677, subdivision 2; 268.681, subdivision 3; 270.68, subdivision 1; 272.38, subdivision 1; 282.014; 296.06, subdivision 2; 296.12, subdivisions 1 and 2; 296.17, subdivisions 10 and 17; 297.03, subdivision 5a; 299D.03, subdivision 5; 326.37; 326.47, subdivision 3; 326.52; 326.75, subdivision 4; 349.22, subdivision 2; 349.36; 349.52, subdivision 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353D.01, subdivision 2; 354.42, subdivision 5; 363.073, by adding a subdivision; 368.01, subdivision 1a; 402.045; 462.384, subdivision 7; 477A.014, subdivision 4; 480A.01, subdivision 3; 481.14; 484.54, subdivision 1; 484.545, subdivision 1; 484.68, subdivision 2, and by adding a subdivision; 484.70, subdivision 1; 485.03; 486.01; 487.32, subdivisions 2 and 3; 487.33, by adding a subdivision; 611.20; 611.215, subdivision 1; 611.26, subdivision 3; 611.27; 611.271; 629.292, subdivision 1; Minnesota Statutes 1989 Supplement, sections 3.30, subdivisions 1 and 2; 5.18; 15A.081, subdivision 1; 16A.11, subdivision 3; 16A.133, subdivision 1; 16B.24, subdivision 6; 16B.28, subdivision 3; 16B.465, subdivision 1; 16B.48, subdivision 2; 17.49, subdivision 1; 18.0225; 41A.05, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2, and by adding a subdivision; 84A.51, subdivision 2; 85.205; 89.035; 89.036; 97A.475, subdivision 2; 103H.101, subdivision 4; 103H.175; 105.41, subdivision 5a; 115A.54, subdivision 2a; 115A.923, subdivision 2; 116.85; 116C.03, subdivision 2; 116J.01, subdivision 3; 116J.58, subdivision 1; 116J.617, subdivision 5; 116J.955, subdivision 1; 116J.9673, subdivision 4; 116J.971, subdivisions 6, 7, and 8; 116L.03, subdivision 2; 129B.13, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 144.861; 145.926, subdivisions 1, 4, 5, 7, and 8; 169.686, subdivision 3; 176.135, subdivision 1; 183.357, subdivision 4; 190.25, subdivision 3; 216D.08, subdivision 3; 245.4873, subdivision 2; 245.697, subdivision 2a; 246.18, subdivision 3a; 256H.25, subdivision 1; 270.06; 270.064; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 299F.641, subdivision 8; 299J.12, subdivision 1;

336.9-413; 352.04, subdivisions 2 and 3; 357.021, subdivision 2; 357.022; 357.08; 363.073, subdivision 1; 466A.05, subdivision 1; 469.203, subdivisions 4 and 5; 469.204, subdivision 2; 469.205, by adding a subdivision; 469.207; 473.156, subdivision 1; 480.242; 484.68, subdivision 5; 485.018, subdivision 5; 486.05, subdivisions 1 and 1a; 486.06; 487.31, subdivision 1; 504.34, subdivisions 5 and 6; 611.215, by adding a subdivision; and 611.26, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 3.885, subdivisions 3, 5, and 6; 275.14; 275.51, subdivision 6; 297A.44, subdivision 1; 357.021, subdivision 1a; 373.40, subdivision 1; 477A.011, subdivisions 3 and 3a; 477A.012, subdivision 4; Laws 1987, chapter 404, section 192, subdivision 2; Laws 1988, chapters 648, section 3; and 686, article 1, section 52; Laws 1989, chapter 335, article 1, sections 4, 36, and 42, subdivision 2; article 3, sections 38; and 58, as amended; and article 4, section 107; Laws 1989, First Special Session chapter 1, article 24, section 2; proposing coding for new law in Minnesota Statutes, chapters 4, 6, 15, 16A, 16B, 43A, 88, 116, 116J, 240A, 268, 462A, and 484; proposing coding for new law as Minnesota Statutes, chapter 484A; repealing Minnesota Statutes 1988, sections 3C.056; 14.32, subdivision 2; 40A.02, subdivision 2; 84A.51, subdivision 1; 85.30; 116E.01; 116E.02; 116E.04; 116J.971, subdivisions 1, 2, 4, 5, and 10; 116K.01 to 116K.03; 116K.04, as amended; 116K.05 to 116K.13; 116N.01; 116N.02, as amended; 116N.03 to 116N.07; 116N.08, as amended; 184.34; 268.681, subdivision 4; 299J.18; 326.82; 480.252; 480.254; 484.55; 485.018, subdivision 2a; 486.07; 487.10, subdivisions 2 and 4; and 487.13; Minnesota Statutes 1989 Supplement, sections 3C.035, subdivision 2; 8.15; 97B.301, subdivision 5; 116E.03; 116E.035; 116J.970; 116J.971, subdivisions 3 and 9; 116K.14; 116O.03, subdivision 2a; 357.021, subdivision 2a; 469.203, subdivision 5; 480.241; 480.242, subdivision 4, as amended; 480.256; and 484.545, subdivisions 2 and 3; Laws 1988, chapter 686, article 1, section 3, paragraph (c); Laws 1989, chapter 303, section 10; Minnesota Rules, part 4410.3800, subparts 1 and 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kahn moved that the House refuse to concur in the Senate amendments to H. F. No. 2419, 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.

MOTIONS AND RESOLUTIONS

Rukavina moved that the name of Anderson, R., be added as an author on H. F. No. 2656. The motion prevailed.

Weaver moved that S. F. No. 1903 be recalled from the Committee on Appropriations and together with H. F. No. 1889, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Schafer moved that H. F. No. 2624 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2419:

Kahn, Simoneau, Krueger, Osthoff and Abrams.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2651:

Anderson, G.; Carlson, L.; Battaglia; Rice and Anderson, R.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1670:

Skoglund, Abrams and Munger.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1743:

Jacobs, Lasley and Vanasek.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1942:

Winter, Skoglund and Onnen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2130:

Skoglund, Knickerbocker and Winter.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Monday, April 9, 1990. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Monday, April 9, 1990.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

