

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

TWENTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 2, 1991

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

Prayer was offered by Dr. Margaret J. Thomas, Executive Director, Minnesota Council of Churches, Minneapolis, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omann	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanius
Begich	Gutknecht	Leppik	Orfield	Steensma
Bertram	Hanson	Lieder	Osthoff	Sviggum
Bettermann	Hartle	Limmer	Ostrom	Swenson
Bishop	Hasskamp	Long	Ozment	Thompson
Blatz	Haukoos	Lourey	Pauly	Tompkins
Bodahl	Hausman	Lynch	Pellow	Trimble
Boo	Heir	Macklin	Pelowski	Tunheim
Brown	Henry	Mariani	Peterson	Uphus
Carlson	Hufnagle	Marsh	Pugh	Valento
Carruthers	Hugoson	McEachern	Reding	Vellenga
Clark	Jacobs	McGuire	Rest	Wagenius
Cooper	Janezich	McPherson	Rice	Waltman
Dauner	Jaros	Milbert	Rodosovich	Weaver
Davids	Jefferson	Morrison	Rukavina	Wejcmann
Dawkins	Jennings	Munger	Runbeck	Welker
Dempsey	Johnson, A.	Murphy	Sarna	Welle
Dille	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dorn	Johnson, V.	Nelson, S.	Scheid	Winter
Erhardt	Kahn	Newinski	Schreiber	Spk. Vanasek
Farrell	Kalis	O'Connor	Seaberg	

A quorum was present.

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

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

REPORTS OF CHIEF CLERK

S. F. No. 5 and H. F. No. 44, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Begich moved that S. F. No. 5 be substituted for H. F. No. 44 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 26, 1991

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

Dear Representative Vanasek:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 104, relating to consumer protection; regulating automatic garage door opening systems.

H. F. No. 290, relating to state employees; increasing the amount of vacation time a state employee may donate for the benefit of another state employee.

Warmest regards,

ARNE H. CARLSON
Governor

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

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1991</i>	<i>Date Filed 1991</i>
	104	10	9:37 a.m. March 26	March 26
246		11	9:40 a.m. March 26	March 26

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

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

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

The Honorable Jerome M. Hughes
President of the Senate

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Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1991</i>	<i>Date Filed 1991</i>
	290	9	9:35 a.m. March 26	March 27
141		15	10:53 a.m. March 27	March 27

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

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

H. F. No. 2, A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

MINNESOTANS' HEALTH CARE PLAN

Section 1. [62J.08] [DEFINITIONS.]

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

Subd. 2. [GROUPS; DEFINITIONS.] The definitions of small group, medium-sized group, large group, and group sponsor in this section are subject to United States Code, title 26, sections 414(b), 414(c), and 414(m), and federal regulations related to those sections, when a group sponsor or sponsors alter, reform, or redefine a group or groups to avoid or to take advantage of community rating. The commissioners of health care access, commerce, and health may adopt rules to supplement those federal statutes and regulations to prevent qualification as a large, medium-sized, or small group through the use of separate organizations, multiple organizations, employee leasing, or other arrangements.

Subd. 3. [ADULT.] "Adult" means a person 18 years of age or older.

Subd. 4. [CHILD.] "Child" means a person under 18 years of age.

Subd. 5. [COMMISSIONER OR COMMISSIONER OF HEALTH CARE ACCESS.] "Commissioner" or "commissioner of health care access" means the commissioner of health care access or, prior to the existence of that commissioner, the commissioner of human services.

Subd. 6. [DEPARTMENT.] "Department" means the department of health care access or, prior to the existence of that department, the bureau of health care access in the department of human services.

Subd. 7. [GROUP SPONSOR.] "Group sponsor" means an employer or other entity described in section 62A.10, subdivision 1, as an eligible purchaser of health coverage.

Subd. 8. [HEALTH COVERAGE.] "Health coverage" means a policy or contract providing health and accident benefit under chapter 62A, 62C, 62D, 62E, 62H, or 64B; under section 471.617, subdivision 2; or through the state plan. Health coverage does not include a policy or contract designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or that provides only accident coverage.

Subd. 9. [HEALTH PLAN COMPANY.] "Health plan company" means any entity governed by chapter 62A, 62C, 62D, 62E, 62H, or 64B, or section 471.617, subdivision 2, that offers, sells, issues, or renews health coverage in this state. Health plan company does not include an entity that sells only policies designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or policies that provide only accident coverage.

Subd. 10. [HEALTH PROFESSIONAL.] In benefit set descriptions, references to services performed by "health professionals" include services performed by any qualified health professionals acting within their licensed, certified, or registered scope of practice.

Subd. 11. [INDIVIDUAL.] "Individual" means an individual or family that applies to a health plan company or the state plan for health coverage on an individual or family basis.

Subd. 12. [INTERMEDIATE BENEFIT SET.] "Intermediate benefit set" means the health care benefits specified in article 2, sections 1 to 10.

Subd. 13. [LARGE GROUP.] "Large group" means a group of 100 or more employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.

Subd. 14. [MEDIUM-SIZED GROUP.] "Medium-sized group" means a group of not fewer than 30 nor more than 99 employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.

Subd. 15. [MINIMUM INSURANCE BENEFIT SET.] "Minimum insurance benefit set" means the health care benefits that must be included in health coverage offered, sold, issued, or renewed by health plan companies, as specified in article 2, section 14.

Subd. 16. [MINNESOTA RESIDENT.] "Minnesota resident" means a person whose principal place of residence is Minnesota and who (1) is employed in Minnesota; or (2) has resided in Minnesota for at least 90 consecutive days.

Subd. 17. [SMALL GROUP.] "Small group" means a group of not fewer than two nor more than 29 employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.

Subd. 18. [STATE PLAN.] "State plan" means the Minnesotans' health care plan administered by the commissioner of health care access.

Subd. 19. [SUPPLEMENTAL BENEFIT SET.] "Supplemental benefit set" means the health care benefits available through the state plan that exceed the intermediate benefit set, as specified in article 2, section 13.

Subd. 20. [UNIVERSAL BASIC BENEFIT SET.] "Universal basic benefit set" means the health care benefits specified in article 2, section 12.

Sec. 2. [62J.09] [CREATION.]

The Minnesotans' health care plan is created to provide health coverage to individuals, families, and employers who do not have access to other affordable health coverage.

Sec. 3. [62J.10] [COVERAGE REQUIRED FOR MINNESOTA RESIDENTS.]

All Minnesota residents must obtain health coverage equal to or greater than the intermediate benefit set or the minimum insurance benefit set. Coverage may be obtained through the state plan, an employer, an individual policy with a private health plan company, or any other source of coverage. Minnesota residents must provide proof of coverage in the manner required by the commissioner of health care access.

Sec. 4. [62J.11] [ELIGIBILITY OF INDIVIDUALS AND FAMILIES.]

To be eligible to obtain coverage through the state plan, individuals and families must be Minnesota residents and have no other source of health coverage or must have coverage that primarily supplements, rather than duplicates, the intermediate benefit set. A Minnesota resident individual or family may switch from private health coverage to the state plan provided the transfer does not result in simultaneous coverage under both the state plan and another health care plan. The individual or family must contribute to the cost of health coverage as provided in section 5.

Sec. 5. [62J.12] [INDIVIDUAL AND FAMILY PREMIUMS.]

Subdivision 1. [SLIDING SCALE.] Each individual and family unit enrolled in the state plan shall pay a premium set in relation to gross income and family size. The commissioner shall establish a sliding scale to determine the amount of the premium each individual or family must pay to obtain health coverage through the state plan. The sliding scale must use the federal poverty guidelines as the primary unit of measurement, and must be based on an individual's or family's federal adjusted gross income as shown on the federal income tax return. If the family files separate returns,

the federal adjusted gross income from the returns must be combined for purposes of computing the family's federal adjusted gross income. If coverage provided through the state plan is equivalent to the intermediate benefit set described in article 2, sections 2 to 10, the sliding scale must be designed so that individuals and families with incomes less than 25 percent of the federal poverty level pay 1.08 percent of their gross income, and those with incomes between 250 percent and 275 percent of the federal poverty level pay 6.5 percent of their gross income. Individuals and families with gross incomes over 275 percent of the federal poverty guideline or \$40,000, whichever is less, are not eligible for a subsidized premium and must pay 100 percent of the cost of coverage through the state plan. For coverage that differs significantly from the intermediate benefit set, the sliding scale must be adjusted to reflect the differences in coverage. In addition to payments under the sliding scale, enrollees may be required to make greater payments depending on the health plan chosen. The commissioner shall pass on differences in premiums between health plans to enrollees, except that the commissioner may limit differences in charges to enrollees if necessary to prevent enrollment that exceeds the capacity of certain plans.

Subd. 2. [ADJUSTMENTS TO THE INCOME LIMIT AND SLIDING SCALE.] The commissioner shall adjust the sliding scale and the maximum income limit for subsidized coverage to reflect changes in prevailing income levels, health coverage costs, and benefit levels.

Subd. 3. [MUST NOT HAVE ACCESS TO EMPLOYER-SUBSIDIZED COVERAGE.] To be eligible for subsidized coverage, an individual or family must not have access to subsidized health coverage through an employer, unless the amount of employer subsidy toward the cost of coverage is less than an amount determined by the commissioner of health care access. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans as qualified employer subsidies toward the cost of health coverage for employees for purposes of this section.

Subd. 4. [NO SUBSIDY AVAILABLE FOR MEDICARE SUPPLEMENT COVERAGE.] An individual eligible for Medicare benefits must pay 100 percent of the cost of obtaining Medicare supplement coverage through the state plan, regardless of income.

Subd. 5. [COVERAGE MUST NOT DISPLACE FEDERALLY SUBSIDIZED HEALTH COVERAGE.] Subsidized state plan coverage must not displace subsidized health coverage through a federally supported health program. The commissioner shall establish procedures and requirements to allow coordinated, limited, or supplemental participation in the Minnesotans' health care plan,

including limited subsidies, of participants in federally supported health programs to the extent necessary to provide coverage comparable to coverage provided to other state plan enrollees without displacing federal benefits.

Subd. 6. [MUST BE A PERMANENT MINNESOTA RESIDENT.] To be eligible for a subsidy, individuals and families must be permanent residents of Minnesota, and must have resided in Minnesota for at least 12 months prior to application. This 12-month requirement for residency does not apply to a person who is employed within the state, provided the person satisfies the other criteria for permanent residence. A permanent Minnesota resident is a Minnesota resident who considers Minnesota to be the person's principal place of residence and intends to remain in the state permanently or for a long period of time and not as a temporary or short-term resident. An individual or family that moved to Minnesota primarily to obtain medical treatment or health coverage for a preexisting condition is not a permanent resident and is not entitled to subsidized coverage through the state plan.

Sec. 6. [62J.13] [ELIGIBILITY OF EMPLOYERS.]

Subdivision 1. [GROUP COVERAGE.] An employer is eligible to enroll its employees in the state plan as a group in order to offer its employees health coverage under the Minnesotans' health care plan. To be eligible to participate, an employer must pay Minnesota unemployment insurance premiums and have two or more covered employees, including the owner, or, if a sole proprietor, must have at least one employee covered by unemployment insurance and be included in the group for purposes of health coverage. A self-employed person with no employees may not participate as an employer but may participate as an individual or family. The employer must collect employees' share of premiums and remit them to the commissioner along with the employer's contribution. Sliding scale premium subsidies as described in section 5 do not apply to group coverage. The commissioner shall establish conditions for enrollment of employer groups. Conditions may include, but are not limited to, minimum employer contributions toward coverage for employees and their families, minimum standards for employee eligibility, and eligibility waiting periods for new employees. The commissioner may establish special conditions and procedures for employers who are health care providers participating in state health care programs after considering the impact of H.F. No. 5, section 2, and of different levels of employer contributions toward employee health coverage, on state health care program reimbursement rates and obligations. The commissioner shall use administrative systems for group coverage for employers that will identify and enroll enrollees in a manner comparable to individual, nongroup enrollment in order to enhance the portability of coverage to an individual policy or to another employer covered through the state

plan, and to minimize administrative costs associated with frequent reissuing of policies.

Subd. 2. [COVERAGE OF PART-TIME AND SEASONAL EMPLOYEES.] The commissioner shall establish conditions, procedures, and a special accounting mechanism to allow employers to defray the cost of coverage for part-time and seasonal employees through the state plan without including these employees in the employer's health benefits program. This is the only circumstance under which an employer subsidy toward the cost of employee health coverage and a state subsidy for health coverage through the state plan may be combined. Employers that have terminated health benefits for part-time or seasonal employees within the three years before application are not eligible to participate in the part-time or seasonal employee enrollment system. Part-time or seasonal employees on whose behalf employer contributions have been submitted must obtain coverage through the state plan as individuals or families rather than as an employee group. The employer contributions must be used to reduce the premium that the employee would otherwise have owed, and will be in addition to any individual premium subsidy to which the employee would otherwise be entitled. The commissioner shall establish definitions and standards for part-time and seasonal employees as necessary to implement this subdivision.

Sec. 7. [62J.14] [COVERAGE.]

Subdivision 1. [INTERMEDIATE BENEFIT SET.] Individuals, families, and groups with two to five employees or members may purchase the intermediate benefit set described in article 2, sections 2 to 10, through the state plan.

Subd. 2. [SUPPLEMENTAL BENEFIT SET.] Individuals, families, and groups covered by the intermediate benefit set may purchase at their own expense the supplemental benefit set as described in article 2, section 15, through the state plan. Groups with more than five employees or members that participate in the state plan must purchase the supplemental benefit set and the intermediate benefit set.

PROGRAM ADMINISTRATION

Sec. 8. [62J.15] [PROVISION OF HEALTH CARE SERVICES; MANAGED CARE.]

In areas of the state where managed care health plans operate, the commissioner must deliver health care through contracts with managed care health plans. The commissioner may require contractors to provide all services under the intermediate benefit set, or may contract separately for certain services if the commissioner

determines this to be in the best interests of the state plan. In order to qualify for participation in the state plan, a managed care health plan must meet the specifications in this section.

(a) The health plan must demonstrate to the satisfaction of the commissioner that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees.

(b) The health plan must have sufficient provider network capacity to adequately serve enrollees and prospective enrollees.

(c) The health plan must have established procedures adequate to manage the delivery of health care. The procedures must incorporate clear standards of practice or protocols where they exist. The procedures must also require enrollees to register with a specific primary care clinic which will coordinate referrals, hospitalizations, and other health care delivery. A plan that has not established these procedures may participate in the program if the plan demonstrates to the satisfaction of the commissioner that an alternative, comparably effective system of case management has been established. A managed care health plan that has not established procedures satisfactory to the commissioner may participate in the program if the plan agrees to implement satisfactory procedures within three years from the date it is accepted for participation by the commissioner.

(d) The health plan must demonstrate a long-term commitment to improving the quality and efficiency of health care.

(e) The health plan must have established programs to educate enrollees about appropriate use of the health care system. The programs may include self-care education, telephone nurse access, encouragement of healthy lifestyles, and encouragement of conformance to prescribed courses of treatment.

(f) Health plans must notify enrollees by mail when coverage limits under the intermediate benefit set have been reached and explain that payment for future services in excess of the coverage limits are the responsibility of the patient.

(g) The health plan must include appropriate use of nonphysician providers within its overall framework of managed care.

Sec. 9. [62J.16] [AREAS WITHOUT SATISFACTORY MANAGED CARE HEALTH PLANS.]

In areas of the state where the commissioner determines satisfactory managed care health plans are not available, the commissioner

shall make health care available using one or more of the options specified in this section.

(a) The commissioner may recruit or encourage managed care health plans to serve the area.

(b) The commissioner may establish managed care health plans through direct contracts with existing clinics or other health care providers in the area consistent with the specifications and objectives of the state plan.

(c) The commissioner may pay providers on a fee-for-service basis, using the department of human services claims processing system, health care utilization review system, and other managed care procedures. When developing the payment system, the commissioner shall investigate the proposed Medicare resource-based relative value scale as the basis for a new fee schedule and the possibility of collective bargaining with health care providers. Participating providers must be required to operate under the department's managed care standards and procedures. Payment will be based on a fee schedule to be established by the commissioner with payments established at a level to ensure that program costs in the area are lower than under a managed care system. Providers must be required to accept program enrollees as a condition of serving patients covered by any health coverage program financed by state or local government, including public employee health benefit programs. Providers must be prohibited from billing enrollees for any portion of health care charges not reimbursed by the commissioner, except to collect copayments and deductibles or to charge for services that exceed coverage limits, to the extent these are specified in the state plan.

(d) The commissioner may establish health care clinics to provide services using managed care procedures.

Sec. 10. [62J.17] [ENCOURAGEMENT OF PARTICIPATION OF PROVIDERS SERVING LOW-INCOME PERSONS.]

The commissioner shall encourage expansion or development of health plans that include providers currently serving low-income, uninsured state residents, including nonprofit community clinics, public health departments, and public hospitals. The commissioner's managed care specifications must apply to these providers when serving program enrollees.

Sec. 11. [62J.18] [HEALTH PLAN COMPENSATION; GENERAL.]

The commissioner shall establish health plan payment arrangements in order to create financial incentives to improve the effec-

tiveness and efficiency of health care delivery. Health plans under contract with the state plan may not vary the benefits included in the intermediate benefit set in order to reduce the cost of premiums. Participating health plans must assume responsibility for health care delivery and must assume financial risk, subject to the limits established through the reinsurance pool. To prevent uncertainty regarding the mix and cost of enrollees from resulting in higher charges in the state plan during the first three years, the commissioner may share risk above or below the health plan's expected costs for state plan enrollees, to the extent that such risk sharing would reduce charges in the state plan. The risk sharing must not alter the community-rated basis for health plans premiums as specified in H.F. No. 4, article 6, section 5, as introduced. The commissioner shall establish a reserve fund or take other appropriate action to ensure that state funding will be available to fully satisfy the state's payment and risk-sharing obligations in the event the costs of coverage through the state plan are higher than expected. The commissioner is responsible for collecting premium payments from individuals, families, and employers, and health plan reimbursement may not be linked to collection of premium payments.

Sec. 12. [62J.19] [OUTREACH ACTIVITIES.]

Subdivision 1. [OUTREACH TO INDIVIDUALS.] The commissioner shall establish outreach activities to inform state residents about public and private sources of health coverage and to assist them in obtaining coverage. Outreach activities must include the following:

- (1) health coverage information and counseling services provided throughout the state and through a toll-free telephone number; and
- (2) ongoing publicity and advertising activities.

Subd. 2. [OUTREACH TO EMPLOYERS.] The commissioner shall establish outreach activities to inform employers about the Minnesotans' health care plan and other sources of health care coverage and to assist them to obtain or expand coverage for their employees. Outreach activities must be directed at the types of employers determined by the commissioner to be most interested in joining the state plan.

Sec. 13. [62J.20] [ENROLLMENT EDUCATION AND ASSISTANCE.]

The commissioner shall provide enrollment education and assistance to state residents. The assistance may include written materials, workshops, and individual assistance. Educational programs and assistance must be designed to serve persons who are not proficient in English or who have special communication needs. The

program must provide information on the following topics in addition to information provided at the discretion of the commissioner:

- (1) basic and supplemental coverage offered by the state plan;
- (2) features of specific health plans offered by the state plan, including information on obtaining health care within health plans and descriptions of provider networks;
- (3) differences between individual and group coverage;
- (4) premiums associated with each plan and premium payment procedures and obligations; and
- (5) actions enrollees must take if eligibility status changes.

Sec. 14. [62J.21] [APPLICATION FORMS AND PROCEDURES.]

Subdivision 1. [PROCEDURES.] The commissioner shall accept application forms submitted by mail or in person. Applicants must include payment equal to one month of premium costs with the completed application. Applicants who are employed full-time by an employer who participates in the state plan must apply through the employer. Part-time and seasonal employees of an employer who participates in the state plan may participate on an individual basis as provided in section 6, subdivision 2.

Subd. 2. [FORMS.] Application must be made on forms supplied by the commissioner. The commissioner shall design the form in order to collect the minimum amount of information necessary to administer the program. A more detailed form may be designed for use by applicants potentially eligible for federally subsidized health care programs and other state programs.

Subd. 3. [AVAILABILITY OF FORMS.] The commissioner shall make application forms available throughout Minnesota at state government offices; at hospitals, clinics, and other health care provider offices, especially where large numbers of low-income persons are served; with individual income tax forms; with applications for a driver's license, state identification card, or motor vehicle registration; with school and college registration materials; at food shelves; at the offices of insurers, health maintenance organizations, and other health plan companies; at school district offices; at public and private elementary schools; at community health offices; and at women, infants, and children (WIC) program sites.

Sec. 15. [62J.22] [ELIGIBILITY DETERMINATION.]

Subdivision 1. [ELIGIBILITY VERIFICATION.] The emphasis of eligibility verification procedures must be on achieving enrollment

and coverage as soon after application as possible. To this end, confirmation of income and other information provided by the applicant shall occur primarily through use of personal data that the state gathers, such as income tax records, for other purposes. The commissioner may use individuals' social security numbers as identifiers for purposes of administering the plan.

Subd. 2. [APPLICANT INFORMATION.] Applicants shall submit evidence of family income, earned and unearned, for use in determining the amount of the premium and eligibility for a subsidy. Enrollees shall report changes in eligibility status as they occur.

Subd. 3. [FRAUD.] If subsequent to enrollment an enrollee in the state plan is found to have provided fraudulent information, the commissioner may disenroll the enrollee if the enrollee has sufficient, alternate coverage, but must maintain enrollment for those without alternate coverage. In all cases, the commissioner may recover premiums not paid due to fraud through the means listed in section 21, subdivision 3.

Subd. 4. [REVERIFICATION.] Eligibility for the state plan must be redetermined annually. The commissioner must use mail and other, simple means of obtaining information from enrollees, then engage in random checkups of the accuracy of information provided.

Sec. 16. [62J.23] [ENROLLMENT.]

Subdivision 1. [COVERAGE EFFECTIVE DATE.] Coverage becomes effective on the next first or 15th of a month, whichever comes first, after the commissioner transfers enrollment information to the health plan selected by the applicant. The transfer to the health plan must occur no later than two weeks after the commissioner receives a completed application and payment of one month of premium costs.

Subd. 2. [ENROLLMENT CONFIRMATION.] No more than two weeks shall elapse between the time the commissioner receives a completed application and the applicant is notified of acceptance, rejection, or unusual delay and the reasons why. Refusal to provide a health history will not disqualify an applicant from the state plan. The commissioner shall operate a toll-free telephone service to confirm individual enrollment in the state plan. The service must be available to assist enrollees, health plans, and providers.

Sec. 17. [62J.24] [OPEN ENROLLMENT.]

The commissioner shall establish an annual open enrollment period during which enrollees must be allowed to transfer between health plans. Enrollees may not transfer between plans during

other periods unless their place of residence changes and their current plan does not provide coverage in the new location.

Sec. 18. [62J.25] [PREMIUM PAYMENTS; APPLICATION.]

The premium payment procedures established in sections 19 and 20 apply to coverage purchased through the Minnesotans' health care plan by an individual or an employer.

Sec. 19. [62J.26] [PAYMENTS FROM INDIVIDUALS.]

Subdivision 1. [AUTOMATIC PAYMENTS.] The commissioner shall establish an automatic premium payment system and shall require enrollees not receiving group coverage through an employer to make payments through the automatic system whenever practical. The system may include automatic payment through:

- (1) automatic bank account debiting;
- (2) automatic income withholding for employees, modeled after the system used for child support enforcement;
- (3) automatic collections through the state income tax system, including automatic deductions for employees and estimated payments for self-employed enrollees;
- (4) automatic deductions from unemployment compensation benefits; or
- (5) other methods developed by the commissioner.

Subd. 2. [MANUAL PAYMENTS.] The commissioner may allow manual payments directly from enrollees to the commissioner for enrollees:

- (1) making their initial premium payment with their application form;
- (2) expected to remain on the program for a short period of time; or
- (3) for whom automatic payments are impractical.

Subd. 3. [PAYMENT PERIODS.] Premiums shall be paid on a monthly basis. The commissioner shall encourage enrollees to make premium payments covering longer periods of time whenever practical.

Sec. 20. [62J.27] [EMPLOYER ENROLLMENT.]

Subdivision 1. [ENROLLMENT OF EMPLOYEES.] Employers seeking to participate in the state plan must apply to the commissioner to enroll their employees. A person enrolled under this method ceases to be covered as a member of the employer's group when employment with the employer is discontinued. The commissioner shall establish procedures to convert enrollees from group coverage to individual coverage when they cease employment with an employer who participates in the program unless the enrollee can provide evidence of coverage through a new employer or through some other plan.

Subd. 2. [COLLECTION OF PREMIUMS.] The commissioner shall require employers participating in the state plan to collect the employees' share of premiums and pay the employees' share and the employers' share directly to the commissioner.

Subd. 3. [TECHNICAL ASSISTANCE TO EMPLOYERS.] The commissioner must provide technical assistance to employers participating in the state plan. Technical assistance must be targeted to employers who do not currently offer employee health benefits or for whom technical assistance services are not readily available. The assistance must be provided at cost and may include assistance on the following:

- (1) designing and establishing a health benefit program;
- (2) administering state and federal continuation coverage requirements; and
- (3) establishing tax-sheltered premium accounts for employees.

Sec. 21. [62J.28] [ENFORCEMENT PROCEDURES.]

Subdivision 1. [EVIDENCE OF COVERAGE REQUIRED.] The commissioner shall enforce the requirement that all state residents must maintain and show evidence of health insurance coverage.

Subd. 2. [RESTRICTION ON TERMINATING COVERAGE.] The commissioner shall prohibit an enrollee from terminating coverage in the Minnesotans' health care plan except when the enrollee provides evidence of alternative coverage.

Subd. 3. [NONPAYMENT OF PREMIUM.] The commissioner may not cancel an enrollee's participation in the state plan for failure to pay premiums. The commissioner shall attempt to collect unpaid premiums through the following methods:

- (1) automatic income withholding, modeled after the child support enforcement system;

(2) automatic payroll deductions; or

(3) other methods identified or developed by the commissioner.

Subd. 4. [IDENTIFICATION OF UNINSURED PERSONS.] The commissioner shall develop and implement a system to identify state residents who have not obtained health care coverage. The system may include a survey question added to driver's license applications, income tax forms, school registration forms, and other similar forms. The system may include additional methods developed by the commissioner.

Subd. 5. [PROVISION OF COVERAGE.] The commissioner shall enroll state residents identified under subdivision 4 in the state plan and collect the appropriate premium from them.

Subd. 6. [IMPLEMENTATION.] In developing procedures to implement this section, the commissioner shall consult with the attorney general.

Sec. 22. [EFFECTIVE DATE FOR MANDATORY UNIVERSAL COVERAGE.]

Section 3 is effective July 1, 1993, or one year after the state plan becomes available statewide, whichever occurs later.

Sec. 23. [APPROPRIATION.]

\$...... is appropriated from the general fund to the commissioner of human services for the purposes of section 10, to be available until June 30, 1993.

ARTICLE 2

COVERED SERVICES

THE INTERMEDIATE BENEFIT SET

Section 1. [62J.29] [AUTHORITY TO OFFER COVERAGE.]

Health plan companies participating in the state plan are authorized to offer, sell, issue, and renew the intermediate benefit set and the supplemental benefit set subject to the terms established by the commissioner of health care access, notwithstanding any contrary provisions of this chapter, chapter 62A, 62C, 62D, or 62E, or other laws governing health coverage.

Sec. 2. [62J.30] |COVERED SERVICES: PREVENTIVE CARE. |

(a) The intermediate benefit set covers expenses for the following preventive care services for all intermediate benefit set enrollees:

(1) prenatal and postnatal care;

(2) well baby exams for children under one year of age;

(3) immunizations; and

(4) selected tests, screenings, and examinations that are demonstrated to be cost-effective components of a preventive care program, including but not limited to: Pap tests for women age 18 and older at intervals recommended by the American Cancer Society; and mammograms for women age 50 and older at intervals recommended by the American Cancer Society.

(b) The intermediate benefit set covers the following services for children, if the services are provided as part of an early and periodic screening, diagnosis, and treatment (EPSDT) regimen:

(1) routine physical exams and well child exams, including the cost of laboratory and X-ray services associated with the exam;

(2) eye exams conducted by a licensed ophthalmologist or optometrist;

(3) hearing exams; and

(4) speech exams.

Sec. 3. [62J.31] |COVERED SERVICES: PRIMARY CARE; PRESCRIPTION DRUGS; INJECTIONS; SUPPLIES. |

Subdivision 1. [PRIMARY CARE.] The intermediate benefit set covers a total of up to eight visits per year provided by primary care physicians, nurse practitioners, and physician assistants. "Visits" include office visits, home visits, and visits in a custodial facility. For the purpose of this benefit, "primary care physicians" include only general and family practitioners, internists, pediatricians, obstetricians, and gynecologists, when serving in a primary care, rather than a consultative, capacity. Additional visits are covered when they are an alternative to inpatient care. The limit on visits does not apply to children.

Subd. 2. [PRESCRIPTION DRUGS.] The intermediate benefit set covers outpatient prescription drugs ordered by an authorized prescriber, including the dispensing fee, from a formulary specified by the commissioner. Adult prescriptions are subject to a \$5 copay-

ment. The commissioner shall establish a broader formulary for children. There is no copayment for prescriptions for children.

Subd. 3. [THERAPEUTIC INJECTIONS.] The intermediate benefit set covers therapeutic injections administered by a qualified health professional from a formulary specified by the commissioner. Therapeutic injections administered to adults are subject to a \$5 copayment. The commissioner shall establish a broader formulary for children. There is no copayment for therapeutic injections administered to children.

Subd. 4. [MEDICAL EQUIPMENT AND SUPPLIES FOR CHILDREN.] The intermediate benefit set covers the following medical equipment and supplies for children:

(1) appliances and equipment, including but not limited to orthotics, canes, crutches, glucosan, glucometers, intermittent positive pressure machines, rib belts for the treatment of an accident or illness, walkers, and wheelchairs;

(2) prosthetics and artificial parts that replace missing body parts or improve body function;

(3) one pair of eyeglasses every two years, unless more often if recommended by a qualified health professional. Contact lenses are not covered; and

(4) hearing aids.

Sec. 4. [62J.32] [COVERED SERVICES: ADDITIONAL OUTPATIENT SERVICES.]

Subdivision 1. [OUTPATIENT SPECIALIST AND THERAPY SERVICES.] The intermediate benefit set covers a total of up to eight visits and consultations per year, excluding visits as defined in section 3, subdivision 1, provided by qualified health professionals. Additional visits are covered when they are an alternative to inpatient care. The limit on visits and consultations does not apply to children.

Subd. 2. [OUTPATIENT SURGICAL SERVICES.] The intermediate benefit set covers health professional and institutional outpatient surgical services, including surgery performed in a hospital outpatient department, physician's office, or freestanding surgical facility. This benefit includes services by an anesthesiologist or anesthesiologist for outpatient surgeries.

Subd. 3. [RADIOLOGY AND PATHOLOGY SERVICES.] The intermediate benefit set covers radiology and pathology services performed by a hospital outpatient department or a freestanding

surgical facility. This benefit also provides for professional services provided by a qualified health professional when X rays and laboratory procedures are performed in a physician's office, hospital outpatient department, or freestanding surgical facility.

Subd. 4. [CARDIOVASCULAR TESTS AND PROCEDURES.] The intermediate benefit set covers therapeutic services, cardiography, cardiac catheterization, and other cardiovascular services performed or ordered by a qualified health professional.

Subd. 5. [ALLERGY TESTING AND IMMUNOTHERAPY FOR CHILDREN.] The intermediate benefit set covers professional services and materials associated with allergy testing and immunotherapy provided to children, when administered by a qualified health professional.

Subd. 6. [DIALYSIS PROCEDURES.] The intermediate benefit set covers services by a qualified health professional for dialysis treatment, including hemodialysis, peritoneal dialysis, and miscellaneous dialysis procedures.

Subd. 7. [MISCELLANEOUS TESTS AND PROCEDURES.] The intermediate benefit set covers the following additional professional services: biofeedback services, gastroenterology services, otorhinolaryngology services, vestibular functions tests, noninvasive peripheral vascular diagnostic studies, pulmonary services, neurology services, chemotherapy services, and dermatology services.

Sec. 5. [62J.33] [COVERED SERVICES: MENTAL HEALTH AND ALCOHOL OR DRUG DEPENDENCY CARE; INPATIENT AND OUTPATIENT.]

Subdivision 1. [INPATIENT MENTAL HEALTH.] The intermediate benefit set covers 80 percent of the cost of inpatient hospitalization for treatment of mental disorders. After a family's total copayment for all covered inpatient benefits, including mental health and all other categories of covered inpatient care, except maternity, exceeds \$2,500 in one calendar year, the intermediate benefit set covers 100 percent of additional services. After the intermediate benefit set has paid \$70,000 in inpatient benefits of any kind except maternity for a person within a calendar year, the intermediate benefit set will cover no further inpatient benefits, except maternity, of any kind for that person for that calendar year.

Subd. 2. [INPATIENT HEALTH PROFESSIONAL SERVICES; VISITS AND CONSULTATIONS.] The intermediate benefit set covers, subject to subdivision 1, physician services for visits, consultations, and other care provided for treatment of mental disorders on an inpatient basis at a hospital or approved extended care facility. This benefit also provides for the care of critically ill patients in a variety of settings that require the constant attention of a qualified

health professional. Consultations by nonphysicians are covered if provided by appropriate health professionals.

Subd. 3. [INPATIENT ALCOHOL AND DRUG DEPENDENCY TREATMENT NOT COVERED.] The intermediate benefit set does not cover inpatient hospital treatment of alcohol or drug dependency.

Subd. 4. [OUTPATIENT MENTAL HEALTH.] The intermediate benefit set covers up to ten hours per year of outpatient mental health therapy by a qualified professional. Two hours of group therapy count as one hour of individual therapy. Additional hours are covered when they are an alternative to inpatient care.

Subd. 5. [OUTPATIENT ALCOHOL AND DRUG DEPENDENCY TREATMENT.] The intermediate benefit set covers up to ten hours per year of outpatient treatment of alcohol or drug dependency by a qualified health professional or outpatient treatment program. Two hours of group treatment count as one hour of individual treatment.

Sec. 6. [62J.34] [COVERED SERVICES: MATERNITY.]

Subdivision 1. [INPATIENT MATERNITY; HOSPITAL SERVICES.] The intermediate benefit set covers 80 percent of the cost of maternity inpatient care, consisting of room, board, and ancillary services. After a patient's total copayment for covered hospital services for inpatient maternity care reaches \$500 per pregnancy, the intermediate benefit set covers 100 percent of additional services. This copayment is separate from the copayment for nonmaternity inpatient care. This benefit covers vaginal and caesarean deliveries, complications of pregnancy, miscarriages, and other medically necessary services. This subdivision includes only hospital inpatient services. This subdivision does not cover neonatal care or services associated with premature birth.

Subd. 2. [OUTPATIENT MATERNITY; HOSPITAL SERVICES.] The intermediate benefit set covers outpatient treatment of miscarriages, testing procedures such as amniocentesis and ultrasound, and other medically necessary procedures. This subdivision covers only use of hospital facilities and services by hospital employees.

Subd. 3. [HEALTH PROFESSIONALS; OBSTETRICAL CARE.] The intermediate benefit set covers health professional services for vaginal and caesarean deliveries, complications of pregnancy, miscarriages, and other medically necessary procedures. This benefit includes delivery care, surgical care, and anesthesia. This benefit does not include standard prenatal and postnatal visits, which the intermediate benefit set covers as preventive care in section 2.

Subd. 4. [ABORTION SERVICES.] The intermediate benefit set

covers abortion and abortion-related services only if one of the conditions in section 256B.0625, subdivision 16, is met.

Sec. 7. [62J.35] [COVERED SERVICES: EMERGENCY CARE.]

Subdivision 1. [HOSPITAL EMERGENCY ROOM.] After a \$50 copayment paid by the insured, the intermediate benefit set covers hospital or clinic services for outpatient emergency medical care performed on an emergency basis in the emergency area of a hospital outpatient department or urgent care center, or a free-standing medical clinic that provides 24-hour emergency care. The \$50 copayment is waived if the person is admitted to a hospital within 24 hours for a condition related to the emergency care. This subdivision does not include health professional services, which are covered in subdivision 2.

Subd. 2. [HEALTH PROFESSIONALS; EMERGENCY ROOM CARE.] The intermediate benefit set covers emergency services by qualified health professionals performed in the emergency area of a hospital outpatient department or urgent care center, or a free-standing medical clinic that provides 24-hour emergency care.

Subd. 3. [AMBULANCE.] The intermediate benefit set covers 80 percent of the cost of licensed ambulance service. Ambulance service for maternity care is not covered except when medically necessary.

Sec. 8. [62J.36] [COVERED SERVICES: HOSPITAL INPATIENT AND HOME HEALTH CARE.]

Subdivision 1. [GENERAL COPAYMENT AND BENEFIT LIMIT; HOSPITALIZATION.] The intermediate benefit set covers 80 percent of the cost of general inpatient hospitalization. After a family's total copayment for all covered inpatient benefits, including mental health and all other categories of covered inpatient care, except maternity, exceeds \$2,500 in one calendar year, the intermediate benefit set covers 100 percent of additional services. After the intermediate benefit set has paid \$70,000 in inpatient benefits of any kind except maternity for a person within a calendar year, the intermediate benefit set will cover no further inpatient benefits, except maternity, of any kind for that person for that calendar year.

Subd. 2. [HOSPITAL INPATIENT SERVICES.] The intermediate benefit set covers, subject to subdivision 1, hospital services, including inpatient room, board, and ancillary services. The covered room charges are for a semiprivate room, except as otherwise provided in section 62E.06, subdivision 1, paragraph (c), clause (4). Ancillary services include use of surgical and intensive care facilities, inpatient nursing care, pathology and radiology procedures, drugs, supplies, physical therapy, and other services normally provided by hospitals. Ancillary services do not include care by health professionals, whether or not employed by the hospital. This subdivision

does not include maternity and related neonatal care, alcohol and drug abuse treatment, or inpatient confinement for nursing or custodial care.

Subd. 3. [INPATIENT HEALTH PROFESSIONAL SURGERY.] The intermediate benefit set covers, subject to subdivision 1, services by surgeons, assistant surgeons, anesthesiologists, anesthesiologists, and other qualified health professionals for surgery and related procedures, including normal presurgical and postsurgical examinations, for inpatient nonmaternity surgery.

Subd. 4. [INPATIENT HEALTH PROFESSIONAL RADIOLOGY AND PATHOLOGY.] The intermediate benefit set covers, subject to subdivision 1, services by physicians for radiology and pathology evaluation performed on an inpatient basis.

Subd. 5. [INPATIENT HEALTH PROFESSIONAL SERVICES; VISITS AND CONSULTATIONS.] The intermediate benefit set covers, subject to subdivision 1, physician services for visits, consultations, and other care provided on an inpatient basis at a hospital or approved extended care facility. This benefit also provides for the care of critically ill patients in a variety of settings that require the constant attention of the physician. Consultations by nonphysicians are covered if provided by appropriate health professionals.

Subd. 6. [EXTENDED CARE FACILITIES.] The intermediate benefit set covers, subject to subdivision 1, room, board, and ancillary services at an approved extended care facility that is the extended care unit of a hospital or an independent skilled nursing facility. This benefit covers only noncustodial care.

Subd. 7. [PRIVATE DUTY NURSING; HOME HEALTH CARE.] The intermediate benefit set covers, subject to subdivision 1, private duty nursing and home health visits by a home health professional if prescribed by the attending physician. Custodial care is not covered.

Sec. 9. [62J.37] [COVERED SERVICES: CHILDREN'S DENTAL CARE.]

This benefit provides for preventive and nonpreventive services for children.

(a) The intermediate benefit set covers preventive services which include oral examinations, X rays, fluoride applications, teeth cleaning, and other laboratory and diagnostic tests.

(b) The intermediate benefit set covers 80 percent of the cost of basic nonpreventive services which include emergency treatment, space maintainers, simple extractions, surgical extractions, oral

surgery, anesthesia services, restorations, periodontics, and endodontics.

(c) The intermediate benefit set covers 50 percent of the cost of major nonpreventive services which include inlays and crowns, dentures and other removable prosthetics, bridges and other fixed prosthetics, denture and bridge repair, and other prosthetics.

Sec. 10. [62J.375] [COVERED SERVICES; LANGUAGE TRANSLATIONS AND INTERPRETERS.]

The intermediate benefit set covers sign and spoken language interpreters necessary in connection with receipt of any other services covered under the plan.

Sec. 11. [62J.38] [EXCLUDED SERVICES.]

Subdivision 1. [MEDICAL NECESSITY.] The intermediate benefit set does not cover services that are not medically necessary.

Subd. 2. [OTHER EXCLUDED SERVICES.] Regardless of medical necessity, the intermediate benefit set does not cover the following services:

(1) expenses listed under section 62E.06, subdivision 1, paragraph (c);

(2) inpatient treatment of alcoholism, chemical dependency, or drug addiction;

(3) treatment of temporomandibular joint disorder;

(4) treatment of craniomandibular disorder;

(5) orthodontia care;

(6) experimental procedures;

(7) custodial care;

(8) personal comfort or beautification;

(9) treatment for obesity;

(10) in vitro fertilization;

(11) artificial insemination;

(12) reversal of voluntary sterilization; and

(13) transsexual surgery.

UNIVERSAL BASIC BENEFIT PLAN

Sec. 12. [62J.39] [UNIVERSAL BASIC BENEFIT SET.]

Subdivision 1. [CONTENT OF THE UNIVERSAL BASIC BENEFIT SET.] The universal basic benefit set is a uniform standard of health coverage that will be available to all Minnesotans. The commissioner shall determine the content of the universal basic benefit set, with the advice of the technology and benefits advisory committee as established in H.F. No. 5. The universal basic benefit set must include:

(1) the benefits contained in the intermediate benefit set, including but not limited to full coverage for prenatal care, immunizations, and other preventive care as currently mandated for health maintenance organizations; and

(2) other health care services of demonstrated effectiveness, consistent with the following principles: (i) universal and equitable access to health care procedures and technologies; (ii) maintenance of an appropriate balance between expenditures for primary and preventive care, and expenditures for high cost cases; (iii) promotion of high quality and cost-effective health care; and (iv) adherence to budget targets.

Subd. 2. [CONVERSION TO THE UNIVERSAL BASIC BENEFIT SET.] The following changes will occur on July 1, 1995:

(1) the universal basic benefit set will replace the intermediate benefit set as the benefit set made available on a subsidized basis through the state plan;

(2) the supplemental benefit set will no longer be available through the state plan;

(3) the state plan may make available optional coverage that exceeds the universal basic benefit set;

(4) the intermediate benefit set will no longer be available in the private market;

(5) the universal basic benefit set will replace the mandated benefits currently required under chapters 60A, 62A, 62C, 62D, and 62E; and

(6) any health coverage programs sponsored by state or local

government will be required to provide benefits equal to or better than the universal basic benefit set.

Sec. 13. [62J.40] [AVAILABILITY OF INTERMEDIATE BENEFIT SET.]

The intermediate benefit set is available only to individuals and to small groups containing no more than five employees or members. The intermediate benefit set may be offered through the state plan, and through the private market only by health plan companies participating in the state plan.

Sec. 14. [62J.41] [MINIMUM INSURANCE BENEFIT SET.]

For all health plan companies except those governed by chapter 62D, the minimum insurance benefit set is a number two qualified plan, as defined in section 62E.06, subdivision 2. For the purposes of this requirement, actuarial equivalence must not be used. For health plan companies governed by chapter 62D, the minimum insurance benefit set is the set of benefits required under chapter 62D. Except as provided in section 13, no health coverage may be offered, sold, issued, or renewed to any Minnesota resident or to any group in Minnesota unless the coverage meets or exceeds the requirements of the minimum insurance benefit set.

Sec. 15. [62J.42] [SUPPLEMENTAL BENEFIT SET.]

The supplemental benefit set includes the benefits commonly included in group health coverage offered by health maintenance organizations operating under chapter 62D that are not included in the intermediate benefit set. The commissioner of health care access shall establish, by rule, uniform provisions for the supplemental benefit set. The state plan and health plan companies participating in the state plan must make the supplemental benefit set available as an option to any individual or group covered by the intermediate benefit set. For groups too large to qualify for the intermediate benefit set, the intermediate benefit set combined with the supplemental benefit set will be the only benefit set available through the state plan.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective on July 1, 1992."

Delete the title and insert:

"A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain

health coverage; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 62J."

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

The report was adopted.

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

H. F. No. 6, A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

RURAL HEALTH INITIATIVES

Section 1. Minnesota Statutes 1990, section 144.147, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1, ~~1990, of each year for grants awarded in the 1991 state fiscal year; and no later than September 1, 1990, for grants awarded in the 1992 state for the~~ fiscal year beginning the following July 1.

(b) The commissioner may award ~~at least~~ a maximum of two grants for each fiscal year. The commissioner must make a final decision on the funding of each application within 60 days of the deadline for receiving applications.

(c) Each relevant community health board has 30 days in which to review and comment to the commissioner on grant applications from hospitals in their community health service area.

(d) In determining which hospitals will receive grants under this section, the commissioner shall consider the following factors:

(1) Description of the problem, description of the project, and the likelihood of successful outcome of the project. The applicant must explain clearly the nature of the health services problems in their service area, how the grant funds will be used, what will be accomplished, and the results expected. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations.

(2) The extent of community support for the hospital and this proposed project. The applicant should demonstrate support for the hospital and for the proposed project from other local health service providers and from local community and government leaders. Evidence of such support may include past commitments of financial support from local individuals, organizations, or government entities; and commitment of financial support, in-kind services or cash, for this project.

(3) The comments, if any, resulting from a review of the application by the community health board in whose community health service area the hospital is located.

(e) In evaluating applications, the commissioner shall score each application on a 100 point scale, assigning the maximum of 70 points for an applicant's understanding of the problem, description of the project, and likelihood of successful outcome of the project; and a maximum of 30 points for the extent of community support for the hospital and this project. The commissioner may also take into account other relevant factors.

(f) A grant to a hospital, including hospitals that submit applications as consortia, may not exceed \$50,000 a year and may not exceed a term of two years. Prior to the receipt of any grant, the hospital must certify to the commissioner that at least one-half of the amount, which may include in-kind services, is available for the same purposes from nonstate sources. A hospital receiving a grant under this section may use the grant for any expenses incurred in the development of strategic plans or the implementation of transition projects with respect to which the grant is made. Project grants

may not be used to retire debt incurred with respect to any capital expenditure made prior to the date on which the project is initiated.

Sec. 2. [144.1481] [RURAL HEALTH ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The commissioner of health shall establish a 15-member rural health advisory committee. The committee shall consist of the following individuals, all of whom must reside outside the seven-county metropolitan area:

(1) two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;

(2) two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;

(3) a volunteer member of an ambulance service based outside the seven-county metropolitan area;

(4) a representative of a hospital located outside the seven-county metropolitan area;

(5) a representative of a nursing home located outside the seven-county metropolitan area;

(6) a medical doctor or doctor of osteopathy licensed under chapter 147;

(7) a midlevel practitioner;

(8) a registered nurse or licensed practical nurse;

(9) a licensed health care professional from an occupation not otherwise represented on the committee;

(10) a representative of an institution of higher education located outside the seven-county metropolitan area that provides training for rural health care providers; and

(11) three consumers, at least one of whom must be an advocate for persons who are mentally ill or developmentally disabled.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The terms, compensa-

tion, and removal of members are governed by section 15.059. The advisory committee does not expire as provided in section 15.059, subdivision 5.

Subd. 2. [DUTIES.] The advisory committee shall:

(1) advise the commissioner of health, the commissioner of human services, the office of rural health established in section 3, and other state agencies on rural health issues;

(2) provide a systematic and cohesive approach toward rural health issues and rural health care planning, at both a local and statewide level;

(3) develop and evaluate mechanisms to encourage greater cooperation among rural communities and among providers;

(4) recommend and evaluate approaches to rural health issues that are sensitive to the needs of local communities;

(5) develop methods for identifying individuals who are underserved by the rural health care system; and

(6) evaluate the Minnesotans' health care plan and recommend program changes needed to better address problems and needs in rural health care.

Subd. 3. [STAFFING; OFFICE SPACE; EQUIPMENT.] The commissioner shall provide the advisory committee with staff support, office space, and access to office equipment and services.

Sec. 3. [144.1482] [OFFICE OF RURAL HEALTH.]

Subdivision 1. [ESTABLISHMENT; FEDERAL GRANT APPLICATION.] The commissioner of health shall establish an office of rural health within the department. The commissioner shall also apply for a federal grant to establish the office of rural health, as provided under the federal Public Health Service Act, Public Law Number 101-597.

Subd. 2. [DUTIES.] (a) The office of rural health shall:

(1) establish and maintain a clearinghouse for collecting and disseminating information on rural health care issues, research findings, and innovative approaches to the delivery of rural health care;

(2) coordinate the activities relating to rural health care that are carried out by the state to avoid duplication of effort;

(3) identify federal and state rural health programs and provide technical assistance to public and nonprofit entities, including community and migrant health centers, to assist them in participating in these programs;

(4) assist rural communities in improving the delivery and quality of health care in rural areas and in recruiting and retaining health professionals;

(5) work with the bureau of health care access in the department of human services to provide access to health care in rural Minnesota; and

(6) carry out the duties assigned in section 4.

(b) To carry out these duties, the office may contract with or provide grants to public and private, nonprofit entities.

Sec. 4. [144.1483] [RURAL HEALTH INITIATIVES.]

The commissioner of health, through the office of rural health, and consulting as necessary with the commissioner of human services, the higher education coordinating board, and other state agencies, shall:

(1) develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual medical providers and smaller hospitals and clinics into referral networks with larger rural hospitals and clinics that provide a broader array of services. Where possible, this plan will guide the bureau of health care access as established under H.F. No. 5 in contracting for health care delivery throughout Minnesota;

(2) administer the planning and transition grant program for rural hospitals established under sections 144.1465 and 144.147, and develop and administer planning and transition grant programs for health care providers and communities. Grants may be used for planning regarding the use of facilities, recruitment of health personnel, and coordination of health services;

(3) administer the program of financial assistance established under section 5 for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;

(4) develop recommendations regarding health education and training programs in rural areas, including but not limited to a physician assistants' training program, continuing education programs for rural health care providers, and rural outreach programs for nurse practitioners within existing training programs;

(5) develop a statewide, coordinated recruitment strategy for health care personnel;

(6) develop and administer technical assistance programs to assist rural communities in: (i) planning and coordinating the delivery of local health care services; and (ii) hiring physicians, nurse practitioners, public health nurses, physician assistants, and other health personnel;

(7) study and recommend changes in the regulation of health care personnel, such as nurse practitioners and physician assistants, related to scope of practice, the amount of on-site physician supervision, and dispensing of medication, to address rural health personnel shortages;

(8) develop recommendations for establishing telecommunication systems to improve rural health education and health care delivery;

(9) support efforts to ensure continued funding for medical and nursing education programs that will increase the number of health professionals serving in rural areas;

(10) support efforts to secure higher reimbursement for rural health care providers from the Medicare and medical assistance programs; and

(11) carry out other activities necessary to address rural health problems.

Sec. 5. [144.1484] [RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall award financial assistance grants to rural hospitals in isolated areas of the state. To qualify for a grant, a hospital must: (1) be eligible to be classified as a sole community hospital according to the criteria in Code of Federal Regulations, title 42, section 412.92; (2) have experienced net income losses in the two most recent consecutive hospital fiscal years for which audited financial information is available; (3) consist of 20 or fewer licensed beds; and (4) have exhausted local sources of support. Before applying for a grant, the hospital must have developed a strategic plan. The commissioner shall award grants in equal amounts.

Sec. 6. [144.1485] [DATA BASE ON HEALTH PERSONNEL.]

The commissioner of health shall develop and maintain a data base on health services personnel. The commissioner shall use this information to assist local communities and units of state government to develop plans for the recruitment and retention of health

personnel. Information collected in the data base must include, but is not limited to, data on levels of educational preparation, specialty, and place of employment. The commissioner may collect information through the registration and licensure systems of the state health licensing boards.

Sec. 7. [REPORT ON RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall examine the eligibility criteria for rural hospital financial assistance grants under section 5 and report to the legislature by February 1, 1992, on any needed modifications.

Sec. 8. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1993, to implement sections 1 to 7.

Sec. 9. [EFFECTIVE DATE.]

Section 2 creating the rural health advisory committee is effective January 1, 1992.

ARTICLE 2

HOSPITALS; EMERGENCY MEDICAL SERVICES; DISPENSING

Section 1. Minnesota Statutes 1990, section 16A.124, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings here given them.

(a) "Commissioner" means the commissioner of finance.

(b) "State agency" has the meaning assigned to it in section 16B.01.

(c) "Vendor" includes, but is not limited to, "vendors of medical care" as defined in section 256B.02, subdivision 7.

Sec. 2. Minnesota Statutes 1990, section 16A.124, subdivision 4, is amended to read:

Subd. 4. [INVOICE ERRORS.] If an invoice is incorrect, defective, or otherwise improper, the agency must notify the vendor of all

errors, within ten days of ~~discovering~~ discovery of the ~~error~~ errors. Upon receiving a corrected invoice, the agency must pay the bill within the time limitation contained in subdivision 3.

Sec. 3. Minnesota Statutes 1990, section 43A.17, subdivision 9, is amended to read:

Subd. 9. [POLITICAL SUBDIVISION SALARY LIMIT.] The salary of a person employed by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, or employed under section 422A.03, may not exceed 95 percent of the salary of the governor as set under section 15A.082, except as provided in this subdivision. Deferred compensation and payroll allocations to purchase an individual annuity contract for an employee are included in determining the employee's salary. The salary of a medical doctor or doctor of osteopathy occupying a position that the governing body of the political subdivision has determined requires an M.D. or D.O. degree is excluded from the limitation in this subdivision. The commissioner may increase the limitation in this subdivision for a position that the commissioner has determined requires special expertise necessitating a higher salary to attract or retain a qualified person. The commissioner shall review each proposed increase giving due consideration to salary rates paid to other persons with similar responsibilities in the state. The commissioner may not increase the limitation until the commissioner has presented the proposed increase to the legislative commission on employee relations and received the commission's recommendation on it. The recommendation is advisory only. If the commission does not give its recommendation on a proposed increase within 30 days from its receipt of the proposal, the commission is deemed to have recommended approval.

Sec. 4. Minnesota Statutes 1990, section 43A.23, is amended by adding a subdivision to read:

Subd. 4. [STATE HEALTH PLAN.] The commissioner of employee relations shall provide flexibility in interpreting policies and procedures for implementing and administering the state health plan, to ensure adequate access throughout the state to the state health plan, and to maintain a viable rural health care delivery system.

Sec. 5. Minnesota Statutes 1990, section 144.581, subdivision 1, is amended to read:

Subdivision 1. [NONPROFIT CORPORATION POWERS.] A municipality, political subdivision, state agency, or other governmental entity that owns or operates a hospital authorized, organized, or operated under chapters 158, 250, 376, and 397, or under sections 246A.01 to 246A.27, 412.221, 447.05 to 447.13, 447.31, or 471.59, or under any special law authorizing or establishing a hospital or

hospital district shall, relative to the delivery of health care services, have, in addition to any authority vested by law, the authority and legal capacity of a nonprofit corporation under chapter 317A, including authority to

- (a) enter shared service and other cooperative ventures,
- (b) join or sponsor membership in organizations intended to benefit the hospital or hospitals in general,
- (c) enter partnerships,
- (d) incorporate other corporations,
- (e) have members of its governing authority or its officers or administrators serve as directors, officers, or employees of the ventures, associations, or corporations,
- (f) own shares of stock in business corporations,
- (g) offer, directly or indirectly, products and services of the hospital, organization, association, partnership, or corporation to the general public, and
- (h) ~~provide funds for payment of educational expenses of up to \$20,000 per individual, if the hospital or hospital district has at least \$1,000,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district, and~~
- (i) ~~provide funds of up to \$50,000 per year per individual for a maximum of two years to supplement the incomes of family practice physicians, up to a maximum of \$100,000 in annual income, if the hospital or hospital district has at least \$250,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district. expend funds, including public funds in any form, or devote the resources of the hospital or hospital district, to recruit or retain physicians whose services are necessary or desirable for meeting the health care needs of the population, and for successful performance of the hospital or hospital district's public purpose of the promotion of health. Allowable uses of funds and resources include the retirement of medical education debt, payment of one time amounts in consideration of services rendered or to be rendered, payment of recruitment expenses, payment of moving expenses, and the provision of other financial assistance necessary for the recruitment and retention of physicians, provided that the expenditures in whatever form are reasonable under the facts and circumstances of the situation.~~

Sec. 6. Minnesota Statutes 1990, section 144.8093, is amended to read:

144.8093 [EMERGENCY MEDICAL SERVICES FUND.]

Subdivision 1. [CITATION.] This section is the "Minnesota emergency medical services system support act."

Subd. 2. [ESTABLISHMENT AND PURPOSE.] In order to develop, maintain, and improve *regional emergency medical services systems*, the department of health shall establish an emergency medical services system fund. The fund shall be used for the general purposes of promoting systematic, cost-effective delivery of emergency medical care throughout the state; identifying common local, regional, and state emergency medical system needs and providing assistance in addressing those needs; ~~undertaking special projects of statewide significance that will enhance the provision of emergency medical care in Minnesota~~ providing discretionary grants for emergency medical service projects with potential regionwide significance; providing for public education about emergency medical care; promoting the exchange of emergency medical care information; ~~ensuring the ongoing coordination of regional emergency medical services systems~~; and establishing and maintaining training standards to ensure consistent quality of emergency medical services throughout the state.

Subd. 3. [USE AND RESTRICTIONS.] Designated regional emergency medical services systems may use emergency medical services system funds to support local and regional emergency medical services as determined within the region, with particular emphasis given to supporting and improving emergency trauma and cardiac care and training. No part of a region's share of the fund may be used to directly subsidize any ambulance service operations or rescue service operations or to purchase any vehicles or parts of vehicles for an ambulance service or a rescue service.

Subd. 4. [DISTRIBUTION.] Money from the fund shall be distributed according to this subdivision. ~~Eighty-Ninety-three and one-third percent of the fund shall be distributed annually on a contract for services basis with each of the eight regional emergency medical services systems designated by the commissioner of health.~~ Eighty-Ninety-three and one-third percent of the fund shall be distributed annually on a contract for services basis with each of the eight regional emergency medical services systems designated by the commissioner of health. The systems shall be governed by a body consisting of appointed representatives from each of the counties in that region and shall also include representatives from emergency medical services organizations. The commissioner shall contract with a regional entity only if the contract proposal satisfactorily addresses proposed emergency medical services activities in the following areas: personnel training, transportation coordination, public safety agency cooperation, communications systems maintenance and development, public involvement, health care facilities involvement, and system management. If each of the regional emergency medical services systems

submits a satisfactory contract proposal, then this part of the fund shall be distributed evenly among the regions. If one or more of the regions does not contract for the full amount of its even share or if its proposal is unsatisfactory, then the commissioner may reallocate the unused funds to the remaining regions on a pro rata basis. Six and two-thirds percent of the fund shall be used by the commissioner to support regionwide reporting systems and to provide other regional administration and technical assistance. ~~Thirteen and one-third percent shall be distributed by the commissioner as discretionary grants for special emergency medical services projects with potential statewide significance.~~

Sec. 7. Minnesota Statutes 1990, 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 commis-

sioner 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;

(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; and

(23) a voluntary uncompensated worker while volunteering services as a member of a rescue squad organized under the 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. 8. Minnesota Statutes 1990, section 256.969, subdivision 6a, is amended to read:

Subd. 6a. [SPECIAL CONSIDERATIONS.] (a) In determining the payment rates, the commissioner shall consider whether the following circumstances exist:

(1) [MINIMAL MEDICAL ASSISTANCE USE.] Minnesota hospitals with 30 or fewer annualized admissions of Minnesota medical assistance recipients in the base year, excluding Medicare crossover admissions, may have the base year operating rates, as adjusted by the case mix index, and property payment rates established at the 70th percentile of hospitals in the peer group in effect during the base year as established by the Minnesota department of health for use by the rate review program. Rates within a peer group shall be adjusted for differences in fiscal years and outlier percentage payments before establishing the 70th percentile. The operating payment rate portion of the 70th percentile shall be adjusted by the hospital cost index. To have rates established under this paragraph,

the hospital must notify the commissioner in writing by November 1 of the year preceding the rate year. This paragraph shall be applied to all payment rates of the affected hospital.

(2) [UNUSUAL COST OR LENGTH OF STAY EXPERIENCE.] The commissioner shall establish day and cost outlier thresholds for each diagnostic category established under subdivision 2 at two standard deviations beyond the geometric mean length of stay or allowable cost. Payment for the days and cost beyond the outlier threshold shall be in addition to the operating and property payment rates per admission established under subdivisions 2, 2b, and 2c. Payment for outliers shall be at 70 percent of the allowable operating cost calculated by dividing the operating payment rate per admission, after adjustment by the case mix index, hospital cost index, relative values and the disproportionate population adjustment, by the arithmetic mean length of stay for the diagnostic category. The outlier threshold for neonatal and burn diagnostic categories shall be established at one standard deviation beyond the geometric mean length of stay or allowable cost, and payment shall be at 90 percent of allowable operating cost calculated in the same manner as other outliers. A hospital may choose an alternative percentage outlier payment to a minimum of 60 percent and a maximum of 80 percent if the commissioner is notified in writing of the request by October 1 of the year preceding the rate year. The chosen percentage applies to all diagnostic categories except burns and neonates. The percentage of allowable cost that is unrecognized by the outlier payment shall be added back to the base year operating payment rate per admission. Cost outliers shall be calculated using hospital specific allowable cost data. If a stay is both a day and a cost outlier, outlier payments shall be based on the higher outlier payment.

(3) [DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.] For admissions occurring on or after July 1, 1989, the medical assistance disproportionate population adjustment shall comply with federal law at fully implemented rates. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. For admissions occurring on or after the rate year beginning January 1, 1991, the disproportionate population adjustment shall be derived from base year Medicare cost report data and may be adjusted by data reflecting actual claims paid by the department.

(4) [SEPARATE BILLING BY CERTIFIED REGISTERED NURSE ANESTHETISTS.] Hospitals may exclude certified registered nurse anesthetist costs from the operating payment rate as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must notify the commissioner in writing by October 1 of the year preceding the rate year of the request to exclude certified registered nurse anesthetist costs. The hospital must agree that all

hospital claims for the cost and charges of certified registered nurse anesthetist services will not be included as part of the rates for inpatient services provided during the rate year. In this case, the operating payment rate shall be adjusted to exclude the cost of certified registered nurse anesthetist services. Payments made through separate claims for certified registered nurse anesthetist services shall not be paid directly through the hospital provider number or indirectly by the certified registered nurse anesthetist to the hospital or related organizations.

(5) [SPECIAL RATES.] The commissioner may establish special rate-setting methodologies, including a per day operating and property payment system, for hospice, ventilator dependent, and other services on a hospital and recipient specific basis taking into consideration such variables as federal designation, program size, and admission from a medical assistance waiver or home care program. The data and rate calculation method shall conform to the requirements of paragraph (7), except that hospice rates shall not exceed the amount allowed under federal law and payment shall be secondary to any other medical assistance hospice program. Rates and payments established under this paragraph must meet the requirements of section 256.9685, subdivisions 1 and 2, and must not exceed payments that would otherwise be made to a hospital in total for rate year admissions under subdivisions 2, 2b, 2c, 3, 4, 5, and 6. The cost and charges used to establish rates shall only reflect inpatient medical assistance covered services. Hospital and claims data that are used to establish rates under this paragraph shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(6) [REHABILITATION DISTINCT PARTS.] Units of hospitals that are recognized as rehabilitation distinct parts by the Medicare program shall have separate provider numbers under the medical assistance program for rate establishment and billing purposes only. These units shall also have operating and property payment rates and the disproportionate population adjustment established separately from other inpatient hospital services, based on the methods of subdivisions 2, 2b, 2c, 3, 4, 5, and 6. The commissioner may establish separate relative values under subdivision 2 for rehabilitation hospitals and distinct parts as defined by the Medicare program. For individual hospitals that did not have separate medical assistance rehabilitation provider numbers or rehabilitation distinct parts in the base year, hospitals shall provide the information needed to separate rehabilitation distinct part cost and claims data from other inpatient service data.

(7) [NEONATAL TRANSFERS.] For admissions occurring on or after July 1, 1989, neonatal diagnostic category transfers shall have operating and property payment rates established at receiving hospitals which have neonatal intensive care units on a per day payment system that is based on the cost finding methods and

allowable costs of the Medicare program during the base year. Other neonatal diagnostic category transfers shall have rates established according to paragraph (8). The rate per day for the neonatal service setting within the hospital shall be determined by dividing base year neonatal allowable costs by neonatal patient days. The operating payment rate portion of the rate shall be adjusted by the hospital cost index and the disproportionate population adjustment. The cost and charges used to establish rates shall only reflect inpatient services covered by medical assistance. Hospital and claims data used to establish rates under this paragraph shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

(8) [TRANSFERS.] Except as provided in paragraphs (5) and (7), operating and property payment rates for admissions that result in transfers and transfers shall be established on a per day payment system. The per day payment rate shall be the sum of the adjusted operating and property payment rates determined in subdivisions 2b and 2c, divided by the arithmetic mean length of stay for the diagnostic category. Each admission that results in a transfer and each transfer is considered a separate admission to each hospital, and the total of the admission and transfer payments to each hospital must not exceed the total per admission payment that would otherwise be made to each hospital under paragraph (2) and subdivisions 2b and 2c.

(b) The computation of each hospital's payment rate and the relative values of the diagnostic categories are not subject to the routine service cost limitation imposed under the Medicare program.

(c) Indian health service facilities are exempt from the rate establishment methods required by this section and shall be reimbursed at the facility's usual and customary charges to the general public. This exemption is not effective for payments under general assistance medical care.

(d) Except as provided in paragraph (a), clauses (1) and (3), out-of-state hospitals that are located within a Minnesota local trade area shall have rates established using the same procedures and methods that apply to Minnesota hospitals. Hospitals that are not required by law to file information in a format necessary to establish rates shall have rates established based on the commissioner's estimates of the information. Relative values of the diagnostic categories shall not be redetermined under this paragraph until required by rule. Hospitals affected by this paragraph shall then be included in determining relative values. However, hospitals that have rates established based upon the commissioner's estimates of information shall not be included in determining relative values. This paragraph is effective for hospital fiscal years beginning on or after July 1, 1988. A hospital shall provide the information neces-

sary to establish rates under this paragraph at least 90 days before the start of the hospital's fiscal year.

(e) Hospitals that are not located within Minnesota or a Minnesota local trade area shall have operating and property rates established at the average of statewide and local trade area rates or, at the commissioner's discretion, at an amount negotiated by the commissioner. Relative values shall not include data from hospitals that have rates established under this paragraph. Payments, including third party liability, established under this paragraph may not exceed the charges on a claim specific basis for inpatient services that are covered by medical assistance.

(f) Medical assistance inpatient payment rates must include the cost incurred by hospitals to pay the department of health for metabolic disorder testing of newborns who are medical assistance recipients, if the cost is not recognized by another payment source.

(g) Medical assistance inpatient payments shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between ~~July April 1, 1988 1991, and December 31, 1990~~ the implementation date of the upgrade to the Medicaid management information system, if: (i) the hospital had 100 or fewer Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(h) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between ~~July April 1, 1988 1991, and December 31, 1990~~ the implementation date of the upgrade to the Medicaid management information system, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(i) Admissions occurring on or after July 1, 1990, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of paragraph (a), clause (8), except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not

exceed the per admission rate. This methodology shall also apply when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays which are medically necessary for inpatient hospital services and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

Sec. 9. Minnesota Statutes 1990, section 447.31, subdivision 1, is amended to read:

Subdivision 1. [RESOLUTIONS.] Any ~~four~~ two or more cities and towns, however organized, except cities of the first class, may create a hospital district. They must do so by resolutions adopted by their respective governing bodies or electors. A hospital district may be reorganized according to sections 447.31 to 447.37. Reorganization must be by resolutions adopted by the district's hospital board and the governing body or voters of each city and town in the district.

Sec. 10. Minnesota Statutes 1990, section 447.31, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF RESOLUTION.] A resolution under subdivision 1 must state that a hospital district is authorized to be created under sections 447.31 to 447.37, or that an existing hospital district is authorized to be reorganized under sections 447.31 to 447.37, in order to acquire, improve, and run hospital and nursing home facilities that the hospital board decides are necessary and expedient in accordance with sections 447.31 to 447.37. The resolution must name the ~~four~~ two or more cities or towns included in the district. The resolution must be adopted by a two-thirds majority of the members-elect of the governing body or board acting on it, or by the voters of the city or town as provided in this section.

Each resolution adopted by the governing body of a city or town must be published in its official newspaper and takes effect 40 days after publication, unless a petition for referendum on the resolution is filed with the governing body within 40 days. A petition for referendum must be signed by at least five percent of the number of voters voting at the last election of officers. If a petition is filed, the resolution does not take effect until approved by a majority of voters voting on it at a regular municipal election or a special election which the governing body may call for that purpose.

The resolution may also be initiated by petition filed with the governing body of the city or town, signed by at least ten percent of the number of voters voting at the last general election. A petition must present the text of the proposed resolution and request an election on it. If the petition is filed, the governing body shall call a special election for the purpose, to be held within 30 days after the

filing of the petition, or may submit the resolution to a vote at a regular municipal election that is to be held within the 30-day period. The resolution takes effect if approved by a majority of voters voting on it at the election. Only one election shall be held within any given 12-month period upon resolutions initiated by petition. The notice of the election and the ballot used must contain the text of the resolution, followed by the question: "Shall the above resolution be approved?"

Sec. 11. [STUDY OF BASIC AND ADVANCED LIFE SUPPORT REIMBURSEMENT.]

The commissioner of human services, in consultation with the commissioner of health, shall study the mechanisms and rates of reimbursement for advanced and basic life support ambulance and special transportation service calls under medical assistance and general assistance medical care. The study shall examine methods of simplifying the claims process, interpretation of the "medically necessary" criteria and prior approval in light of the statutory mandate that ambulance service may not be denied, as well as other issues that create impediments to reasonable and fair reimbursement. The commissioner shall report findings and offer recommendations to the legislature by February 1, 1992, on means of maximizing potential reimbursement levels.

Sec. 12. [STUDY OF AMBULANCE SUBSCRIPTION PLANS.]

The commissioner of commerce and the commissioner of health shall study prepaid ambulance service plans that allow a person to prepay for ambulance services on a yearly basis. The commissioners shall study plans offered in other states and shall study the cost effectiveness and feasibility of offering these plans in Minnesota. The commissioners shall study methods of funding the plans. The commissioners shall also address the issue of whether these plans should be regulated as insurance, health maintenance organizations, or as another type of entity. The commissioners shall conduct the study in conjunction with the attorney general. The commissioners shall report the findings of the study to the legislature by January 1, 1992.

Sec. 13. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1993, for the medical assistance small volume adjustment for hospitals."

Delete the title and insert:

"A bill for an act relating to health care; establishing mechanisms to assure access to health care throughout the state; providing

initiatives to improve access to health care in rural areas; establishing a rural health advisory committee; providing changes to the emergency medical services fund; including volunteer rescue squad workers as employees under workers' compensation; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivisions 1 and 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 144.147, subdivision 4; 144.581, subdivision 1; 144.8093; 176.011, subdivision 9; 256.969, subdivision 6a; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 144."

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

The report was adopted.

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

H. F. No. 7, A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; creating a department of health care access; requiring the new commissioner to set overall limits on health care spending and make recommendations regarding health care system reform; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; amending Minnesota Statutes 1990, sections 15.06, subdivision 1; and 43A.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 16B; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [62J.44] [HEALTH CARE ANALYSIS UNIT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish a health care analysis unit to conduct data and research initiatives in order to improve the efficiency and effectiveness of health care in Minnesota.

Subd. 2. [GENERAL DUTIES; IMPLEMENTATION DATE.] The commissioner, through the health care analysis unit, shall:

(1) conduct applied research using existing and newly established health care data bases, and promote applications based on existing research;

(2) establish the condition-specific data base required under section 2;

(3) develop and implement data collection procedures to ensure a high level of cooperation from health care providers and health plans;

(4) work closely with health plans and health care providers under contract with the commissioner of health care access to promote improvements in health care efficiency and effectiveness;

(5) periodically evaluate the state's existing health care financing and delivery programs, and the health programs created or administered by the commissioner of health care access;

(6) regularly prepare estimates, specific to Minnesota, of total health service expenditures and sources of payment;

(7) participate as a partner or sponsor of private sector initiatives that promote publicly disseminated applied research on health care delivery, outcomes, costs, quality, and management;

(8) conduct periodic surveys, including those required by section 4; and

(9) provide technical assistance to health plan and health care purchasers, as required by section 5.

The commissioner shall begin implementation of these data collection and research initiatives by July 1, 1992.

Subd. 3. [CRITERIA FOR UNIT INITIATIVES.] Data and research initiatives by the health care analysis unit must:

(1) serve the needs of the general public, public sector health care programs, employers and other purchasers of health care, health care providers, including providers serving large numbers of low-income people, and health plan companies;

(2) promote a significantly accelerated pace of publicly disseminated, applied research on health care delivery, outcomes, costs, quality, and management;

(3) conduct research and promote health care applications based on scientifically sound and statistically valid methods;

(4) be statewide in scope, in order to benefit health care purchasers and providers in all parts of Minnesota and to ensure a broad and representative data base for research, comparisons, and applications;

(5) emphasize data that is useful, relevant, and nonredundant of existing data. The initiatives may duplicate existing private activities, if this is necessary to ensure that the data collected will be in the public domain;

(6) be structured to minimize the administrative burden on health plans, health care providers, and the health care delivery system; and

(7) promote continuous improvement in the efficiency and effectiveness of health care delivery.

Subd. 4. [CRITERIA FOR PUBLIC SECTOR HEALTH CARE PROGRAMS.] Data and research initiatives related to public sector health care programs must:

(1) assist the state's current health care financing and delivery programs, and the state plan, to deliver and purchase health care in a manner that promotes improvements in health care efficiency and effectiveness;

(2) assist the state in its public health activities, including the analysis of disease prevalence and trends and the development of public health responses;

(3) assist the state in developing and refining its overall health policy, including policy related to health care costs, quality, and access; and

(4) provide a data source that allows the evaluation of state health care financing and delivery programs.

Subd. 5. [DATA COLLECTION PROCEDURES.] The health care analysis unit shall collect data from health care providers, health plan companies, and individuals in the most cost-effective manner. The unit may require health care providers and health plan companies to collect and provide patient health data, provide mailing lists of patients, and cooperate in other ways with the data collection process. The health care analysis unit may assign, or require health care providers and health plan companies to assign, a unique identification number to each patient to safeguard patient identity.

Subd. 6. [DATA CLASSIFICATION.] (a) Data collected through the large-scale data base initiatives of the health care analysis unit required by section 62J.45 are classified as private data on individuals and may be disclosed only to: employees of the bureau of health care access working on bureau initiatives; researchers affiliated with university research centers or departments, who are conducting research on health outcomes, practice parameters, and medical practice style; researchers working under contract with the bureau of health care access; and individuals purchasing health care services for health plan companies and groups.

(b) Data collected through the survey research initiatives of the health care analysis unit required by section 62J.47 are classified as public data under section 13.03, except that any patient or enrollee identifying information is private data.

(c) Summary data derived from data collected through the large-scale data base and survey research initiatives of the health care analysis unit may be provided under section 13.05, subdivision 7, and may be released in studies produced by the bureau of health care access.

Subd. 7. [FEDERAL AND OTHER GRANTS.] The commissioner of human services shall seek federal funding, and funding from private and other non-state sources, for the initiatives of the health care analysis unit.

Sec. 2. [62J.45] [LARGE-SCALE DATA BASE.]

Subdivision 1. [ESTABLISHMENT.] The health care analysis unit shall establish a large-scale data base for a limited number of health conditions. This initiative must meet the requirements of this section.

Subd. 2. [SPECIFIC HEALTH CONDITIONS.] (a) The data must be collected for specific health conditions, rather than specific procedures, types of health care providers, or services. The health care analysis unit shall designate up to eight specific health conditions for which data shall be collected during the first year of operation. For subsequent years, data may be collected for up to six additional specific health conditions. The number of specific conditions for which data is collected is subject to the availability of appropriations.

(b) The initiative must emphasize conditions that account for significant total costs, when considering both the frequency of a condition and the unit cost of treatment. The initial emphasis must be on the study of conditions commonly treated in hospitals on an inpatient or outpatient basis, or in freestanding outpatient surgical centers. As improved data collection and evaluation techniques are incorporated, this emphasis shall be expanded to include entire

episodes of care for a given condition, whether or not treatment includes use of a hospital or a freestanding outpatient surgical center.

Subd. 3. [INFORMATION TO BE COLLECTED.] The data collected must include information on health outcomes, including information on mortality, patient functional status and quality of life, symptoms, and patient satisfaction. The data collected must include information necessary to measure and make adjustments for differences in the severity of patient condition across different health care providers, and may include data obtained directly from the patient or from patient medical records. The data must be collected in a manner that allows comparisons to be made between providers, health plan companies, public programs, and other entities.

Subd. 4. [DATA COLLECTION AND REVIEW.] Data collection for any one condition must continue for a sufficient time to permit adequate analysis, feedback to providers, and monitoring for changes in practice patterns. The health care analysis unit shall annually review all specific health conditions for which data is being collected, in order to determine if data collection for that condition should be continued.

Subd. 5. [USE OF EXISTING DATA BASES.] (a) The health care analysis unit shall negotiate with private sector organizations currently collecting data on specific health conditions of interest to the unit, in order to obtain required data in a cost-effective manner and minimize administrative costs. The unit shall attempt to establish linkages between the large scale data base established by the unit and existing private sector data bases and shall consider and implement methods to streamline data collection in order to reduce public and private sector administrative costs.

(b) The health care analysis unit shall use existing public sector data bases, such as those existing for medical assistance and Medicare, to the greatest extent possible. The unit shall establish linkages between existing public sector data bases and consider and implement methods to streamline public sector data collection in order to reduce public and private sector administrative costs.

Sec. 3. [62J.46] [ANALYSIS AND USE OF DATA COLLECTED THROUGH THE LARGE-SCALE DATA BASE.]

Subdivision 1. [DATA ANALYSIS.] The health care analysis unit shall analyze the data collected on specific health conditions using existing medical practice parameters and newly researched medical practice parameters, including those established through the medical effectiveness studies of the federal government. The unit may also use the data collected to develop new practice parameters, or refine existing practice parameters, and may encourage or coordi-

nate private sector research efforts designed to develop or refine practice parameters.

Subd. 2. [EDUCATIONAL EFFORTS.] The health care analysis unit shall maintain and improve the quality of health care in Minnesota by providing medical practitioners in the state with information about practice parameters and medical practice style. The unit shall disseminate medical parameters for specific medical conditions, and the research findings on which these parameters are based, to all medical practitioners in the state who diagnose or treat the medical condition.

Subd. 3. [PEER REVIEWS.] The unit may require peer reviews for specific medical conditions for which medical practice in all or part of the state deviates from practice parameters. The unit may also require peer reviews for specific medical conditions for which there are large variations in treatment method or frequency of treatment in all or part of the state. Peer reviews may be required for all medical practitioners statewide, or limited to medical practitioners in specific areas of the state. The peer reviews shall determine if the procedures conducted by medical practitioners are medically necessary and appropriate. If a medical practitioner's practice style does not change and the practitioner continues to perform procedures that are medically inappropriate, even after educational efforts by the review panel, the panel may report the practitioner to the appropriate professional licensing board.

Sec. 4. [62J.47] [SURVEY RESEARCH.]

The health care analysis unit shall conduct periodic surveys to accomplish the data and research goals listed in section 1. These surveys shall include, but are not limited to:

(1) surveys of enrollee satisfaction with health plans and health care providers;

(2) surveys to monitor changes over time in financial and geographic access and sources of health coverage;

(3) surveys of health service prices, especially for services less commonly covered by health insurance, or for which patients commonly face significant out-of-pocket expenses;

(4) surveys of health plan prices, especially for health plans sold on a community-rated or table-rated basis; and

(5) surveys of new procedures and treatments performed by health care providers, as a basis for considering changes in the benefits provided by state health coverage programs.

Sec. 5. [62J.48] [TECHNICAL ASSISTANCE FOR PURCHASERS.]

The health care analysis unit shall provide technical assistance to health plan and health care purchasers. The unit shall collect information about:

(1) premiums, benefit levels, managed care procedures, health care outcomes, and other features of popular health plans and health plan companies; and

(2) prices, outcomes, provider experience, and other information for services less commonly covered by insurance or for which patients commonly face significant out-of-pocket expenses.

The commissioner shall publicize this information in an easily understandable format.

Sec. 6. Minnesota Statutes 1990, section 147.091, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS LISTED.] The board may refuse to grant a license or may impose disciplinary action as described in section 147.141 against any physician. The following conduct is prohibited and is grounds for disciplinary action:

(a) Failure to demonstrate the qualifications or satisfy the requirements for a license contained in this chapter or rules of the board. The burden of proof shall be upon the applicant to demonstrate such qualifications or satisfaction of such requirements.

(b) Obtaining a license by fraud or cheating, or attempting to subvert the licensing examination process. Conduct which subverts or attempts to subvert the licensing examination process includes, but is not limited to: (1) conduct which violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (2) conduct which violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (3) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

(c) Conviction, during the previous five years, of a felony reasonably related to the practice of medicine or osteopathy. Conviction as used in this subdivision shall include a conviction of an offense which if committed in this state would be deemed a felony without

regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered thereon.

(d) Revocation, suspension, restriction, limitation, or other disciplinary action against the person's medical license in another state or jurisdiction, failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction, or having been refused a license by any other state or jurisdiction.

(e) Advertising which is false or misleading, which violates any rule of the board, or which claims without substantiation the positive cure of any disease, or professional superiority to or greater skill than that possessed by another physician.

(f) Violating a rule promulgated by the board or an order of the board, a state, or federal law which relates to the practice of medicine, or in part regulates the practice of medicine including without limitation sections 148A.02, 609.344, and 609.345, or a state or federal narcotics or controlled substance law.

(g) Engaging in any unethical conduct; conduct likely to deceive, defraud, or harm the public, or demonstrating a willful or careless disregard for the health, welfare or safety of a patient; or medical practice which is professionally incompetent, in that it may create unnecessary danger to any patient's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(h) Failure to supervise a physician's assistant or failure to supervise a physician under any agreement with the board.

(i) Aiding or abetting an unlicensed person in the practice of medicine, except that it is not a violation of this paragraph for a physician to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of that person's license or registration or delegated authority.

(j) Adjudication as mentally incompetent, mentally ill or mentally retarded, or as a chemically dependent person, a person dangerous to the public, or a person who has a psychopathic personality by a court of competent jurisdiction, within or without this state. Such adjudication shall automatically suspend a license for the duration thereof unless the board orders otherwise.

(k) Engaging in unprofessional conduct. Unprofessional conduct shall include any departure from or the failure to conform to the minimal standards of acceptable and prevailing medical practice in

which proceeding actual injury to a patient need not be established. Unprofessional conduct shall also include the performance of procedures that are judged by a peer review panel as medically inappropriate and in conflict with established medical practice parameters.

(l) Inability to practice medicine with reasonable skill and safety to patients by reason of illness, drunkenness, use of drugs, narcotics, chemicals or any other type of material or as a result of any mental or physical condition, including deterioration through the aging process or loss of motor skills.

(m) Revealing a privileged communication from or relating to a patient except when otherwise required or permitted by law.

(n) Failure by a doctor of osteopathy to identify the school of healing in the professional use of the doctor's name by one of the following terms: osteopathic physician and surgeon, doctor of osteopathy, or D.O.

(o) Improper management of medical records, including failure to maintain adequate medical records, to comply with a patient's request made pursuant to section 144.335 or to furnish a medical record or report required by law.

(p) Fee splitting, including without limitation:

(1) paying, offering to pay, receiving, or agreeing to receive, a commission, rebate, or remuneration, directly or indirectly, primarily for the referral of patients or the prescription of drugs or devices;

(2) dividing fees with another physician or a professional corporation, unless the division is in proportion to the services provided and the responsibility assumed by each professional and the physician has disclosed the terms of the division;

(3) referring a patient to any health care provider as defined in section 144.335 in which the referring physician has a significant financial interest unless the physician has disclosed the physician's own financial interest; and

(4) dispensing for profit any drug or device, unless the physician has disclosed the physician's own profit interest.

The physician must make the disclosures required in this clause in advance and in writing to the patient and must include in the disclosure a statement that the patient is free to choose a different health care provider. This clause does not apply to the distribution of revenues from a partnership, group practice, nonprofit corporation, or professional corporation to its partners, shareholders, members, or employees if the revenues consist only of fees for services per-

formed by the physician or under a physician's direct supervision, or to the division or distribution of prepaid or capitated health care premiums, or fee-for-service withhold amounts paid under contracts established under other state law.

(q) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(r) Becoming addicted or habituated to a drug or intoxicant.

(s) Prescribing a drug or device for other than medically accepted therapeutic or experimental or investigative purposes authorized by a state or federal agency or referring a patient to any health care provider as defined in section 144.335 for services or tests not medically indicated at the time of referral.

(t) Engaging in conduct with a patient which is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior which is seductive or sexually demeaning to a patient.

(u) Failure to make reports as required by section 147.111 or to cooperate with an investigation of the board as required by section 147.131.

Sec. 7. [STUDY OF ADMINISTRATIVE COSTS.]

The health care analysis unit shall study costs and requirements incurred by health plan companies and health care providers that are related to the collection and submission of information to the state and federal government, insurers, and other third parties. The unit shall recommend to the commissioner by January 1, 1993, any reforms that may reduce these costs without compromising the purposes for which the information is collected.

Sec. 8. [APPROPRIATION.]

\$...... is appropriated from the general fund to the commissioner of human services, for the biennium ending June 30, 1993, to establish a health care analysis unit and implement the initiative required by sections 1 to 7."

Delete the title and insert:

"A bill for an act relating to health care; creating a health care analysis unit; requiring data and research initiatives; requiring assistance to health care consumers; clarifying grounds for discipline for unprofessional conduct by a physician; appropriating money; amending Minnesota Statutes 1990, section 147.091, subdi-

vision 1; proposing coding for new law in Minnesota Statutes, chapter 62J."

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

The report was adopted.

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

H. F. No. 9, A bill for an act relating to education; establishing a legislative commission on children, youth, and their families; proposing coding for new law in Minnesota Statutes, chapter 3.

Reported the same back with the following amendments:

Page 1, line 15, after "state" insert "and local"

Page 2, line 12, delete "ASSISTANCE OF OTHER AGENCIES" and insert "INFORMATION COLLECTION; INTERGOVERNMENTAL COORDINATION" and before "The" insert "(a) The commission may conduct public hearings and otherwise collect data and information necessary to its purposes.

(b)"

Page 2, line 13, after "information" insert "or assistance"

Page 2, line 15, after "information" insert "or assistance"

Page 2, after line 15, insert:

"(c) Before implementing new or substantially revised programs relating to the subjects being studied by the commission under subdivision 7, the commissioner responsible for the program shall prepare an implementation plan for the program and shall submit the plan to the commission for review and comment. The commission may advise and make recommendations to the commissioner on the implementation of the program and may request such changes or additions in the plan as it deems appropriate.

(d) By July 1, 1991, the responsible state agency commissioners, including the commissioners of education, health, human services, jobs and training, and corrections, shall prepare data for presentation to the commission on the state programs to be examined by the commission under subdivision 7, clause (1).

(e) In order to facilitate coordination between executive and legislative authorities, the governor shall appoint a person to act as liaison between the commission and the governor.

Subd. 6. [LEGISLATIVE REPORTS AND RECOMMENDATIONS.] The commission shall make recommendations to the legislature or committees, as it deems appropriate to assist the legislature in formulating legislation. To facilitate coordination between executive and legislative authorities, the commission shall review and evaluate the plans and proposals of the governor and state agencies on matters within its jurisdiction and shall provide the legislature with its analysis and recommendations. The commission shall report its final recommendations under subdivision 7, clause (1), by January 1, 1993. The commission shall submit a progress report by January 1, 1992.

Subd. 7. [PRIORITIES.] The commission shall give priority to studying and reporting to the legislature on the following matters:

(1) Methods of improving legislative consideration of children and family issues and coordinating state agency programs relating to children and families, including the desirability, feasibility, and effects of creating a new state department of children's services, or children and family services, in which would be consolidated the responsibility for administering state programs relating to children and families.

(2) Methods of consolidating or coordinating local health, correctional, educational, job, and human services, to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services. The commission shall evaluate and make recommendations on programs and projects in this and other states that encourage or require local jurisdictions to consolidate the delivery of services in schools or other community centers to reduce the cost and improve the coverage and accessibility of services.

(3) Methods of improving and coordinating educational, social, and health care services that assist children and families during the early childhood years. The commission's study must include an evaluation of the following: early childhood health and development screening services, headstart, child care, and early childhood family education.

(4) Methods of improving and coordinating the practices of judicial, correctional, and social service agencies in placing juvenile offenders and children who are in need of protective services or treatment."

Page 2, line 23, delete "7" and insert "9"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 58, A bill for an act relating to state government; providing for a study of decentralization of state government; providing for a report to the legislature; appropriating money.

Reported the same back with the following amendments:

Page 1, after line 21, insert:

"Two of the members from each house of the legislature must be from the metropolitan area, as defined in Minnesota Statutes, section 473.121. Two of the members from each house must be from outside the metropolitan area. At least one member from each house must be a member of the governmental operations committee."

Page 1, lines 23 and 24, delete "at least 50 percent of state departments and agencies" and insert "a greater percentage of state department and agency positions"

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

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 157, A bill for an act relating to the city of Crookston; permitting the establishment of special service districts in the city of Crookston.

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

The report was adopted.

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

H. F. No. 173, A bill for an act relating to the University of Minnesota; changing the structure of certain bargaining units; amending Minnesota Statutes 1990, section 179A.11, subdivision 1.

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

The report was adopted.

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

H. F. No. 179, A bill for an act relating to animals; prohibiting greyhound races using live lures and training of greyhound dogs for racing using live lures; proposing coding for new law in Minnesota Statutes, chapter 343.

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

The report was adopted.

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

H. F. No. 299, A bill for an act relating to retirement; local police and salaried firefighters relief associations; providing for the continuation of surviving spouse benefits in the event of remarriage; amending Minnesota Statutes 1990, sections 69.48; 353B.11, subdivision 6; 423.387, subdivision 1; 423.58, subdivision 1; 423.810, subdivision 1; and 424.24, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 423A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 15.53, subdivision 2, is amended to read:

Subd. 2. The period of individual assignment or detail under an interchange program shall not exceed 24 months, nor shall any person be assigned or detailed for more than 24 months during any

36-month period, except when the assignment or detail is made to coincide with an unclassified appointment under section 15.06. Details relating to any matter covered in sections 15.51 to 15.57 may be the subject of an agreement between the sending and receiving agencies. Elected officials shall not be assigned from a sending agency nor detailed to a receiving agency.

Sec. 2. [352.011] [SERVICE EXCLUSION.]

Notwithstanding any law to the contrary, a person serving in the state unclassified service under an employee interchange program according to section 15.53 who remains a contributing member of another public pension plan during the state service is not a member of any plan administered by the Minnesota state retirement system for the service under the employee interchange program.

Sec. 3. [423A.17] [AUTHORITY TO IMPLEMENT THE CONTINUATION OF SURVIVING SPOUSE BENEFITS UPON REMARRIAGE.]

(a) Notwithstanding a provision of section 69.48; 423.387, subdivision 1; 423.58, subdivision 1; 423.810, subdivision 1; or 424.24, subdivision 1, or other law governing a local police or salaried firefighters relief association to the contrary, the board of trustees of a local relief association governed by section 69.77, with municipal approval as provided in section 69.77, subdivision 2i, may amend the bylaws of the relief association to provide that a surviving spouse benefit is payable for the life of the surviving spouse and remains payable even in the event of the remarriage of the surviving spouse.

(b) If the surviving spouse benefit change described in paragraph (a) is made, the change applies to a surviving spouse benefit payable on the effective date of the change and to the potential surviving spouses of all active, deferred, or retired members of the relief association who have that status on the effective date of the change.

(c) If the surviving spouse benefit change described in paragraph (a) is made and if the bylaws so provide, a person who formerly was receiving surviving spouse benefits from the relief association and who had those benefits discontinued by virtue of the remarriage is entitled, upon application, to a resumption of the surviving spouse benefit, beginning with the last day of the month following receipt of the application by the secretary of the relief association.

(d) The bylaw amendment is not effective until a certified copy of the amendment and the municipal approval has been filed by the municipal clerk with the executive director of the legislative commission on pensions and retirement, the state auditor, and the secretary of state.

This section does not authorize payment of a benefit to an estate.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective on the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; describing conditions of certain employee interchange programs; authorizing the continuation of surviving spouse benefits for local police and salaried firefighter relief associations in the event of remarriage; amending Minnesota Statutes 1990, section 15.53, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 352 and 423A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 311, A bill for an act relating to commerce; providing that cost of doing business by cigarette wholesalers does not include discounts for purposes of the Minnesota unfair cigarette sales act; requiring use of cigarette distributor fees for administration of that act; appropriating money; amending Minnesota Statutes 1990, sections 325D.32, subdivision 10; and 325D.415.

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

The report was adopted.

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

H. F. No. 343, A bill for an act relating to animals; providing for disposition of certain seized animals; requiring bond or other security for expenses of care in certain cases; proposing coding for new law in Minnesota Statutes, chapter 343.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 343.22, subdivision 1, is amended to read:

Subdivision 1. [REPORTING.] Any person who has reason to believe that a violation of this chapter has taken place or is taking place may apply to any court having jurisdiction over actions alleging violation of that section for a warrant and for investigation. The court shall examine under oath the person so applying and any witnesses the applicant produces and the court shall take their affidavits in writing. The affidavits must set forth facts tending to establish the grounds for believing a violation of this chapter has occurred or is occurring, or probable cause to believe that a violation exists. If the court is satisfied of the existence of the grounds of the application, or that there is probable cause to believe a violation exists, it shall issue a signed search warrant and order for investigation to a peace officer in the county. The order shall command the officer to proceed promptly to the location of the alleged violation; along with. The order may command that a doctor of veterinary medicine accompany the officer.

Sec. 2. Minnesota Statutes 1990, section 343.22, subdivision 3, is amended to read:

Subd. 3. [DISPOSAL OF CERTAIN ANIMALS.] Upon a proper determination by a licensed doctor of veterinary medicine, any animal taken into custody pursuant to this section may be immediately disposed of when the animal is suffering and is beyond cure through reasonable care and treatment. All other animals shall be disposed of as provided in section 343.235. The authority taking custody of the animals may recover all costs incurred under this section.

Sec. 3. Minnesota Statutes 1990, section 343.29, subdivision 1, is amended to read:

Subdivision 1. [DELIVERY TO SHELTER.] Any peace officer, animal control officer, or agent of the federation or county or district societies for the prevention of cruelty, may remove, shelter, and care for any animal which is not properly sheltered from cold, hot, or inclement weather or any animal not properly fed and watered, or provided with suitable food and drink. When necessary, a peace officer, animal control officer, or agent may deliver the animal to another person to be sheltered and cared for, and furnished with suitable food and drink. In all cases, the owner, if known, shall be immediately notified, and the person having possession of the animal, shall have a lien thereon for its care and keeping; ~~the reasonable value of the food and drink furnished;~~ and the expenses of the notice. If the owner or custodian is unknown and cannot by reasonable effort be ascertained, or does not, within ~~five~~ seven days after notice, redeem the animal by paying the expenses authorized

by this subdivision, the animal may be ~~treated as an estray~~ disposed of as provided in section 343.235.

Sec. 4. [343.235] [DISPOSITION OF SEIZED ANIMALS.]

Subdivision 1. [GENERAL RULE.] An animal taken into custody under section 343.22 or 343.29 may be humanely disposed of at the discretion of the jurisdiction having custody of the animal seven days after the animal is taken into custody.

Subd. 2. [SECURITY.] A person claiming an interest in an animal in custody under subdivision 1 may prevent disposition of the animal by posting a bond or security in an amount sufficient to provide for the animal's care and keeping for at least 30 days, inclusive of the date on which the animal was taken into custody. Even if a bond or security is posted, the authority having custody of the animal may humanely dispose of the animal at the end of the time for which expenses of care and keeping are covered by the bond or security, unless there is a court order prohibiting the disposition. The order must provide for a bond or other security in the amount necessary to protect the authority having custody of the animal from any cost of the care, keeping, or disposal of the animal.

Subd. 3. [NOTICE.] The authority taking custody of an animal under section 343.22 or 343.29 shall give notice of this section by posting a copy of it at the place where the animal is taken into custody or by delivering it to a person residing on the property.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to animals; providing for disposition of certain animals taken into custody by public authorities; requiring bond or other security for expenses of care in certain cases; amending Minnesota Statutes 1990, sections 343.22, subdivisions 1 and 3; and 343.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 343."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 389, A bill for an act relating to retirement; highway patrol refund of certain employee contributions upon death; amending Minnesota Statutes 1990, section 352B.11, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 10, after "annuity" insert "under section 352B.08, subdivision 3,"

Page 1, line 11, after "annuity" insert "under section 352B.08, subdivision 3,"

Page 1, line 13, before "contributions" insert "member" and after "contributions" insert "under section 352B.02, subdivision 1a,"

Page 1, line 14, delete everything after the comma

Page 1, line 15, delete "paid to" and after "spouse" insert a comma and delete the second "to" and insert a comma

Page 1, line 16, after "shares" insert a comma and delete "to" and insert a comma

Page 1, line 17, before the period, insert "is entitled, upon application, to a refund. The refund is equal to the balance of accumulated member contributions under section 352B.02, subdivision 1a, remaining after subtracting the total amount of benefits paid to the decedent"

Page 1, after line 17, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1991."

With the recommendation that when so amended the bill pass.

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 427, A bill for an act relating to utilities; requiring

certificate of authority from public utilities commission to resell local telephone exchange services; proposing coding for new law in Minnesota Statutes, chapter 237.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [237.685] [RESALE OF LOCAL EXCHANGE TELECOMMUNICATIONS SERVICE.]

Subdivision 1. [DEFINITION.] For the purposes of this section "resale of local exchange services" means the offering or provision of local exchange telecommunications services through the use of the central office facilities of a local exchange company. Resale of local exchange services does not include the provision of private shared telecommunication service as defined in section 237.68.

Subd. 2. [CONTINUATION OF CERTIFICATE OF AUTHORITY FOR RESALE OF LOCAL EXCHANGE SERVICES.] A person that was providing resale of local exchange services in multiple locations under an interim certificate of authority granted by the commission as of January 1, 1991, may continue to provide resale of local exchange services under that certificate of authority without obtaining authorization under section 237.16, unless it seeks to expand the area in which it provides the resale of local exchange services to an additional area served by a local exchange company other than the company in whose service area the person was providing the services on January 1, 1991. If the person seeks to provide the resale of local exchange services in the service area of another local exchange company, it shall obtain prior authorization from the commission under section 237.16. A provision in the existing certificate of authority that requires annual reporting by the local exchange service reseller remains in force. The certificate does not and may not prohibit the reseller from seeking or receiving authority from the commission to resell long distance service or from providing any other telecommunications service permitted by law.

Subd. 3. [TELEPHONE COMPANY.] For the purposes of this chapter, a person that engages in the resale of local exchange services is a telephone company or an independent telephone company, depending on the number of customers and the services provided, as defined in section 237.01.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to telephone service; authorizing a person that was providing resale of local exchange telecommunications services on January 1, 1991, to continue to provide those services; proposing coding for new law in Minnesota Statutes, chapter 237."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 431, A bill for an act relating to insurance; transferring authority for regulation of certain aspects of health maintenance organizations from commissioner of health to commissioner of commerce; amending Minnesota Statutes 1990, sections 60B.03, subdivision 2; 60B.15; 60B.20; 62D.01, subdivision 2; 62D.02, subdivision 3, and by adding subdivisions; 62D.03; 62D.04; 62D.041; 62D.042, subdivisions 5 and 7; 62D.043; 62D.045, subdivision 1; 62D.05, subdivision 6; 62D.06, subdivision 2; 62D.07, subdivisions 2, 3, and 10; 62D.08; 62D.09, subdivisions 1, 6, and 8; 62D.10, subdivision 4; 62D.11; 62D.12, subdivisions 1, 2, and 9; 62D.121, subdivisions 2, 3a, 4, 5, 6, and 7; 62D.122; 62D.123, subdivision 4; 62D.14; 62D.15; 62D.16; 62D.17; 62D.18; 62D.182; 62D.19; 62D.20; 62D.21; 62D.211; 62D.22, subdivisions 4 and 10; 62D.24; 62D.30; and 144.691, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 62D.

Reported the same back with the following amendments:

Page 37, after line 21, insert:

"Sec. 26. [62D.112] [ALLOCATION OF COMPLAINTS.]

(a) If the commissioner of commerce receives a complaint from an enrollee about a health maintenance organization and the complaint involves only the quality of health care, a dispute regarding whether treatment is experimental or medically necessary, or another solely medical issue, the commissioner of commerce shall refer the complaint to the commissioner of health. The commissioner of commerce shall inform the enrollee of the referral and of a telephone number at which the enrollee may contact the department of health regarding the complaint.

(b) If the commissioner of commerce receives a complaint from an enrollee about a health maintenance organization and the complaint involves in part an issue listed in paragraph (a), the commis-

sioner of commerce may, in that commissioner's discretion, refer the complaint, or a portion of it, to the commissioner of health, or may request the assistance of the commissioner of health. If the commissioner of commerce refers the complaint, or a portion of it, to the commissioner of health, the commissioner of commerce shall inform the enrollee of the referral and of a telephone number at which the enrollee may contact the department of health regarding the complaint."

Page 45, lines 14 and 15, strike "of health"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 444, A bill for an act relating to local government; permitting Pennington county and Thief River Falls to construct, finance, and own student housing.

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

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 479, A bill for an act relating to towns; providing for the appointment of town officers under certain circumstances; amending Minnesota Statutes 1990, section 367.03, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 488, A bill for an act relating to human services licensing; repealing certain rule criteria for disqualification of applicants for licensing and their employees; amending Minnesota Statutes 1990, section 245A.04, subdivision 3.

Reported the same back with the following amendments:

Page 4, line 15, after "parts" insert "9502.0335, subpart 6, item B;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 584, A bill for an act relating to local government; authorizing municipalities to enter into joint ventures with telecommunications organizations; amending Minnesota Statutes 1990, section 237.19.

Reported the same back with the following amendments:

Page 1, line 13, after "may" insert "thereafter"

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

The report was adopted.

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

H. F. No. 611, A bill for an act relating to retirement; Duluth and St. Paul fire department relief associations; providing a refund to a beneficiary or estate in the event of certain deaths.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [423A.18] MEMBER CONTRIBUTION REFUND TO BENEFICIARY UPON DEATH; AUTHORITY TO IMPLEMENT BENEFIT.]

(a) Notwithstanding any law to the contrary, for a local police or salaried firefighters relief association that implements the provision with municipal approval as provided in paragraph (c), if an active, deferred, or retired member of the relief association dies and no survivor benefit is payable, the designated beneficiary of the decedent or, if none, the legal representative of the estate of the decedent is entitled, upon application, to a refund.

(b) The refund under paragraph (a) is an amount equal to the member contributions to the credit of the decedent, plus interest on those contributions at an annual compound rate of five percent from the first day of the month following the date of the contribution to the first day of the month following the date of death of the decedent, reduced by the sum of any service pension or disability benefit previously paid by the fund to the decedent.

(c) The benefit under this section must be implemented by an amendment to the bylaws of the relief association, with municipal approval as provided in section 69.77, subdivision 2i. The bylaw amendment is not effective until a certified copy of the amendment and the municipal approval has been filed by the municipal clerk with the executive director of the legislative commission on pensions and retirement, the state auditor, and the secretary of state.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; local police and salaried firefighters relief associations; authorizing the payment of a refund to the designated beneficiary of certain decedents; proposing coding for new law in Minnesota Statutes, chapter 423A."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 615, A bill for an act relating to the military; providing for issuance of a state ribbon to certain participants in the Persian

Gulf War; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 190.

Reported the same back with the following amendments:

Page 1, line 10, after "Minnesota" insert "army or air" and delete "or reserve"

Page 1, line 11, delete "components"

Page 1, line 15, after the period insert "In the case of other reservists ordered to active duty, a certificate replica of the state ribbon will be rendered."

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

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 623, A bill for an act relating to Martin county; permitting the consolidation of the offices of auditor and treasurer.

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

The report was adopted.

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

H. F. No. 667, A bill for an act relating to public safety; authorizing certain departmental employees to donate vacation time to bargaining representatives; proposing coding for new law in Minnesota Statutes, chapter 299A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 43A.04, subdivision 8, is amended to read:

Subd. 8. [DONATION OF TIME.] Notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to ~~three~~ eight hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1 or 219 to their union representative for the purpose of carrying out the duties of office."

Delete the title and insert:

"A bill for an act relating to state government; increasing the amount of vacation time that certain state employees can donate to bargaining representatives; amending Minnesota Statutes 1990, section 43A.04, subdivision 8."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 671, A bill for an act relating to human services; child care providers; allowing an extension for installing interior vertical access in child care facilities in churches; amending Minnesota Statutes 1990, section 16B.61, subdivision 3.

Reported the same back with the following amendments:

Page 2, line 11, after "existing" insert "church" and delete everything after "building"

Page 2, line 12, delete "organization" and insert "which is exempt from taxation under section 272.02, subdivision 1, clause (5)"

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

The report was adopted.

Jacobs from the Committee on Regulated Industries to which was referred:

H. F. No. 683, A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a

manufacturer, brewer, or wholesaler; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons; clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents, and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; authorizing the seizure and disposition of unlawfully purchased alcoholic beverages; repealing restrictions on rules of the commissioner of public safety and wine sales at Twin Cities International Airport; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, sections 340A.314; 340A.404, subdivision 6a; and 340A.903.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 340A.301, subdivision 7, is amended to read:

Subd. 7. [INTEREST IN OTHER BUSINESS.] (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or nonintoxicating malt liquor license; ~~but, The commissioner may not issue a~~

license under this section to a manufacturer, brewer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

(b) A licensed brewer of malt liquor described in subdivision 6, clause (d) may be issued an on-sale intoxicating liquor or nonintoxicating malt liquor license by a municipality for a restaurant operated in or immediately adjacent to the place of manufacture.

(c) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a may have any interest, in whole or in part, directly or indirectly, in the license, business, assets, or corporate stock of a licensed malt liquor wholesaler.

Sec. 2. Minnesota Statutes 1990, section 340A.311, is amended to read:

340A.311 [BRAND REGISTRATION.]

(a) A brand of intoxicating liquor or nonintoxicating malt liquor may not be manufactured ~~or~~, imported into, or sold in the state unless the brand label has been registered with and approved by the commissioner. A brand registration must be renewed every three years in order to remain in effect. The fee for an initial brand registration is \$20. The brand label of a brand of intoxicating liquor or nonintoxicating malt liquor which has not been sold in the state for two years or more must be reregistered before its sale can be resumed. The brand label of a brand of intoxicating liquor or nonintoxicating malt liquor which has not been sold in the state for at least three years for which the brand registration has expired, is conclusively deemed abandoned by the manufacturer or importer.

(b) In this section "brand" and "brand label" include trademarks and designs used in connection with labels.

(c) A brand label may be registered only by the brand owner or authorized agent. No brand may be imported into the state for sale without the consent of the brand owner or authorized agent. This section does not limit the provisions of section 340A.307.

Sec. 3. Minnesota Statutes 1990, section 340A.402, is amended to read:

340A.402 [PERSONS ELIGIBLE.]

No retail license may be issued to:

(1) a person not a citizen of the United States or a resident alien;

(2) a person under 21 years of age;

(3) a person who has had an intoxicating liquor or nonintoxicating liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; or

(4) a person not of good moral character and repute.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage; or

(5) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

Sec. 4. Minnesota Statutes 1990, section 340A.404, subdivision 1, is amended to read:

Subdivision 1. [CITIES.] A city may issue an on-sale intoxicating liquor license to the following establishments located within its jurisdiction:

(1) hotels;

(2) restaurants;

(3) bowling centers;

(4) clubs or congressionally chartered veterans organizations with the approval of the commissioner, provided that the organization has been in existence for at least three years and liquor sales will only be to members and bona fide guests;

(5) sports facilities located on land owned by the metropolitan sports commission; and

(6) exclusive liquor stores.

Sec. 5. Minnesota Statutes 1990, section 340A.404, subdivision 6, is amended to read:

Subd. 6. [COUNTIES.] (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, or club with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated to a restaurant or club with the approval of the commissioner. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed ~~six~~ nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

Sec. 6. Minnesota Statutes 1990, section 340A.405, subdivision 2, is amended to read:

Subd. 2. [COUNTIES.] (a) A county may issue an off-sale intoxicating license with the approval of the commissioner to exclusive liquor stores located within unorganized territory of the county.

(b) A county board of any county except Ramsey county containing a town exercising powers under section 368.01, subdivision 1, may issue an off-sale license to an exclusive liquor store within that town with the approval of the commissioner. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(c) A county board of any county except Ramsey county containing a town that may not exercise powers under section 368.01, subdivision 1, may issue a combination off-sale and on-sale license to restaurants within that town with the approval of the commissioner pursuant to section 340A.404, subdivision 6. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(d) No license may be issued under this subdivision unless a public hearing is held on the issuance of the license. Notice must be given to all interested parties and to any city located within three miles of the premises proposed to be licensed. At the hearing the county board shall consider testimony and exhibits presented by interested parties and may base its decision to issue or deny a license upon the nature of the business to be conducted and its impact upon any municipality, the character and reputation of the applicant, and the propriety of the location. Any hearing held under this paragraph is not subject to chapter 14.

(e) A county board may not issue a license under this subdivision to a person for an establishment located less than one mile by the most direct route from the boundary of any statutory or home rule city ~~except cities of the first class or within Pine, Carlton, Carver, Itasca, or Red Lake county within one mile of a statutory or home rule city with that had established a municipal liquor store before August 1, 1991, provided, that a county board may not issue a~~ license under this subdivision to a person for an establishment located less than three miles by the most direct route from the boundary of the cities of Alexandria, Fergus Falls, or Elk River.

(f) The town board may impose an additional license fee in an amount not to exceed 20 percent of the county license fee.

(g) Notwithstanding any provision of this subdivision or Laws 1973, chapter 566, as amended by Laws 1974, chapter 200, a county board may transfer or renew a license that was issued by a town board under Minnesota Statutes 1984, section 340.11, subdivision 10b, prior to January 1, 1985.

Sec. 7. Minnesota Statutes 1990, section 340A.405, subdivision 6, is amended to read:

Subd. 6. [AIRPORTS COMMISSION.] The metropolitan airports commission may with the approval of the commissioner issue licenses for the off-sale of ~~Minnesota-produced~~ wine at the Minneapolis-St. Paul International Airport.

Sec. 8. Minnesota Statutes 1990, section 340A.408, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] (a) The license fee for a retail on-sale intoxicating liquor license is the fee set by the city or county issuing the license subject to the limitations imposed under this subdivision.

(b) The annual license fee for an on-sale intoxicating liquor license issued by a city municipality to a club must be no greater than:

- (1) \$300 for a club with under 200 members;
- (2) \$500 for a club with between 201 and 500 members;
- (3) \$650 for a club with between 501 and 1,000 members;
- (4) \$800 for a club with between 1,001 and 2,000 members;
- (5) \$1,000 for a club with between 2,001 and 4,000 members;
- (6) \$2,000 for a club with between 4,001 and 6,000 members; or

(7) \$3,000 for a club with over 6,000 members.

(c) The license fee for the issuance of a wine license may not exceed one-half of the license fee charged for an on-sale intoxicating liquor license, or \$2,000, whichever is less.

(d) The town board of a town in which an on-sale establishment has been licensed by a county may impose an additional license fee on each such establishment in an amount not to exceed 20 percent of the county license fee.

Sec. 9. Minnesota Statutes 1990, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized ~~under~~ by (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory Act, Public Law Number 100-497, or (3) a tribal-state compact authorized under section 3.9221.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

Sec. 10. Minnesota Statutes 1990, section 340A.412, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION OF ON-SALE LICENSES.] (a) The city or county having jurisdiction over on-sale licenses to sell intoxicating liquor shall on initial application for an on-sale license or on application for a transfer of an existing license conduct a preliminary background and financial investigation of the applicant. The application must be in the form prescribed by the ~~bureau of criminal apprehension~~ commissioner and with any additional information as the governing body of the city or county having jurisdiction over the license requires. If the governing body of the city or county having jurisdiction determines or if the ~~bureau of criminal apprehension~~ commissioner on ~~its~~ the commissioner's own initiative determines that a comprehensive background and investigation of the applicant is necessary, the governing body may conduct the investigation itself or contract with the ~~bureau of criminal apprehension~~ commissioner for the investigation. In addition, an investigation may be required prior to renewal of an existing

on-sale license when the governing body of the city or county deems it in the public interest. An investigation fee not to exceed \$500 shall be charged an applicant by the city or county if the investigation is conducted within the state, or the actual cost not to exceed \$10,000 if the investigation is required outside the state.

(b) No license may be issued, transferred, or renewed if the results of the investigation show, to the satisfaction of the governing body, that issuance, transfer, or renewal would not be in the public interest.

Sec. 11. Minnesota Statutes 1990, section 340A.412, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON ISSUANCE OF LICENSES TO ONE PERSON OR PLACE.] ~~(a) No more than one off-sale intoxicating liquor license may be directly or indirectly issued to any one person or for any one place in each city or county.~~

~~(b) For the purpose of this subdivision, the term "interest":~~

~~(1) includes any pecuniary interest in the ownership, operation, management, or profits of a retail liquor establishment, and a person who receives money from time to time directly or indirectly from a licensee, in the absence of consideration and excluding gifts or donations; has a pecuniary interest in the retail license; and~~

~~(2) does not include loans; rental agreements; open accounts or other obligations held with or without security arising out of the ordinary and regular course of business of selling or leasing merchandise, fixtures, supplies to the establishment; an interest in a corporation owning or operating a hotel but having at least 150 or more rental units holding a liquor license in conjunction therewith; or ten percent or less interest in any other corporation holding a license.~~

~~(c) In determining whether an "interest" exists, the transaction must have been bona fide and the reasonable value of the goods and things received as consideration for a payment by the licensee and all other facts reasonably tending to prove or disprove the existence of a purposeful scheme or arrangement to evade the restrictions of this subdivision must be considered. A municipality may not issue directly or indirectly more than one off-sale intoxicating liquor license to any one person or for any one place.~~

Sec. 12. Minnesota Statutes 1990, section 340A.412, is amended by adding a subdivision to read:

Subd. 12. [OFF-SITE STORAGE PROHIBITION.] A holder of a retail intoxicating liquor license or a municipal liquor store may not

store any intoxicating liquor at any location other than the licensed premises except with the written permission of the commissioner.

Sec. 13. Minnesota Statutes 1990, section 340A.413, subdivision 1, is amended to read:

Subdivision 1. [ON-SALE LICENSES.] No on-sale intoxicating liquor license may be issued in any city except as provided in this section in excess of the following limits:

(1) in cities of the first class, one license for every 1,500 population, up to 200 licenses;

(2) in cities of the second class, not more than 18 licenses plus one for every 2,500 population over 45,000;

(3) in cities of the third class, not more than 12 licenses;

(4) in cities of the fourth class, including cities whose acts of incorporation were repealed by Laws 1973, chapter 123, article V, section 5, not more than seven licenses;

(5) in statutory cities of 5,000 to 10,000 population, not more than six licenses;

(6) in statutory cities of 2,500 to 5,000 population, not more than five licenses;

(7) in statutory cities of 500 to 2,500 population, not more than four licenses; and

(8) in statutory cities under 500 population, not more than three licenses.

Sec. 14. Minnesota Statutes 1990, section 340A.414, subdivision 4, is amended to read:

Subd. 4. [PERMIT EXPIRATION.] All permits issued under this section expire on June 30 March 31 of each year.

Sec. 15. Minnesota Statutes 1990, section 340A.414, subdivision 8, is amended to read:

Subd. 8. [LOCKERS.] A club issued a permit under this section may allow members to bring and keep a personal supply of intoxicating liquor in lockers on the club's premises. All bottles kept on the premises must have attached to it a label signed by the member. No person under ~~19~~ 21 years of age may keep a supply of intoxicating liquor on club premises.

Sec. 16. Minnesota Statutes 1990, section 340A.415, is amended to read:

340A.415 [LICENSE REVOCATION OR SUSPENSION.]

The authority issuing or approving any retail license or permit under this chapter shall either suspend for up to 60 days or revoke the license or permit or impose a civil fine not to exceed \$2,000 for each violation on a finding that the license or permit holder has failed to comply with an applicable statute, rule, or ordinance relating to alcoholic beverages. No suspension or revocation takes effect until the license or permit holder has been afforded an opportunity for a hearing under sections 14.57 to 14.69 of the administrative procedure act. This section does not require a political subdivision to conduct the hearing before an employee of the office of administrative hearing. The issuing authority or the commissioner may impose the penalties provided in this section on a retail licensee who knowingly (1) sells alcoholic beverages to another retail licensee for the purpose of resale, ~~or on a retail licensee who~~ (2) purchases alcoholic beverages from another retail licensee for the purpose of resale, (3) conducts or permits the conduct of gambling on the licensed premises in violation of the law, or (4) fails to remove or dispose of alcoholic beverages when ordered by the commissioner to do so under section 20.

Sec. 17. Minnesota Statutes 1990, section 340A.503, subdivision 1, is amended to read:

Subdivision 1. [CONSUMPTION.] It is unlawful for any:

(1) retail intoxicating liquor or nonintoxicating liquor licensee, municipal liquor store, or bottle club permit holder under section 340A.414, to permit any person under the age of 21 years to consume alcoholic beverages on the licensed premises or within the municipal liquor store; or

(2) person under the age of 21 years to consume any alcoholic beverages. If proven by a preponderance of the evidence, it is an affirmative defense to a violation of this clause that the defendant consumed the alcoholic beverage in the household of the defendant's parent or guardian and with the consent of the parent or guardian.

Sec. 18. Minnesota Statutes 1990, section 340A.504, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] No sale of intoxicating liquor for consumption on the licensed premises may be made:

(1) between 1:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;

(2) after 1:00 a.m. on Sundays, except as provided by subdivision 3;

(3) between 8:00 p.m. on December 24 and 8:00 a.m. on December 25, except ~~as provided that when December 25 occurs on a Sunday~~ on-sales on that day are governed by subdivision 3.

Sec. 19. Minnesota Statutes 1990, section 340A.504, subdivision 3, is amended to read:

Subd. 3. [INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE.] (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 12:00 noon on Sundays and 1:00 a.m. on Mondays.

(b) The governing body of a municipality may after one public hearing by ordinance permit a restaurant, hotel, bowling center, or club to sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and 1:00 a.m. on Mondays, provided that the licensee is in conformance with the Minnesota clean air act.

(c) An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed \$200.

(d) ~~A municipality~~ city may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the ~~municipality~~ city voting on the question at a general or special election. A county may issue a Sunday intoxicating liquor license in a town only if authorized to do so by the voters of the town as provided in paragraph (e). A county may issue a Sunday intoxicating liquor license in unorganized territory only if authorized to do so by the voters of the election precinct that contains the licensed premises, voting on the question at a general or special election.

(e) An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

(f) Voter approval is not required for licenses issued by the metropolitan airports commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor

on Sunday must obtain a Sunday license from the commissioner at an annual fee of \$50, plus \$5 for each duplicate.

Sec. 20. Minnesota Statutes 1990, section 340A.506, is amended to read:

340A.506 [SALES OF ETHYL ALCOHOL AND NEUTRAL SPIRITS PROHIBITED.]

Subdivision 1. [ETHYL ALCOHOL; NEUTRAL SPIRITS.] No person may sell at retail for beverage purposes ethyl alcohol or neutral spirits, or substitutes thereof, possessing the taste, aroma, and characteristics generally attributed to ethyl alcohol or neutral spirits. Nothing in this section prohibits the manufacture or sale of other products obtained by use of ethyl alcohol or neutral spirits as defined in United States Treasury Department, Bureau of Internal Revenue, Regulations 125, Article II, Standards of Identity for Distilled Spirits.

Subd. 2. [MAXIMUM ALCOHOL CONTENT.] No person may sell for beverage purposes any spirits, distilled from grain or corn, with an alcohol content of more than 50 percent which equals 100 proof, unless such spirits have been aged in wood casks for not less than four years.

Sec. 21. Minnesota Statutes 1990, section 340A.508, is amended by adding a subdivision to read:

Subd. 3. [PURITY OF CONTENTS.] The commissioner may examine the contents of any container of alcoholic beverages on the premises of any licensee under this chapter or any municipal liquor store, for the purpose of determining the purity of the alcoholic beverages. The commissioner may remove any container, or remove all or part of the contents thereof, for the purpose of conducting tests of purity. The commissioner may order the removal from inventory of any container the contents of which fail to meet standards of purity established by rules adopted under this subdivision, and may order the disposal of the contents. Any person who fails to remove or dispose of alcoholic beverages when ordered to do so by the commissioner is guilty of a misdemeanor. The commissioner may adopt rules that (1) provide standards of purity for alcoholic beverages and procedures for testing for purity, and (2) govern the removal from inventory and disposal of alcoholic beverages that do not meet the commissioner's standards of purity.

Sec. 22. Minnesota Statutes 1990, section 340A.601, subdivision 5, is amended to read:

Subd. 5. [ISSUANCE OF LICENSES TO PRIVATE PERSONS.] A city owning and operating a municipal liquor store may issue

on-sale liquor licenses to hotels, clubs, and restaurants. A city issuing on-sale licenses under this subdivision may continue to operate the municipal liquor store or may resume operation of a municipal liquor store previously discontinued.

The number of on-sale licenses issued under this section by a city is governed by section 340A.413.

A city may not issue licenses under this section, other than a license issued to a club under section 340A.404, subdivision 1, clause (4), until authorized by the voters of the city voting on the question at a special election called for that purpose.

Sec. 23. Minnesota Statutes 1990, section 340A.604, is amended to read:

340A.604 [SUSPENSION OF OPERATION.]

A court shall notify the commissioner in writing within ten days whenever a municipal officer or employee has been convicted of any of the following offenses committed in a municipal liquor store:

(1) selling alcoholic beverages to persons or at times prohibited by law;

(2) selling alcoholic beverages for resale;

(3) selling alcoholic beverages on which state taxes have not been paid; or

(4) violating the provisions of section 340A.410, subdivision 6 5 relating to gambling and gambling devices.

On receiving the notice of conviction the commissioner may suspend for up to 30 days the operation of the municipal liquor store where the offense occurred. The commissioner must notify in writing the municipality operating the store of the effective dates of the suspension. An appeal of the suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Sec. 24. [340A.706] [SEIZURE OF UNLAWFULLY PURCHASED ALCOHOLIC BEVERAGES.]

Subdivision 1. [DEFINITION.] For purposes of this section, "unlawfully purchased alcoholic beverages" means alcoholic beverages purchased in a transaction that violates section 340A.310 or 340A.505.

Subd. 2. [SEIZURE AUTHORIZED.] The commissioner may seize unlawfully purchased alcoholic beverages, with or without process.

Alcoholic beverages seized under this section are subject to forfeiture as provided in subdivision 3.

Subd. 3. [DISPOSITION OF SEIZED PROPERTY.] (a) Within two days after the seizure of unlawfully purchased alcoholic beverages, the commissioner shall deliver an inventory of the alcoholic beverages seized to the person from whom they were seized, if known. Within ten days after the date of service of the inventory, the person from whom the alcoholic beverages were seized, or any person claiming an interest in them, may file with the commissioner a demand for judicial determination of whether the alcoholic beverages were 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 the seizure was made, to determine the issue of forfeiture. 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) destroy the forfeited alcoholic beverages, or (2) except in the case of malt liquor, sell the forfeited alcoholic beverages to a licensee or municipal liquor store authorized to sell those alcoholic beverages.

(b) If demand for judicial determination is made and no action is commenced as provided in this section, or if the commissioner determines that the person from whom the alcoholic beverages were seized was acting in good faith with no intent to participate in an unlawful transaction, the commissioner must (1) release the alcoholic beverages and deliver them to the person entitled to them, or (2) if the commissioner determines the alcoholic beverages no longer have a resale value, pay compensation in lieu of returning the alcoholic beverages. If no demand is made, the alcoholic beverages seized are forfeited to the state and the commissioner shall dispose of them as provided in paragraph (a).

Sec. 25. [ST. LOUIS COUNTY LICENSE.]

Notwithstanding any law to the contrary, the St. Louis county board may issue a license for the on-sale of intoxicating malt liquor to an establishment located in township 61, range 18, section 29, parcel no. 2150010050251. The county board shall set the fee for the license. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized by this section.

Sec. 26. [DULUTH LICENSE.]

Notwithstanding any law to the contrary, the city of Duluth may issue an on-sale intoxicating liquor license to a restaurant located at 109 North Second Avenue West in the city of Duluth. The license authorized by this section is in addition to any other licenses

authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the license authorized by this section.

Sec. 27. [TRANSITION.]

Notwithstanding Minnesota Statutes, section 340A.414, subdivision 4, all consumption and display permits issued by the commissioner of public safety that expire June 30, 1991, are extended and are valid until March 31, 1992.

Sec. 28. [REPEALER.]

Minnesota Statutes 1990, section 340A.404, subdivision 6a, is repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 14 and 27 are effective June 1, 1991. Section 25 is effective on approval by the St. Louis county board and compliance with Minnesota Statutes, section 645.021. Section 26 is effective on approval by the Duluth city council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a manufacturer, brewer, or wholesaler; requiring that sales and deliveries from a wholesaler's warehouse be for consumption in Minnesota only; providing that brand registration is for a three-year period; specifying that club on-sale licenses are subject to approval of the commissioner of public safety; consolidating provisions of law relating to seasonal on-sale licenses; providing extended duration of seasonal licenses in certain counties; removing certain restrictions on location of off-sale and combination licenses issued by counties; clarifying law on issuance of off-sale licenses by counties; allowing gambling on licensed premises when governed by tribal ordinance or a tribal-state compact; clarifying language on certain prohibitions on issuance of multiple licenses and repealing obsolete provisions relating thereto; prohibiting off-site storage of intoxicating liquor; specifying applicability of license limits to certain fourth-class cities; changing the expiration date for consumption and display permits; raising the minimum age for keeping intoxicating liquor in bottle clubs; authorizing commissioner of public safety to impose civil penalties for conducting or permitting unlawful gambling on licensed premises, or for failure to remove impure products; specifying applicability to municipal liquor stores of prohibitions against permitting consumption of alcoholic beverages by underage persons;

clarifying language on sales of intoxicating liquor on Christmas day; providing for Sunday liquor elections in counties; prohibiting sale of certain beverages of more than 50 percent alcohol content; authorizing commissioner of public safety to inspect alcoholic beverages for purity of contents and to order the removal of impure products; specifying that a split liquor referendum is not required for issuance of club licenses; authorizing the seizure and disposition of unlawfully purchased alcoholic beverages; repealing restrictions on wine sales at Minneapolis-St. Paul International Airport; authorizing issuance of an on-sale intoxicating malt liquor license in St. Louis county; authorizing the issuance of an on-sale intoxicating liquor license to a location in Duluth; amending Minnesota Statutes 1990, sections 340A.301, subdivision 7; 340A.311; 340A.402; 340A.404, subdivisions 1 and 6; 340A.405, subdivisions 2 and 6; 340A.408, subdivision 2; 340A.410, subdivision 5; 340A.412, subdivisions 2, 3, and by adding a subdivision; 340A.413, subdivision 1; 340A.414, subdivisions 4 and 8; 340A.415; 340A.503, subdivision 1; 340A.504, subdivisions 2 and 3; 340A.506; 340A.508, by adding a subdivision; 340A.601, subdivision 5; and 340A.604; proposing coding for new law in Minnesota Statutes, chapter 340A; repealing Minnesota Statutes 1990, section 340A.404, subdivision 6a."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 743, A bill for an act relating to the Red River watershed management board; changing the description of the area subject to special authority of watershed districts; requiring the board to adopt criteria for funding applications; clarifying the uses of levy proceeds; expanding the board's authority to cooperate with other entities; amending Laws 1976, chapter 162, sections 1 and 2, as amended, and 3.

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

The report was adopted.

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

H. F. No. 748, A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing

penalties; proposing coding for new law as Minnesota Statutes, chapter 184B.

Reported the same back with the following amendments:

Page 3, delete section 8

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 795, A bill for an act relating to counties; removing certain restrictions on county morgues; amending Minnesota Statutes 1990, sections 390.06 and 390.07.

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

The report was adopted.

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

H. F. No. 808, A bill for an act relating to child care; permitting variances from certain staffing requirements for parent cooperative programs; amending Minnesota Statutes 1990, sections 245A.02, by adding a subdivision; and 245A.14, subdivision 6.

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

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 809, A bill for an act relating to counties; fixing various fees for documents; amending Minnesota Statutes 1990, sections 357.18, subdivision 1; 508.82; and 508A.82.

Reported the same back with the following amendments:

Page 1, line 12, restore the stricken "except" and before "\$1" insert "for years 1992 and 1993,"

Page 2, line 7, after the comma, insert "or a condominium plat in accordance with section 515A.2-110,"

Page 2, line 10, after the comma, insert "or a copy of a condominium plat filed in accordance with section 515A.2-110,"

Page 2, line 11, after "plan" insert "or condominium plat"

Page 2, line 11, strike from "and" through line 13 to "plan"

Page 2, line 20, strike "and" and after the comma, insert "and (19),"

Page 2, line 23, strike "\$20" and insert "\$30"

Page 4, line 7, strike "and"

Page 4, line 8, after the comma, insert "and (19),"

Page 4, line 11, strike "\$20" and insert "\$30"

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

The report was adopted.

Skoglund from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 815, A bill for an act relating to insurance; the Minnesota comprehensive health insurance plan; regulating meetings and experimental delivery and managed care delivery methods; authorizing preferred provider networks; classifying PPO agreement data; regulating access; amending Minnesota Statutes 1990, sections 62E.10, subdivisions 4 and 9; 62E.12; 62E.13, by adding a subdivision; and 62E.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 13.71, is amended by adding a subdivision to read:

Subd. 7. [CLASSIFICATION OF PPO AGREEMENT DATA.] Data described in section 62E.13, subdivision 11, is nonpublic data.

Sec. 2. Minnesota Statutes 1990, section 62E.08, is amended by adding a subdivision to read:

Subd. 3. [DETERMINATION OF RATES.] Premium rates under this section must be determined annually. These rates are effective July 1 of each year and must be based on a survey of approved rates of insurers in effect, or to be in effect, on April 1 of the same calendar year.

Sec. 3. Minnesota Statutes 1990, section 62E.10, subdivision 4, is amended to read:

Subd. 4. [OPEN MEETINGS.] All meetings of the association, its board, and any committees of the association shall comply with the provisions of section 471.705, except that during any portion of a meeting during which an enrollee's appeal of an action of the writing carrier is being heard, that portion of the meeting must be closed at the enrollee's request.

Sec. 4. Minnesota Statutes 1990, section 62E.10, subdivision 9, is amended to read:

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

This subdivision is effective until August 1, ~~1991~~ 1992.

Sec. 5. [62E.101] [MANAGED CARE DELIVERY METHOD.]

The association may form a preferred provider network or contract with an existing provider network to deliver the services and benefits provided for in the plans of health coverage offered. If the association does not contract with an existing provider network, the association may adopt a provider payment schedule and negotiate provider payment rates subject to the approval of the commissioner.

Sec. 6. Minnesota Statutes 1990, section 62E.12, is amended to read:

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

The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan, a number two qualified plan and a qualified basic and extended basic medicare supplement plan plans. The requirement that a policy issued by the association must be a qualified plan is satisfied if the association contracts with a preferred provider network and the level of benefits for services provided within the network satisfy the requirements of a qualified plan. If the association uses a preferred provider network, payments to nonparticipating providers must meet the minimum requirements of section 72A.20, subdivision 15. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. Notwithstanding the provisions of section 62E.06 the state plan shall exclude coverage of services of a private duty nurse other than on an inpatient basis and any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner.

Sec. 7. Minnesota Statutes 1990, section 62E.13, is amended by adding a subdivision to read:

Subd. 11. [CLASSIFICATION OF PPO AGREEMENT DATA.] If the writing carrier utilizes its own provider agreements for the association's preferred provider network in lieu of agreements exclusively between the association and the providers, then the terms and conditions of those agreements shall be nonpublic data pursuant to chapter 13.

Sec. 8. Minnesota Statutes 1990, section 62E.14, is amended by adding a subdivision to read:

Subd. 4c. [WAIVER OF PREEXISTING CONDITIONS FOR PERSONS WHOSE COVERAGE IS TERMINATED OR WHO EXCEED THE MAXIMUM LIFETIME BENEFIT.] A Minnesota resident may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation described in subdivision 3 if that person applies for coverage within 90 days of termination of prior coverage and if the termination is for reasons other than fraud or nonpayment of premiums.

For purposes of this subdivision, termination of prior coverage includes exceeding the maximum lifetime benefit of existing coverage.

Coverage in the comprehensive health plan is effective on the date of termination of prior coverage. The availability of conversion rights does not affect a person's rights under this subdivision.

This section does not apply to prior coverage provided under policies designed primarily to provide coverage payable on a per diem, fixed indemnity, or nonexpense incurred basis, or policies providing only accident coverage.

Sec. 9. |EFFECTIVE DATE. |

Sections 3 to 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to insurance; the Minnesota comprehensive health insurance plan; regulating premium determinations, meetings, and experimental delivery and managed care delivery methods; authorizing preferred provider networks; classifying PPO agreement data; regulating access; amending Minnesota Statutes 1990, sections 13.71, by adding a subdivision; 62E.08, by adding a subdivision; 62E.10, subdivisions 4 and 9; 62E.12; 62E.13, by adding a subdivision; and 62E.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62E."

With the recommendation that when so amended the bill pass.

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 845, A bill for an act relating to the city of Bloomington; providing for the use of a lodging tax; amending Laws 1990, chapter 604, article 6, section 9, subdivision 1.

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

The report was adopted.

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

H. F. No. 877, A bill for an act relating to game and fish; authorizing the commissioner to establish special seasons for persons with a physical disability to take game with firearms and by

archery; proposing coding for new law in Minnesota Statutes, chapter 97B.

Reported the same back with the following amendments:

Page 1, line 10, delete "Subdivision 1. [SPECIAL SEASONS.]"

Page 1, line 11, after "establish" insert "criteria," and after "seasons" insert a comma

Page 1, line 14, delete "subdivision" and insert "section"

Page 1, line 15, before the period insert "and must be participating in a program for physically disabled hunters sponsored by a non-profit organization" and after the period insert "A license is not required for a person to assist a physically disabled person hunting during a special season under this section."

Page 1, delete lines 16 to 19

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 887, A bill for an act relating to game and fish; setting conditions under which a hunter may take two deer; amending Minnesota Statutes 1990, section 97B.301, subdivision 4.

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

The report was adopted.

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

H. F. No. 892, A bill for an act relating to human services; establishing a grant program for living-at-home/block nurse programs to enable senior citizens to remain at home; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Reported the same back with the following amendments:

Page 1, line 12, after “in” insert “establishing and” and after “that” insert “have used the principles listed in subdivision 2, paragraph (b), in order to”

Page 1, line 14, delete “to” and insert “and”

Page 3, line 1, after “with” insert “registered nurse directed”

Page 3, line 2, delete the first comma and insert “and” and delete “, and homemaking”

Page 3, line 5, before “counseling” insert “homemaking services,”

Page 3, line 7, after “encourage” insert “respite care, caregiver support, and”

Page 3, line 22, delete “neighborhoods” and insert “communities”

Page 3, line 24, delete “neighborhoods” and insert “communities”

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

The report was adopted.

Anderson, I., from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 894, A bill for an act relating to local government; permitting officers to contract for certain services; amending Minnesota Statutes 1990, section 471.88, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 9, delete “services” and insert “materials or services, or both, by sealed bid process”

Page 1, after line 10, insert:

“Sec. 2. Minnesota Statutes 1990, section 471.88, is amended by adding a subdivision to read:

Subd. 13. A public officer may rent space in a public facility at a rate commensurate with that paid by other members of the public, if the officer is not employed by the facility.”

Amend the title as follows:

Page 1, line 4, delete "a subdivision" and insert "subdivisions"

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 895, A bill for an act relating to commerce; providing that credit agreements need not be signed by the creditor in certain situations; amending Minnesota Statutes 1990, section 513.33, subdivision 2.

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

The report was adopted.

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

H. F. No. 896, A bill for an act relating to game and fish; authorizing resident husband and wife deer licenses; setting the fee; amending Minnesota Statutes 1990, section 97A.475, subdivision 2; and 97B.301, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, delete line 5, and insert "taking of one deer. One antlerless permit application shall be provided with each husband-wife firearms license sold."

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

The report was adopted.

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

H. F. No. 935, A bill for an act relating to game and fish;

qualifications for obtaining a license to take wild animals by firearms; proposing coding for new law in Minnesota Statutes, chapter 97B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [97B.020] [FIREARMS SAFETY CERTIFICATE REQUIRED.]

Except as provided in this section, a person born after December 31, 1979, may not obtain a license to take wild animals by firearms. A person may obtain a hunting license if the person has a firearms safety certificate or equivalent certificate, previous hunting license, or other evidence indicating that the person has completed in this state or in another state a hunter safety course recognized by the department under a reciprocity agreement. A person who is on active duty and has successfully completed basic training in the United States armed forces, reserve component, or national guard may obtain a hunting license or approval authorizing hunting regardless of whether the person is issued a firearms safety certificate.”

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 963, A bill for an act relating to game and fish; granting free deer licenses to residents age 70 or over; amending Minnesota Statutes 1990, section 97A.441, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 97A.485, subdivision 6, is amended to read:

Subd. 6. [LICENSES TO BE SOLD AND ISSUING FEES.] (a) Persons authorized to sell licenses under this section must sell the following licenses for the license fee and the following issuing fees:

(1) to take deer or bear with firearms and by archery, the issuing fee is \$1;

(2) Minnesota sporting, the issuing fee is \$1; and

(3) to take small game, for a person under age 65 to take fish by angling or for a person of any age to take fish by spearing, and to trap fur-bearing animals, the issuing fee is \$1;

(4) for a trout and salmon stamp that is not issued simultaneously with an angling or sporting license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller; and

(5) for stamps other than a trout and salmon stamp, there is no fee.

(b) An issuing fee may not be collected for issuance of a trout and salmon stamp if a stamp is issued simultaneously with the related angling or sporting license. Only one issuing fee may be collected when selling more than one trout and salmon stamp in the same transaction after the end of the season for which the stamp was issued.

(c) The auditor or subagent shall keep the issuing fee as a commission for selling the licenses.

(d) The commissioner shall collect the issuing fee on licenses sold by the commissioner.

(e) A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses.

(f) The fee for an angling license paid by a resident 65 years of age or over must be refunded to the licensee upon request to the commissioner, if the request is made within 30 days of the sale. The commissioner shall design a system on the license for this purpose. An auditor or subagent may not provide postage stamps or pre-addressed envelopes for obtaining the refund in this paragraph or paragraph (g). An auditor or subagent must provide information on the purposes for which license receipts are spent and the effects of applying for a refund refunds in this paragraph and paragraph (g).

(g) The fee for a deer license paid by a resident 70 years of age or over must be refunded to the licensee upon request to the commissioner, if the request is made within 30 days of the sale. The commissioner must design a system on the license for this purpose."

Delete the title and insert:

"A bill for an act relating to game and fish; granting free deer licenses to residents age 70 or over; amending Minnesota Statutes 1990, section 97A.485, subdivision 6."

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

The report was adopted.

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

H. F. No. 977, A bill for an act relating to the environment; prescribing who must prevent, prepare for, and respond to worst case discharges of oil and hazardous substances; describing response plans; authorizing the commissioners of the pollution control agency and departments of agriculture and public safety to order compliance; providing for good samaritan assistance; authorizing cooperation between public and private responders; requiring the establishment of a single answering point system; providing penalties; amending Minnesota Statutes 1990, section 116.072, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115E.

Reported the same back with the following amendments:

Page 4, line 6, after "an" insert "average monthly"

Page 4, line 8, delete "in any calendar month"

Page 4, line 14, after "in" insert "aboveground"

Page 6, line 33, delete "September 1, 1992" and insert "March 1, 1993"

Page 7, after line 34, insert:

"Subd. 5. [CITIZENS ADVISORY GROUPS.] The commissioner of the pollution control agency, the department of agriculture, or the department of public safety may establish, or a local official may request a commissioner to establish, a citizens advisory group following a discharge of oil or a hazardous substance. The purpose of the citizens advisory group is to facilitate exchange of information and concerns related to the discharge and response between the owner or operator of the vessel or facility, the governmental responders, and the affected members of the public."

Page 8, line 30, after "bond" insert "or provide a letter of credit"

Page 10, line 2, after "appoint" insert "one of"

Page 10, line 3, delete "commissioner" and insert "commissioners"

Page 11, after line 30, insert:

"Sec. 12. [FUNDS; TRAINING.]

The commissioner of the department of public safety, in cooperation with the commissioners of the pollution control agency, the department of natural resources, the department of agriculture, and the department of transportation, shall seek federal funding under the Oil Pollution Act of 1990 for activities undertaken under this act. A portion of any funds received under this section must be used by the agencies to train state agency and political subdivision personnel in proper recognition of and response to discharges and releases.

The commissioner of the department of public safety may accept a gift from a person, including a person that owns or operates a facility or vessel governed by this act, for the purpose of ensuring adequate training of state agency and political subdivision personnel in proper recognition of and response to discharges and releases."

Page 11, line 31, delete "12" and insert "13"

Page 11, line 34, delete the second "or" and insert a comma and after "before" insert ", or after"

Amend the title as follows:

Page 1, line 11, after the first semicolon insert "authorizing citizens advisory groups;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 982, A bill for an act relating to hunting; amending Minnesota Statutes 1990, section 97A.441, subdivision 6.

Reported the same back with the following amendments:

Page 1, line 13, before the period insert "as established by medical evidence verified in writing by a licensed physician"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 995, A bill for an act relating to game and fish; authorizing certain disabled permit holders to take deer of either sex; amending Minnesota Statutes 1990, section 97B.055, subdivision 3.

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

The report was adopted.

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

H. F. No. 1001, A bill for an act relating to game and fish; authorizing radio communication between a handler and dog; amending Minnesota Statutes 1990, section 97B.085, by adding a subdivision.

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 1017, A bill for an act relating to agriculture; regulating certain sales and services offered by grocery stores; limiting applicability of certain licensing and regulatory provisions; amending Minnesota Statutes 1990, sections 28A.05; 157.01, subdivision 1; and 412.221, subdivision 30.

Reported the same back with the following amendments:

Page 2, after line 15, insert:

"Sec. 2. [28A.075] [DELEGATION TO LOCAL BOARD OF HEALTH.]

The commissioner may enter into an agreement with a local board of health to delegate food service licensing and inspection responsibilities in grocery or convenience stores to the local board of health.

Sec. 3. Minnesota Statutes 1990, section 145A.03, is amended by adding a subdivision to read:

Subd. 6. [DUPLICATE LICENSING.] A local board of health must work with the commissioner of agriculture to eliminate duplicate licensing and inspection of grocery and convenience stores by no later than March 1, 1992."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the first semicolon insert "145A.03, by adding a subdivision;"

Page 1, line 7, after "30" insert "; proposing coding for new law in Minnesota Statutes, chapter 28A"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1035, A bill for an act relating to retirement; teachers retirement association; making various changes in laws governing the administration of the association; amending Minnesota Statutes 1990, sections 136.82, subdivision 1; 176.021, subdivision 7; 354.05, subdivisions 5, 13, 22, 35, 35a, and by adding a subdivision; 354.071, subdivision 2; 354.092; 354.093; 354.094, subdivision 1; 354.095; 354.10, subdivisions 1, 2, and 4; 354.33, subdivision 6; 354.35; 354.41, subdivision 7; 354.46, subdivision 2; 354.48, subdivisions 2, 4, 6, 7, and 8; 354.49, subdivision 3; 354.50, subdivision 1; 354.52, subdivision 2, and by adding a subdivision; 356.30, by adding a subdivision; and 356.87; repealing Minnesota Statutes 1990, sections 354.094, subdivisions 1a and 1b; and 354.48, subdivision 5.

Reported the same back with the following amendments:

Page 10, line 28, after the period, insert "Notwithstanding the provisions of any agreements to the contrary, employee and employer contributions may not be made to receive allowable service credit under this section if the member does not retain the right to full reinstatement at the end of the leave."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1039, A bill for an act relating to public employees; regulating insurance benefits; amending Minnesota Statutes 1990, sections 43A.13, by adding a subdivision; and 43A.316, subdivision 8.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 43A.04, is amended by adding a subdivision to read:

Subd. 10. [EQUITABLE COMPENSATION COMPLIANCE.] The commissioner may adopt rules under the administrative procedure act to assure compliance with sections 471.991 to 471.999.

Sec. 2. Minnesota Statutes 1990, section 43A.13, is amended by adding a subdivision to read:

Subd. 9. [DISABLED FORMER EMPLOYEES.] A former classified employee who is receiving disability benefits under a state retirement plan remains eligible for reemployment.

Sec. 3. Minnesota Statutes 1990, section 43A.316, subdivision 8, is amended to read:

Subd. 8. [CONTINUATION OF COVERAGE.] (a) A former employee who is 55 years old or older and is receiving a public pension disability benefit or an annuity or is 55 years old or older and has met the age and service requirements necessary to receive an annuity under chapter 353, 353C, 354, 354A, 356, 422A, 423, 423A, or 424 is eligible to participate in the plan; except that. A former employee who is over age 65 years old or older and is not eligible for enrolled in Medicare coverage is not eligible to participate in the plan. This participation is at the person's expense unless a collective

bargaining agreement or personnel policy provides otherwise. Premiums for these participants must be established by the commissioner. The commissioner shall establish sets of health insurance premiums for the following various classes including, but not limited to:

(1) all participants former employees eligible under this paragraph who are under age 65; and

(2) all participants former employees eligible under this paragraph who are over age 65 years old or older and are receiving enrolled in Medicare coverage; and

(3) all former employees eligible under this paragraph whose group participates in the plan.

The commissioner may provide policy exclusions for preexisting conditions 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. An employer shall notify an employee of the option to participate under this paragraph no later than the effective date of retirement. The retired employee or the employer of a participating group on behalf of a current or retired employee shall notify the commissioner within 30 days of the effective date of retirement of intent to exercise this option participate in the plan according to the rules established by the commissioner.

(b) The spouse of a deceased, active, or former employee may purchase the benefits provided at premiums established by the commissioner if the spouse was a dependent under the active or former employee's coverage under this section at the time of the death. Coverage under this clause must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(c) The plan benefits must continue in the event of strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

(d) A person who desires to participate under paragraphs (a) to (e) shall notify the commissioner of intent to participate according to rules established by the commissioner. The eligible employer shall notify the commissioner and coverage begins as soon as the commissioner permits.

(e) A participant who discontinues coverage may not reenroll.

Persons participating under these paragraphs shall make appro-

priate premium payments in the time and manner established by the commissioner.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Delete the title and insert:

“A bill for an act relating to public employees; regulating insurance benefits; amending Minnesota Statutes 1990, sections 43A.04, by adding a subdivision; 43A.13, by adding a subdivision; and 43A.316, subdivision 8.”

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1121, A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 21, before the semicolon insert “, or a resident of a board and lodging facility”

Page 1, line 23, before the period insert “between the ages of 16 and 19”

Page 1, delete section 2

Page 2, line 20, delete “that suffers from some” and insert “who has”

Page 2, line 21, delete “hinders” and insert “limits”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete everything before "97B.055"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 34, A bill for an act relating to the state agricultural society; including the Red River Valley Winter Shows as a state agricultural society member; amending Minnesota Statutes 1990, section 37.03, subdivision 1.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 9, 173, 179, 299, 343, 389, 427, 479, 488, 611, 623, 667, 671, 683, 743, 748, 795, 808, 809, 815, 877, 887, 894, 935, 977, 982, 995, 1001, 1017, 1035, 1039 and 1121 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 5 and 34 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Nelson, K., introduced:

H. F. No. 1247, A bill for an act relating to education; establishing a task force on programs for education and employment transitions; appropriating money.

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

Dawkins, by request, introduced:

H. F. No. 1248, A bill for an act relating to transportation; authorizing the commissioner of transportation to construct light rail transit; abolishing the authority of metropolitan regional rail authorities to levy a property tax for light rail transit; imposing a one-half of one percent sales tax in the metropolitan counties; requiring plans; establishing a demonstration light rail transit facility in the central corridor; amending Minnesota Statutes 1990, sections 297A.02, by adding a subdivision; 297A.44, subdivision 1; 398A.04, by adding a subdivision; 473.399, by adding a subdivision; 473.3993, subdivisions 2, 3, and by adding a subdivision; 473.3994; 473.3996; and 473.4051; proposing coding for new law in Minnesota Statutes, chapters 174 and 473; repealing Minnesota Statutes 1990, section 473.3994, subdivision 6; and Laws 1989, chapter 339, section 21.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Hausman and Dawkins introduced:

H. F. No. 1249, A bill for an act relating to the city of St. Paul; providing certain economic development authority.

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

Murphy introduced:

H. F. No. 1250, A bill for an act relating to highways; designating county state-aid highway 61 from Duluth to Two Harbors as the North Shore Scenic Drive; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

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

Rest and Carlson introduced:

H. F. No. 1251, A bill for an act relating to education; creating a special levy for independent school district No. 281, Robbinsdale; amending Minnesota Statutes 1990, section 275.125, by adding a subdivision.

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

Erhardt, Rest, Scheid and Pauly introduced:

H. F. No. 1252, A bill for an act relating to taxation; property; not requiring payment of additional taxes when open space qualification is lost due to acquisition of property by the state of Minnesota or a political subdivision; amending Minnesota Statutes 1990, section 273.112, by adding a subdivision.

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

Krueger introduced:

H. F. No. 1253, A bill for an act relating to human services; allowing grants to residential programs in which staff and residents are integrated and share equally in household activities; proposing coding for new law in Minnesota Statutes, chapter 252.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Gruenes introduced:

H. F. No. 1254, A bill for an act relating to retirement; amending provisions governing receipt of combined service annuities; amending Minnesota Statutes 1990, section 356.30, subdivision 1.

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

Welle introduced:

H. F. No. 1255, A bill for an act relating to state parks; authorizing land acquisition within certain state parks; appropriating money.

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

Kinkel introduced:

H. F. No. 1256, A bill for an act relating to agriculture; authorizing compensation for apiary damage caused by bear; appropriating money; amending Minnesota Statutes 1990, section 3.736, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Dawkins, Mariani and Hausman introduced:

H. F. No. 1257, A bill for an act relating to transportation; authorizing the commissioner of transportation to construct light rail transit; abolishing the authority of metropolitan regional rail authorities to levy a property tax for light rail transit; imposing a one-half of one percent sales tax in the metropolitan counties; requiring plans; establishing a demonstration light rail transit facility in the central corridor; amending Minnesota Statutes 1990, sections 297A.02, subdivisions 1 and 3; 297A.14, subdivision 1; 297A.44, subdivision 1; 297A.45, by adding a subdivision; 398A.04, by adding a subdivision; 473.399, by adding a subdivision; 473.3993, subdivisions 2, 3, and by adding a subdivision; 473.3994; 473.3996; and 473.4051; proposing coding for new law in Minnesota Statutes, chapters 174 and 473; repealing Laws 1989, chapter 339, section 21.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Segal introduced:

H. F. No. 1258, A bill for an act relating to taxation; modifying the effective date for repeal of levy limits; amending Laws 1989, First Special Session chapter 1, article 5, section 52, as amended.

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

Segal introduced:

H. F. No. 1259, A bill for an act relating to human services; authorizing grants for research and development of new approaches to services for persons who are both mentally ill and chemically dependent; appropriating money.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Segal introduced:

H. F. No. 1260, A bill for an act proposing an amendment to the Minnesota Constitution; adding a section to article XI; establishing a permanent housing trust fund.

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

Segal introduced:

H. F. No. 1261, A bill for an act relating to taxation; providing for a maximum fiscal disparities area-wide tax capacity; amending Minnesota Statutes 1990, sections 473F.07, subdivision 1; and 473F.08, subdivisions 2 and 6.

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

Segal introduced:

H. F. No. 1262, A bill for an act relating to economic development; establishing a business development and preservation program delivered by certain nonprofit organizations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Onnen introduced:

H. F. No. 1263, A bill for an act relating to human services; medical assistance and general assistance medical care; clarifying payment rates for hospitals; clarifying coverage of services and eligibility requirements; clarifying the role of independent actuararies; amending Minnesota Statutes 1990, sections 256.045, subdivision 10; 256.936, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.9685, subdivision 1; 256.9686, subdivisions 1 and 6; 256.969, subdivisions 1, 2, 2c, 3a, 6a, and by adding a subdivision; 256.9695, subdivisions 1 and 5; 256B.031, subdivision 4; 256B.055, subdivisions 10 and 12; 256B.057, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0575; 256B.0625, subdivisions 4, 9, 12, 13, 17, 24, 25, 28, 30, and by adding subdivisions; 256B.063; 256B.08, by adding a subdivision; 256B.19, by adding a subdivision; 256B.25, subdivision 3; and 256D.03, subdivisions 3 and 4.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Farrell, Bettermann, Erhardt and Thompson introduced:

H. F. No. 1264, A bill for an act relating to weights and measures; adopting weights and measures standards recommended by the

United States Department of Commerce, National Institute of Standards and Technology; defining the responsibilities, duties, and powers of the division of weights and measures; providing that the division have a director; amending Minnesota Statutes 1990, sections 239.01; 239.02; 239.05; 239.09; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, sections 239.07; 239.08; and 239.37.

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

Gruenes introduced:

H. F. No. 1265, A bill for an act relating to human services; long-term care; allowing for cost-effective alternatives for metro transportation support grants; establishing limits for certain long-term care costs; providing for the establishment of certain rates for long-term care and for community residential treatment centers; amending Minnesota Statutes 1990, sections 252.46, subdivisions 6 and 14; 252.478, subdivisions 1 and 3; 256B.19, subdivision 1, and by adding a subdivision; 256B.431, subdivision 3i, and by adding subdivisions; 256B.50, subdivision 1d; and 256B.501, subdivision 8, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 256B.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Gruenes, Greenfield and Macklin introduced:

H. F. No. 1266, A bill for an act relating to corrections; requiring the court to impose local correctional fees on offenders committed to local correctional agencies; authorizing local correctional agencies to establish a fee schedule for local correctional services to defray costs of correctional services; proposing coding for new law in Minnesota Statutes, chapters 244 and 609.

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

Reding; O'Connor; Cooper; Johnson, R., and Mariani introduced:

H. F. No. 1267, A bill for an act relating to retirement; teachers; increasing employee and employer contributions and increasing the annuity computation formula for coordinated members; amending Minnesota Statutes 1990, sections 354.42, subdivisions 2 and 3; and 354.44, subdivision 6.

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

Seaberg introduced:

H. F. No. 1268, A bill for an act relating to crime; limiting the use of certain conditions of probation or pretrial release for persons convicted or accused of certain crimes; amending Minnesota Statutes 1990, section 609.135, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 629.

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

Clark, Segal and Wejcman introduced:

H. F. No. 1269, A bill for an act relating to local government; increasing the amount the city of Minneapolis may loan to expand small businesses; amending Laws 1988, chapter 594, section 6.

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

Trimble and McGuire introduced:

H. F. No. 1270, A bill for an act relating to occupations; providing for municipal regulation of refrigeration workers; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Henry, Hufnagle and Blatz introduced:

H. F. No. 1271, A bill for an act relating to education; authorizing school districts to levy for replacement and restoration of certain facilities; amending Minnesota Statutes 1990, section 275.125, by adding a subdivision.

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

Macklin and Onnen introduced:

H. F. No. 1272, A bill for an act relating to human services; establishing penalty provisions relating to those found to have

wrongfully obtained assistance; limiting the availability of general assistance to those disqualified from the aid to families with dependent children program; expanding fraud prevention investigation programs; providing for a federally mandated penalty for intentionally falsifying a public assistance application; clarifying appeal filing times for medical assistance providers; amending Minnesota Statutes 1990, sections 256.98, by adding a subdivision; 256.983; 256B.064, subdivision 2; and 256D.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Carruthers and Vellenga introduced:

H. F. No. 1273, A bill for an act relating to children; modifying child protection system data practices study requirements; amending Laws 1990, chapter 542, section 36.

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

Jennings introduced:

H. F. No. 1274, A bill for an act relating to education; authorizing a fund transfer by the Chisago Lakes school district.

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

Osthoff introduced:

H. F. No. 1275, A bill for an act relating to gambling; placing restrictions on the manufacture and sale of gambling devices; requiring licensing of manufacturers and distributors of gambling devices; defining video games of chance as gambling devices; prohibiting operation of gambling devices; amending Minnesota Statutes 1990, section 299L.01, subdivision 1; 609.75, subdivision 4, and by adding a subdivision; 609.755; and 609.76, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299L.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Reding introduced:

H. F. No. 1276, A bill for an act relating to retirement; state university and community college individual retirement account plan; directing additional employer contributions into the plan; authorizing a deduction for administrative expenses; amending Minnesota Statutes 1990, sections 354.42, subdivision 5; 354B.04, subdivision 2; and 354B.05, by adding a subdivision.

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

Wagenius, Pugh, Schreiber, Carruthers and Blatz introduced:

H. F. No. 1277, A bill for an act relating to eminent domain; providing for exercise of eminent domain power over properties owned by railroads.

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

Pelowski, Vanasek, Long, Reding and Nelson, S., introduced:

H. F. No. 1278, A bill for an act relating to state government; abolishing the state planning agency; transferring certain of its powers and duties; amending Minnesota Statutes 1990, sections 3.885, subdivisions 3 and 6; 15A.081, subdivision 1; 17.49, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 103B.311, subdivision 7; 103B.315, subdivision 5; 103F.761, subdivision 1; 103H.101, subdivision 4; 103H.175, subdivisions 1 and 2; 115A.072, subdivision 1; 116C.03, subdivisions 2, 4, and 5; 116C.712, subdivisions 3 and 5; 124C.03, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 126A.02, subdivisions 1 and 2; 126A.03; 144.70, subdivision 2; 144A.071, subdivision 5; 145.926, subdivisions 1, 4, 5, 7, and 8; 145A.02, subdivision 16; 145A.09, subdivision 6; 214.141; 256H.25, subdivision 1; 268.361, subdivision 3; 275.14; 275.51, subdivision 6; 275.54, subdivision 3; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 368.01, subdivision 1a; 373.40, subdivision 1; 402.045; 462.384, subdivision 7; 462.396, subdivision 2; 466A.05, subdivision 1; 469.203, subdivision 4; 469.207, subdivisions 1 and 2; 473.156, subdivision 1; 477A.011, subdivisions 3 and 3a; 477A.014, subdivision 4; 504.34, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapters 4 and 16B; repealing Minnesota Statutes 1990, sections 40A.02, subdivision 2; 40A.08; 116K.01 to 116K.14; 144.861; and 144.874.

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

Wejman, Jefferson, Kahn, Greenfield and Wagenius introduced:

H. F. No. 1279, A bill for an act relating to the city of Minneapolis; providing that certain special service districts may provide parking facilities; amending Laws 1988, chapter 719, article 16, section 1, subdivision 3.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Pugh, Wagenius, Schreiber, Long and Weaver introduced:

H. F. No. 1280, A bill for an act relating to the environment; responsible person for removal and remediation of hazardous waste; providing that the state, an agency of the state, or a political subdivision that acquires property through eminent domain or through negotiated purchase following the filing of eminent domain petition, or any person acquiring from the condemning authority, is not liable as a responsible person solely because of the acquisition; providing that no person involuntarily acquiring property shall be liable as a responsible person; amending Minnesota Statutes 1990, section 115B.03, by adding subdivisions.

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

Jennings introduced:

H. F. No. 1281, A bill for an act relating to education; authorizing pilot outcome-based schools authorized by school boards.

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

Jennings, Hartle, Ozment, Sparby and Lieder introduced:

H. F. No. 1282, A bill for an act relating to local government; providing procedures for storm sewer improvements; amending Minnesota Statutes 1990, section 444.18, by adding a subdivision; repealing Minnesota Statutes 1990, section 444.18, subdivision 2.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Macklin, Rest and Limmer introduced:

H. F. No. 1283, A bill for an act relating to public safety; autho-

rizing the department of public safety to develop a pilot program to require an ignition interlock device as a condition of a limited license for a driver whose license has been canceled and denied; requiring the department of public safety to certify interlock devices; providing penalties for misuse or tampering, and for failure to use the device; proposing coding for new law in Minnesota Statutes, chapter 171.

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

Sparby, Lieder and Tunheim introduced:

H. F. No. 1284, A bill for an act relating to taxation; restoring a payment of certain homestead and agricultural credit aid to the Red Lake watershed district; appropriating money.

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

Dorn, Pelowski, Limmer, Trimble and Carlson introduced:

H. F. No. 1285, A bill for an act relating to the building code; clarifying the basis of building code review fees; amending Minnesota Statutes 1990, section 16B.61, subdivision 1a.

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

Farrell, Davids, Newinski, Wejcman and Mariani introduced:

H. F. No. 1286, A bill for an act relating to the secretary of state; changing certain fees, deadlines, and procedures; providing for supplemental filing and information services; providing for removal of documents from the public record; clarifying certain language; amending Minnesota Statutes 1990, sections 5.03; 5.16, subdivision 5; 302A.821, subdivisions 3, 4, and 5; 303.07, subdivision 2; 303.08; 303.13, subdivision 1; 303.17, subdivision 1; 308A.131, subdivision 1; 308A.801, subdivision 6; 317A.821, subdivision 2; 317A.823; 317A.827, subdivision 1; and 331A.02, subdivision 1; Laws 1989, chapter 236, section 12; proposing coding for new law in Minnesota Statutes, chapter 5.

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

Dauner, Goodno and Nelson, S., introduced:

H. F. No. 1287, A bill for an act relating to taxation; restoring a payment of certain homestead and agricultural credit aid to the Buffalo-Red River watershed district; appropriating money.

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

Valento, Bertram, Bettermann, Omann and Koppendrayer introduced:

H. F. No. 1288, A bill for an act relating to water and wastewater treatment; expanding the authority of municipalities to contract for private design and construction of water and wastewater treatment facilities; amending Minnesota Statutes 1990, section 471.371, subdivisions 2, 4, and 5; repealing Minnesota Statutes 1990, section 471.371, subdivisions 1 and 6.

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

Weaver, Bauerly, Leppik, McEachern and Ozment introduced:

H. F. No. 1289, A bill for an act relating to education; clarifying the relationship of school districts and the public to ECSU's; amending Minnesota Statutes 1990, section 123.58, subdivision 4.

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

Frederick introduced:

H. F. No. 1290, A bill for an act relating to human services; changing the effective date for separate billing by certified registered nurse anesthetists; appropriating money; amending Minnesota Statutes 1990, section 256.969, subdivision 6a.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Garcia; Nelson, K.; Leppik and Johnson, A., introduced:

H. F. No. 1291, A bill for an act relating to education; assuring that each blind student receives an individualized Braille literacy assessment and appropriate educational services resulting from the assessment; establishing standards of proficiency and instruction for

Braille literacy; requiring the licensure of teachers of blind students in accord with Braille literacy standards; proposing coding for new law in Minnesota Statutes, chapter 120.

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

Valento, Welker, Pauly, Knickerbocker and Bishop introduced:

H. F. No. 1292, A bill for an act relating to the financing of government in this state; providing property tax reform; reclassifying real and personal property and establishing exemption rates; establishing transitional class rates for taxes payable in 1992 and 1993; prescribing the contents of property tax statements; changing property tax due dates and settlement and distribution dates; providing an income sensitive homestead credit; providing a targeted property tax credit; changing tax increment financing pooling requirements; defining terms; imposing penalties; amending Minnesota Statutes 1990, sections 273.13, by adding subdivisions; 273.1316, subdivision 6; 274.19, subdivision 3; 275.065, subdivisions 3 and 6; 275.07, subdivisions 1 and 4; 275.08, by adding a subdivision; 276.04, subdivisions 2 and 3; 276.10; 276.11, subdivision 1; 277.01, subdivision 1; 278.01; 278.03; 278.05, subdivision 5; 279.01, by adding subdivisions; 289A.18, subdivision 5; 289A.56, subdivision 6; 290A.01; 290A.04, subdivision 2, and by adding a subdivision; 290A.07, subdivisions 2a and 3; 469.1763, subdivision 2; 469.177, subdivision 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 273; repealing Minnesota Statutes 1990, sections 273.124; 273.13; 290A.04, subdivisions 2b, 2h, and 2i; 276.09; 276.11, subdivisions 2 and 3; 276.111; and 279.01, subdivisions 1, 2, and 3.

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

Johnson, V.; Omann; Koppendrayser; Welker and Anderson, R. H., introduced:

H. F. No. 1293, A bill for an act relating to game and fish; allowing a free deer license under certain circumstances.

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

Omann introduced:

H. F. No. 1294, A bill for an act relating to agriculture; changing

the commercial cannery assessment; amending Minnesota Statutes 1990, section 31.39.

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

Dawkins introduced:

H. F. No. 1295, A bill for an act relating to legal services; providing for the creation of a state board of specialized legal assistants; requesting the supreme court to adopt rules governing the delivery of legal services by specialized legal assistants; amending Minnesota Statutes 1990, section 481.02, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 481A.

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

Smith and Dawkins introduced:

H. F. No. 1296, A bill for an act relating to insurance; requiring insurers to pay an annual assessment based on total subrogation and indemnification claims paid each year; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Vellenga, Segal, Pugh, Seaberg and Wejcman introduced:

H. F. No. 1297, A bill for an act relating to civil actions; recognizing a cause of action for tortious interference with access rights to a child; proposing coding for new law as Minnesota Statutes, chapter 604A.

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

Olson, K.; Bauerly; Tunheim; Bettermann and Cooper introduced:

H. F. No. 1298, A bill for an act relating to education; limiting the referendum levy; equalizing a portion of the referendum levy; changing the training and experience formula; equalizing training and experience revenue; authorizing equity preservation aid; appropriating money; amending Minnesota Statutes 1990, sections 124A.03, by adding subdivisions; and 124A.22, subdivision 4, and by

adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 124A.

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

Tunheim; Olson, E.; Johnson, R., and Ogren introduced:

H. F. No. 1299, A bill for an act relating to agriculture; abolishing refund of checkoff fee paid by paddy wild rice producers; amending Minnesota Statutes 1990, section 17.63.

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

Rest introduced:

H. F. No. 1300, A bill for an act relating to public safety; appropriating money to commissioner of public safety for infrared search device.

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

Kahn; Munger; Johnson, V.; Battaglia and Lasley introduced:

H. F. No. 1301, A bill for an act relating to the environment; providing for the Minnesota releaf program; creating an advisory task force; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 88.

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

Simoneau introduced:

H. F. No. 1302, A bill for an act relating to workers' compensation; providing an exclusion from coverage for certain disabled employees; amending Minnesota Statutes 1990, section 176.041, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Simoneau introduced:

H. F. No. 1303, A bill for an act relating to taxation; exempting

certain printed materials from the sales tax; amending Minnesota Statutes 1990, section 297A.25, by adding a subdivision.

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

Lieder, Long, Kalis, Uphus and Hanson introduced:

H. F. No. 1304, A bill for an act relating to highways; establishing a category of natural preservation routes in the county state-aid highway system; proposing coding for new law in Minnesota Statutes, chapter 162.

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

Olson, E.; Wenzel; Uphus; Dille and Girard introduced:

H. F. No. 1305, A bill for an act relating to agriculture; changing the livestock market agency and dealer licensing act; amending Minnesota Statutes 1990, sections 17A.01; 17A.03, subdivisions 1 and 7; 17A.04, subdivision 1; 17A.14; proposing coding for new law in Minnesota Statutes, chapter 17A; repealing Minnesota Statutes 1990, section 17A.15.

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

Gutknecht, Bishop and Frerichs introduced:

H. F. No. 1306, A bill for an act relating to human services; establishing a demonstration project involving alternative reimbursement, appeals, and inspection systems for intermediate care facilities for persons with mental retardation or related conditions.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Wagenius, Skoglund, Kahn and Olsen, S., introduced:

H. F. No. 1307, A bill for an act relating to taxation; modifying the metropolitan revenue distribution program; creating a crime and social services disparities fund; amending Minnesota Statutes 1990, sections 299C.18; 473F.07, subdivision 4, and by adding subdivisions; and 473F.08, subdivisions 5 and 7a; proposing coding for new law in Minnesota Statutes, chapter 473F.

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

Dawkins, Vellenga, Runbeck, Farrell and Valento introduced:

H. F. No. 1308, A bill for an act relating to public safety; providing for Ramsey county police department; appropriating money.

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

Simoneau introduced:

H. F. No. 1309, A bill for an act relating to taxation; exempting certain capital equipment used in the printing industry from the sales and use tax; amending Minnesota Statutes 1990, section 297A.25, subdivision 10, and by adding a subdivision.

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

Nelson, K., introduced:

H. F. No. 1310, A bill for an act relating to crimes; creating the gross misdemeanor offense of assaulting a public employee who is engaged in mandated duties; amending Minnesota Statutes 1990, section 609.2231, by adding a subdivision.

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

Hasskamp introduced:

H. F. No. 1311, A bill for an act relating to retirement; increasing retirement and survivor benefits for certain retired members of the Brainerd police relief association and surviving spouses and children of deceased members.

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

Gruenes, Welle, Simoneau, Leppik and Newinski introduced:

H. F. No. 1312, A bill for an act relating to health care; promoting the availability of health insurance for small employers; establishing mechanisms for containing health care costs; requiring long-

term goals for improving the health of Minnesotans; requiring studies; establishing an office of rural health; establishing requirements to improve access to health services in rural areas; establishing a pilot project for uninsured low-income persons; amending Minnesota Statutes 1990, sections 136A.1355, subdivisions 2 and 3; 144.147, subdivision 4; 144.698, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 136A and 144; proposing coding for new law as Minnesota Statutes, chapter 62K; repealing Minnesota Statutes 1990, section 144.70.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Olson, K.; Nelson, S.; Winter; Hugoson and Steensma introduced:

H. F. No. 1313, A bill for an act relating to traffic regulations; authorizing the operation of recreational vehicle combinations with certain restrictions; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; and 169.81, by adding a subdivision.

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

Segal introduced:

H. F. No. 1314, A bill for an act relating to lottery; regulating advertising; prohibiting incentive payments to marketing employees of the lottery division; amending Minnesota Statutes 1990, sections 349A.09, subdivision 2; and 349A.10, subdivision 3; repealing Minnesota Statutes 1990, section 349A.02, subdivision 5.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Segal, Wejman and Jefferson introduced:

H. F. No. 1315, A bill for an act relating to human services; authorizing loans to mental health residential programs for physical accessibility improvements; creating an exception to the maximum negotiated rates for residential programs receiving accessibility loans; amending Minnesota Statutes 1990, sections 256I.05, subdivision 2; and 462A.05, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Segal, Wejcman, Ogren and Jefferson introduced:

H. F. No. 1316, A bill for an act relating to human rights; prohibiting housing discrimination against disabled persons because of their familial status; amending Minnesota Statutes 1990, section 363.12, by adding a subdivision.

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

Osthoff and Jacobs introduced:

H. F. No. 1317, A bill for an act relating to alcoholic beverages; limiting the number of temporary on-sale licenses that may be issued to a club or organization; amending Minnesota Statutes 1990, sections 340A.403, subdivision 2; and 340A.404, subdivision 10.

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

Jefferson and Jacobs introduced:

H. F. No. 1318, A bill for an act relating to intoxicating liquor; providing for sale of intoxicating liquor at a sports arena in Minneapolis; amending Minnesota Statutes 1990, section 340A.404, subdivision 2, and by adding a subdivision.

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

Newinski, Vellenga, Blatz, Solberg and Brown introduced:

H. F. No. 1319, A bill for an act relating to crimes; authorizing the juvenile court to find a child in need of protection or services if the child resides in a home where controlled substances are present; making it a crime for a parent to endanger a child's person or health by using, selling, or manufacturing controlled substances in the child's presence; prescribing penalties; amending Minnesota Statutes 1990, sections 260.015, subdivision 2a; and 609.378, subdivision 1.

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

Osthoff and Scheid introduced:

H. F. No. 1320, A bill for an act relating to gaming; providing for

a committee to negotiate tribal-state compacts regulating certain gaming on Indian lands, and to make recommendations to the governor; repealing expired provisions of law relating to negotiating tribal-state compacts; amending Minnesota Statutes 1990, section 3.9221, subdivision 2; repealing Minnesota Statutes 1990, section 3.9221, subdivision 3.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Clark introduced:

H. F. No. 1321, A bill for an act relating to human services; providing for allocation of detoxification transportation funds; amending Minnesota Statutes 1990, section 254A.17, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Clark and Segal introduced:

H. F. No. 1322, A bill for an act relating to economic development; creating a small business incubator program; appropriating money for a pilot project; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Tunheim introduced:

H. F. No. 1323, A bill for an act relating to state lands; transferring state land by private sale to the town board of the town of Lake in Roseau county.

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

Gruenes, Stanius and Runbeck introduced:

H. F. No. 1324, A bill for an act relating to corrections; authorizing the commissioner of corrections to establish, license, and administer community corrections units for repeat DWI offenders within regional treatment centers; requiring counties to pay the per diem costs of confining offenders in these units; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 241.

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

Weaver and Lynch introduced:

H. F. No. 1325, A bill for an act relating to law libraries; providing procedures for the administration of law libraries; amending Minnesota Statutes 1990, sections 134A.01; 134A.02; 134A.03; 134A.04; 134A.06; 134A.08; 134A.10; and 134A.13; repealing Minnesota Statutes 1990, section 134A.14.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Segal introduced:

H. A. No. 6, A proposal to study declining enrollment in medical schools.

The advisory was referred to the Committee on Education.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 82, A bill for an act relating to public contracts; modifying the criteria for businesses and firms required to file affirmative action plans; amending Minnesota Statutes 1990, sections 363.073, subdivision 1; and 473.144.

H. F. No. 373, A bill for an act relating to commerce; removing a real estate licensing prohibition; amending Minnesota Statutes 1990, section 82.20, subdivision 4.

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. 196, A resolution memorializing the Congress of the United States to enact the POW/MIA truth bill, that relates to the disclosure of live sighting information on American service personnel missing in action from World War II, Korea, and Vietnam.

The Senate has appointed as such committee:

Mr. Bertram; Ms. Johnson, J. B., and Mr. Laidig.

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 Senate Files, herewith transmitted:

S. F. Nos. 583, 652, 846, 162, 231, 611, 154, 561, 636 and 638.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. Nos. 187, 252, 437 and 567.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 583, A bill for an act relating to health; clarifying requirements for vaccination of children for certain illnesses; amending Minnesota Statutes 1990, sections 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10, and by adding a subdivision; and 151.37, by adding a subdivision.

The bill was read for the first time.

Orenstein moved that S. F. No. 583 and H. F. No. 529, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 652, A bill for an act relating to housing; providing for the payment of fees for certain publicly owned facilities; amending Minnesota Statutes 1990, section 327.23, subdivision 3.

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

S. F. No. 846, A resolution memorializing Congress and the President to expedite passage of a law establishing class 1 dairy support prices at the market levels prevailing on August 1, 1990.

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

S. F. No. 162, A bill for an act relating to the city of Nashwauk; authorizing an increase in benefits payable to surviving spouses by the police relief association; amending Laws 1943, chapter 196, section 4, as amended.

The bill was read for the first time.

Solberg moved that S. F. No. 162 and H. F. No. 161, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 231, A bill for an act relating to insurance; accident and health; defining full-time students for purposes of dependent coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

S. F. No. 611, A bill for an act relating to veterans; clarifying rulemaking authority of the veterans homes board; changing language concerning payment of arrearages by veterans home residents; correcting certain references; amending Minnesota Statutes 1990, sections 198.003; 198.005; 198.03, subdivision 3; and 198.35.

The bill was read for the first time.

Frederick moved that S. F. No. 611 and H. F. No. 616, now on the Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 154, A bill for an act relating to manufactured home parks; providing for notice and right to purchase for conversion or the closing of a park under certain circumstances; amending Minnesota Statutes 1990, section 327C.095, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 327C.

The bill was read for the first time.

Johnson, A., moved that S. F. No. 154 and H. F. No. 172, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 561, A bill for an act relating to natural resources; authorizing certain minors to harvest wild rice without a license; amending Minnesota Statutes 1990, section 84.091, subdivision 2.

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

S. F. No. 636, A bill for an act relating to local government; enlarging authority to participate in certain federal loan programs; amending Minnesota Statutes 1990, section 465.73.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 638, A bill for an act relating to elections; providing directions for the preparation of ballot instructions; amending Minnesota Statutes 1990, section 204B.36, subdivision 2.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

S. F. No. 187, A bill for an act relating to mental health; authorizing competent persons to make advance declarations regarding mental health treatment; requiring certain notices to be given to the designated agency; amending Minnesota Statutes 1990, sections 253B.03; 253B.18, subdivisions 4b and 5; and 253B.19, subdivision 2.

The bill was read for the first time.

Greenfield moved that S. F. No. 187 and H. F. No. 233, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 252, A bill for an act relating to housing; authorizing a multicounty housing and redevelopment authority to appoint additional commissioners; amending Minnesota Statutes 1990, section 469.006, subdivision 2.

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

S. F. No. 437, A bill for an act relating to agriculture; changing the shade tree disease and wood use programs; amending Minnesota Statutes 1990, sections 18.023, subdivisions 10a and 11; and 18.024, subdivision 1.

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

S. F. No. 567, A bill for an act relating to retirement; authorizing appointed public officers to purchase public employees retirement association service credit for previous service as an elected official; amending Laws 1990, chapter 570, article 8, section 14, subdivision 1.

The bill was read for the first time.

Anderson, I., moved that S. F. No. 567 and H. F. No. 522, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 75, A bill for an act relating to metropolitan government; extending the date for the international airport plan; amending Minnesota Statutes 1990, section 473.616, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R. H.	Girard	Koppendrayer	Olson, K.	Smith
Battaglia	Goodno	Krinkie	Omnn	Solberg
Bauerly	Greenfield	Krueger	Onnen	Sparby
Beard	Gruenes	Lasley	Orenstein	Stanis
Begich	Gutknecht	Leppik	Orfield	Steensma
Bertram	Hanson	Lieder	Osthoff	Sviggum
Bettermann	Hartle	Limmer	Ostrom	Thompson
Bishop	Hasskamp	Long	Ozment	Tompkins
Blatz	Haukoos	Lourey	Pauly	Trimble
Bodahl	Hausman	Lynch	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vellenga
Carruthers	Hugoson	McEachern	Reding	Wagenius
Clark	Jacobs	McGuire	Rest	Waltman
Cooper	Janezich	McPherson	Rice	Weaver
Dauner	Jaros	Milbert	Rodosovich	Wejcrnan
Dauids	Jefferson	Morrison	Rukavina	Welker
Dawkins	Jennings	Munger	Runbeck	Welle
Dempsey	Johnson, A.	Murphy	Sarna	Wenzel
Dille	Johnson, R.	Nelson, K.	Schafer	Winter
Dorn	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Erhardt	Kahn	Newinski	Schreiber	
Farrell	Kalis	O'Connor	Seaberg	

The bill was passed and its title agreed to.

CALENDAR

S. F. No. 468, A bill for an act relating to employment; changing the date for submission of recommendations by the compensation council; amending Minnesota Statutes 1990, section 15A.082, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Dempsey	Gruenes	Jacobs
Anderson, I.	Bodahl	Dille	Gutknecht	Janezich
Anderson, R.	Boo	Dorn	Hanson	Jaros
Anderson, R. H.	Brown	Erhardt	Hartle	Jefferson
Battaglia	Carlson	Farrell	Hasskamp	Jennings
Bauerly	Carruthers	Frederick	Haukoos	Johnson, A.
Beard	Clark	Frerichs	Hausman	Johnson, R.
Begich	Cooper	Garcia	Heir	Johnson, V.
Bertram	Dauner	Girard	Henry	Kalis
Bettermann	Dauids	Goodno	Hufnagle	Kelso
Bishop	Dawkins	Greenfield	Hugoson	Kinkel

Knickerbocker	McPherson	Orfield	Schafer	Tunheim
Koppendrayner	Milbert	Osthoff	Scheid	Uphus
Krinkie	Morrison	Ostrom	Schreiber	Valento
Krueger	Munger	Ozment	Seaberg	Vellenga
Lasley	Murphy	Pauly	Segal	Wagenius
Leppik	Nelson, K.	Pellow	Simoneau	Waltman
Lieder	Nelson, S.	Pelowski	Skoglund	Weaver
Limmer	Newinski	Peterson	Smith	Welker
Long	O'Connor	Pugh	Solberg	Welle
Lourey	Ogren	Reding	Sparby	Wenzel
Lynch	Olsen, S.	Rest	Stanius	Winter
Macklin	Olson, E.	Rice	Steensma	Spk. Vanasek
Mariani	Olson, K.	Rodosovich	Svigum	
Marsh	Omann	Rukavina	Thompson	
McEachern	Onnen	Runbeck	Tompkins	
McGuire	Orenstein	Sarna	Trimble	

The bill was passed and its title agreed to.

There being no objection, the order of business advanced to "Motions and Resolutions" for the purpose of considering a House Concurrent Resolution relating to Joint Rules of the House of Representatives and Senate.

MOTIONS AND RESOLUTIONS

Long, Vanasek, Dempsey and Olsen, S., introduced:

House Concurrent Resolution No. 5, A house concurrent resolution adopting Permanent Joint Rules of the House of Representatives and Senate.

SUSPENSION OF RULES

Long moved that the rules be so far suspended that House Concurrent Resolution No. 5 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE CONCURRENT RESOLUTION NO. 5

A house concurrent resolution adopting Permanent Joint Rules of the House of Representatives and Senate.

Be It Resolved, by the House of Representatives of the State of Minnesota, the Senate concurring:

The Permanent Joint Rules of the House of Representatives and Senate for the 77th Legislature shall read as follows:

JOINT RULES OF THE
HOUSE OF REPRESENTATIVES AND SENATE

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ARTICLE I: JOINT CONVENTIONS

HOW GOVERNED

Rule 1.01. The Speaker of the House shall preside at all Conventions of the two houses of the Legislature and shall call the members to order. The Chief Clerk of the House shall be the Secretary and the Sergeant at Arms of the House shall be the Sergeant at Arms of the Convention.

PRESIDENT'S DUTIES

Rule 1.02. The President of the Convention shall preserve order and decorum. He may speak on all points of order in preference to other members and shall decide questions of order, subject to an appeal to the Convention by any member. He shall rise to put a question but may state it while seated.

PRESIDENT'S RIGHT TO VOTE

Rule 1.03. The President shall have the right to vote in all cases except appeals from his decisions. He shall vote last on all questions.

STATING QUESTIONS

Rule 1.04. Questions shall be put to the Convention in the following form: "As many as are of the opinion that (the question) shall pass, say 'Aye.' " After an affirmative vote is expressed the nays shall be called as follows: "As many as are of the contrary opinion, say 'No.' " If the President is in doubt or a division is called, those in the affirmative shall rise first and those in the negative afterward.

ORDER OF DEBATE

Rule 1.05. When any member wishes to speak to the Convention on any matter, he shall rise and respectfully address the President,

and not speak further until recognized. He shall confine himself to the question under debate and avoid personal remarks. When two or more members rise at the same time, the President shall designate the member to speak first. No member shall speak more than twice on the same question without permission of the Convention.

CALLING MEMBER TO ORDER

Rule 1.06. If any member of the Joint Convention is called to order for offensive words in debate, the member calling him to order shall report the words to which exception is taken and the Secretary shall record them. No member may be called to order for any language used in debate if exception is not taken before any other member has spoken or any other business has taken place. A member called to order shall immediately sit down unless another member moves to permit him to explain. In any case, the Joint Convention, if appealed to, shall decide without debate. Only if the decision is in favor of the member called to order shall he be at liberty to proceed.

CALL OF THE CONVENTION

Rule 1.07. Five members may demand a call of the Convention at any time except after voting has commenced. When such a call is demanded, the doors shall be closed, the roll shall be called, the absent members shall be sent for, and no member may be permitted to leave the Chamber, unless excused by the President, until the call is lifted. Proceedings under the roll call may be suspended by a majority vote of all the members of the Convention. A call of the Convention may be lifted by a majority vote of all the members of the Convention.

ELECTIONS

Rule 1.08. In all elections by the Joint Convention, members shall vote viva voce and the roll of Senate members shall be called first. Whenever there is an election of any officer in Joint Convention, the result shall be certified by the President of the Senate and the Speaker of the House and announced by them to their respective houses. The result shall be entered on the Journal of each house and communicated to the Governor by the Secretary of the Convention.

NO SMOKING

Rule 1.09. No person is permitted to smoke in the Chamber or in the gallery during a Joint Convention.

PARLIAMENTARY PROCEDURE

Rule 1.10. The rules of the House shall be the Rules of the Joint Convention of both houses in all cases in which the foregoing rules are not applicable.

ARTICLE II: BILLS

FORM

Rule 2.01. The title of each bill shall clearly state its subject and briefly state its purpose. When a bill amends or repeals an existing act, the title shall refer to the chapter, section or subdivision.

Reference shall be made to Minnesota Statutes for the provisions appearing therein unless reference to previous session laws is required for some special reason.

Bills shall refer to Minnesota Statutes as follows:

“Minnesota Statutes, section”

Bills shall refer to the session laws as follows:

“Laws, chapter, section”

A bill for the amendment of a statute shall contain the full text of the section or subdivision to be amended as it appears in the latest edition of Minnesota Statutes unless it has been amended, in which event it shall contain the full text as amended.

The words and characters constituting the amending matter shall be inserted in the proper place in the text and underscored. The words and characters to be eliminated by the amendment shall be stricken by drawing a line through them. The text of a new section or subdivision shall also be underscored when a bill amends an existing chapter or section by adding a new section or subdivision. In the omnibus appropriation bills required by Joint Rule 2.02, sections making an appropriation or transfer and not amending a statute or session law need not have new material underscored. Before a committee favorably reports upon a bill, the chairman of the committee shall see that the bill conforms to this rule. When a bill is printed in the Journal, the new matter shall be in italics or underscored and the matter to be eliminated shall be capitalized and in parentheses or stricken by drawing a line through it. A bill drafted by the Revisor of Statutes for the purposes of correcting errors in Minnesota Statutes need not comply with the provisions of this paragraph if the bill is labeled “REVISOR’S BILL” immediately

below the title, and if there is attached thereto a memorandum of information explaining the reasons for the bill.

If the bill is for an original law and not for an amendment of an existing law, the sections and subdivisions shall be arranged, subdivided, and numbered in like manner as Minnesota Statutes. If such a bill assigns to the sections thereof headnotes or identification by the decimal system of numbering used in Minnesota Statutes, such headnotes and decimal identification may be submitted by standing committee chairmen to the Revisor of Statutes for examination. Any such headnotes shall be capital letters enclosed in brackets, and shall be subject to the provisions of Minnesota Statutes, section 648.36.

All numbers in titles shall be expressed in figures. All numbers of section or chapter of law shall be in figures. In the body of a bill numbers in excess of ten shall be in figures, except for a special reason they may be written, but when written they shall not be followed by numbers or parentheses.

APPROPRIATING MONEY

Rule 2.02. The same bill shall not appropriate public money or property to more than one local or private purpose.

No clause appropriating money for a local or private purpose shall be contained in a bill appropriating money for the State government or public institutions. All resolutions authorizing the issuing of abstracts by the Secretary of the Senate or the Chief Clerk of the House for the payment of money shall be upon the call of "yeas" and "nays."

In odd-numbered years, at least ~~twenty~~ eighteen calendar days prior to the last day the Legislature can meet in regular session [Thursday, May 2, 1991], the Committee on Finance of the Senate and the Committee on Appropriations of the House shall report to their respective houses, unless directed by concurrent resolution to report different appropriation bills, ~~five~~ separate appropriation bills for the two succeeding fiscal years as follows:

(a) A bill appropriating money for the general administrative and judicial expenses of the State government ~~for the succeeding two fiscal years~~, including salaries, office expenses and supplies and other necessary expenses connected therewith;

(b) A bill covering all appropriations relating to public welfare, health and corrections for the support and maintenance of all State penal and charitable institutions, and other institutions of the State except educational ~~for the two succeeding fiscal years~~;

(c) A bill appropriating money for the support and maintenance of all State educational institutions ~~for the two succeeding fiscal years;~~

(d) A bill appropriating money for aid to school districts;

(e) A bill appropriating money for the protection and improvement of the State's environment and natural resources;

(f) A bill appropriating money for the department of transportation and other agencies;

(g) A bill covering all appropriations providing for the payment of claims against the State of Minnesota which may have been allowed by the Finance Committee of the Senate or the Appropriations Committee of the House;

~~(e) A bill covering all appropriations made for agriculture, transportation, and semi-state activities.~~

No other appropriations shall be contained in any of said bills but all other appropriations shall be contained in separate bills.

DEADLINES

Rule 2.03. (a) In odd-numbered years, committee reports on bills favorably acted upon by a committee in the house of origin after ~~April 14, 1989~~ April 12, 1991, and committee reports on bills originating in the other house favorably acted upon by a committee after ~~April 26, 1989~~ April 24, 1991, shall be referred in the Senate to the Committee on Rules and Administration, and in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. Referral is not required when a committee after the earlier date and by the later date set by this paragraph acts on a bill that is a companion to a bill that has met the earlier deadline in the other house. This rule does not apply to the Senate Committees on Finance and on Taxes and Tax Laws, and the House Committees on Appropriations and on Taxes.

Conference committees on the major appropriation bills specified in Joint Rule 2.02 shall have their reports on the members' desks by the last Thursday on which the Legislature can meet in regular session [May 16, 1991]. ~~After the last Friday on which the Legislature can meet in regular session [May 17, 1991], neither house shall act on bills other than those contained in:~~

(1) Reports of Conference Committees;

(2) Messages from the other house;

~~(3) Reports of the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House; or~~

~~(4) Messages from the Governor.~~

(b) In even-numbered years the Legislature shall establish by concurrent resolution deadlines based on the date intended to be the date of adjournment sine die.

AMENDING BILLS ORIGINATING IN OTHER HOUSE

Rule 2.04. Either house shall have the power to amend any bill, memorial, or resolution passed by the other house.

RECEDING FROM POSITION

Rule 2.05. Prior to a Conference Committee on any matter, either house may recede from its position on any difference existing between the two houses. In order to recede, and if the matter is not in the possession of a house, that house shall request return of the matter from the other house. To recede, a majority of a house shall govern, except in cases otherwise provided in the Constitution. If the question is put and lost, it shall not be put again on the same day. A reconsideration of the question shall in all respects be regulated by the rules of that house.

CONFERENCE COMMITTEES

Rule 2.06. In all cases of disagreement between the Senate and House on amendments adopted by either house to a bill, memorial or resolution passed by the other house, a Conference Committee consisting of not less than three members nor more than five members from each house may be requested by either house. The other house shall appoint a similar committee.

The manner of procedure shall be as follows: The house of origin passes a bill and transmits it to the other body. If the other body adopts an amendment to the bill and passes it as amended, it shall return the bill with a record of its actions to the house of origin. If the house of origin refuses to concur in the amendment, it shall ask for a Conference Committee, appoint such a committee on its part, and transmit the bill with a record of its action to the other house. If the other house adheres to its amendment, it shall appoint a like committee and return the bill to the house of origin.

All Conference Committees shall be open to the public.

As much as practical, meetings of Conference Committees shall be announced as far in advance as possible and actions taken shall be agreed upon in an open meeting. At an agreed upon hour the Conference Committee shall meet. The members from each house shall state to the members from the other house, orally or in writing, the reason for their respective positions. The members shall confer thereon and shall report to their respective houses the agreement they have reached, or, if none, the fact of a disagreement.

If an agreement is reported, the house of origin shall act first upon the report. A Conference Committee report must be limited to provisions that are germane to the bill and amendments that were referred to the Conference Committee. A provision is not germane if it relates to a substantially different subject or is intended to accomplish a substantially different purpose from that of the bill and amendment that were referred to the Conference Committee. If the report is adopted and repassed as amended by the Conference Committee by the house of origin, the report, the bill and a record of its action shall be transmitted to the other house.

Except after the last Thursday on which the Legislature can meet in regular session in odd-numbered years [May 16, 1991], and after the last Thursday on which the Legislature intended, when it adopted the concurrent resolution required by Rule 2.03, paragraph (b), to meet in regular session in even-numbered years, a written copy of a report of a Conference Committee shall be placed on the desk of each member of a house twelve hours before action on the report by that house. If the report has been reprinted in the Journal of either house for a preceding day and is available to the members, the Journal copy shall serve as the written report. The member presenting the Conference Committee report to the body shall disclose, either in writing or orally, the substantial changes from the bill or the amendment as they were last before the body.

ENROLLMENT AND SIGNATURE

Rule 2.07. After a bill or memorial has been passed by both houses, it shall be carefully and properly enrolled by the Revisor of Statutes under the direction of the Secretary of the Senate for a matter originating in the Senate or the Chief Clerk of the House for a matter originating in the House. The Revisor of Statutes shall obtain the signatures and certificates of the proper officers to the enrolled copy of the bill or memorial and present it to the Governor for his approval.

A bill or memorial may be prepared for presentation to the Governor on good quality paper approximately 8½" x 14" in size and may be produced by means of a copying machine. An enrolled bill shall be labeled "An Act" and it shall be identical to the bill passed by the Legislature. An enrolled bill which is amendatory of

any existing law or constitutional provision shall indicate deletions and additions in the manner provided in Rule 2.01 for printed bills.

ARTICLE III: GENERAL PROVISIONS

SUSPENSION OF JOINT RULES

Rule 3.01. Either house may suspend the Joint Rules of the Senate and House by a vote of two-thirds of its members.

ODD YEAR SESSION ADJOURNMENT

Rule 3.02. Adjournment of the regular session in any odd-numbered year to a date certain in the following year shall be equivalent to daily adjournment, except that upon adjournment in any odd-numbered year to a date certain in the following year:

(a) Any bill being considered by a Conference Committee shall be returned to the house of origin, laid on the table, and the Conference Committee shall be discharged;

(b) Any bill referred to the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House pursuant to Joint Rule 2.03 shall be returned to the standing committee to which it was last previously referred; and

(c) Any bill returned by the Governor to the house of origin with his objections following such adjournment shall be laid on the table.

INTERIM COMMITTEE AND COMMISSION REPORTS

Rule 3.03. Except as otherwise provided by law, the report of any interim committee or commission to the Legislature shall be submitted on paper 8½" x 11" in size, spiral bound, stapled, or punched on the left edge to fit a standard size three ring binder intended for that size paper. A brief summary of the recommendations of the commission or committee shall appear first and be clearly separated from its findings, discussions, and exhibits. If the report contains legislative recommendations, a copy of any proposed legislation, particularly if extensive in character, shall if possible be attached as an exhibit at the end of the report.

ARTICLE IV: ELECTION OF REGENTS

JOINT COMMITTEE

Rule 4.01. By May 7 of each odd-numbered year, or at a date agreed to by concurrent resolution a joint committee shall meet to recommend nominees for regent of the University of Minnesota to be presented to a Joint Convention of the legislature. The members of the joint committee are the members of the senate and house committees on education and the members of the education division of the senate committee on finance and the education division of the house committee on appropriations. A majority of the members from each house is a quorum of the joint committee.

The joint committee shall determine the number of persons, and the person or persons to be recommended for each open seat.

Each person recommended by the regent candidate advisory council is considered to be nominated. Other persons may be nominated by a member of the committee at the meeting. Nominations may be made by committee members only. Nominations must be made for a specified congressional or student seat, or for any at-large seat.

The roll shall be called viva voce on the recommendation of regents. A majority vote of the members of the joint committee is required for a candidate to be recommended.

JOINT CONVENTION

Rule 4.02. At the Joint Convention of the senate and house of representatives called to elect regents, the joint committee shall report the name of the person or persons recommended for each seat. These persons are considered to be nominated. Any member of the legislature may submit additional nominations. If there is more than one at-large seat to be filled, all candidates for an at-large seat run for any of the at-large seats.

The roll shall be called viva voce on the election of regents. The roll must be called first on congressional district seats until they are filled, then on the student seat, and then on the at-large seats. The candidate for each seat receiving a majority of the votes cast must be declared elected. If no candidate receives a majority of the votes cast for a seat, on each succeeding ballot the candidate with the fewest votes must be dropped from consideration and the votes cast again until a majority vote is achieved. Any candidate with fewer than 20 votes on any ballot shall also be dropped on succeeding ballots.

Long moved that House Concurrent Resolution No. 5 be now

adopted. The motion prevailed and House Concurrent Resolution No. 5 and the Permanent Joint Rules of the House of Representatives and Senate were adopted.

Long moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Uphus moved that the name of Davids be added as an author on H. F. No. 903. The motion prevailed.

Trimble moved that the name of Krinkie be added as an author on H. F. No. 909. The motion prevailed.

Kelso moved that the name of Seaberg be added as an author on H. F. No. 1021. The motion prevailed.

Dawkins moved that the name of Smith be added as an author on H. F. No. 1112. The motion prevailed.

Peterson moved that the name of Jacobs be added as an author on H. F. No. 1127. The motion prevailed.

Abrams moved that the name of Olsen, S., be added as an author on H. F. No. 1218. The motion prevailed.

Osthoff moved that H. F. No. 307, now on General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Johnson, A., moved that H. F. No. 9, now on Technical General Orders, be re-referred to the Committee on Appropriations. The motion prevailed.

Johnson, R., moved that H. F. No. 747 be recalled from the Committee on Governmental Operations and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Orfield moved that H. F. No. 1007 be recalled from the Committee on Environment and Natural Resources and be re-referred to the Committee on Health and Human Services. The motion prevailed.

Bauerly moved that H. F. No. 984 be recalled from the Committee on Education and be re-referred to the Committee on Agriculture. The motion prevailed.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Thursday, April 4, 1991. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Thursday, April 4, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives