

## STATE OF MINNESOTA

## SEVENTY-SEVENTH SESSION—1991

## THIRTIETH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 8, 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 the Reverend Michael P. Forbes, Priest in Charge of the Episcopal Church of the Messiah, Prairie Island Reservation.

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

A quorum was present.

Pellow was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Bertram 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 STANDING COMMITTEES

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1, A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 97A.145, subdivision 2; 103A.201; 103E.701, by adding a subdivision; 103G.005, subdivision 18, and by adding subdivisions; 103G.221, subdivision 1; and 103G.231, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 103G; and 273; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [CITATION.]

This act may be cited as the “wetland enhancement, preservation, and protection act of 1991.”

Sec. 2. [LEGISLATIVE INTENT.]

It is the intent of the legislature to ensure that the owners of wetlands receive fair compensation for compliance with the provisions of this act. It is intended that a substantial annual appropriation be available to provide that compensation.

Sec. 3. Minnesota Statutes 1990, section 97A.145, subdivision 2, is amended to read:

Subd. 2. [ACQUISITION PROCEDURE.] (a) Lands purchased or leased under this section must be acquired in accordance with this subdivision.

(b) The commissioner must notify the county board and the town officers where the land is located and furnish them a description of the land to be acquired. The county board must approve or disapprove the proposed acquisition within 90 days after being notified. The commissioner may extend the time up to 30 days. The soil and

water conservation district supervisors shall counsel the county board on drainage and flood control and the best utilization and capability of the land.

(c) If the county board approves the acquisition within the prescribed time, the commissioner may acquire the land.

(d) If the county board disapproves the acquisition, it must state valid reasons. ~~The commissioner may not purchase or lease the land if the county board disapproves the acquisition and states its reasons within the prescribed time period.~~

~~The landowner or the commissioner may appeal the disapproval to the district court having jurisdiction where the land is located.~~

(e) The commissioner or the owner of the land may submit the proposed acquisition to the land exchange board if: ~~(1) the county board does not give reason for disapproval disapproves the proposed acquisition, or does not approve or disapprove the acquisition within the prescribed time period; or (2) the court finds that the disapproval is arbitrary and capricious, or that the reasons stated for disapproval are invalid.~~

(f) The land exchange board must conduct a hearing and make a decision on the acquisition within 60 days after receiving the proposal. The land exchange board must give notice of the hearing to the county board, the commissioner, the landowner, the commissioner of agriculture, and other interested parties. The land exchange board must consider the interests of the county, the state, and the landowner in determining whether the acquisition is in the public interest. If a majority of the land exchange board members approves the acquisition, the commissioner may acquire the land. If a majority disapproves, the commissioner may not purchase or lease the land.

Sec. 4. Minnesota Statutes 1990, section 103A.201, is amended to read:

#### 103A.201 [REGULATORY POLICY.]

Subdivision 1. [POLICY.] To conserve and use water resources of the state in the best interests of its people, and to promote the public health, safety, and welfare, it is the policy of the state that:

(1) subject to existing rights, public waters are subject to the control of the state;

(2) the state, to the extent provided by law, shall control the appropriation and use of waters of the state; and

(3) the state shall control and supervise activity that changes or will change the course, current, or cross section of public waters, including the construction, reconstruction, repair, removal, abandonment, alteration, or the transfer of ownership of dams, reservoirs, control structures, and waterway obstructions in public waters.

Subd. 2. [WETLANDS FINDINGS; PUBLIC INTEREST.] (a) Wetlands identified in the state under section 13 and the United States Fish and Wildlife Service National Wetland Inventory maps do not:

(1) grant the public additional or greater right of access to the wetlands;

(2) diminish the right of ownership or usage of the beds underlying the wetlands, except as otherwise provided by law;

(3) affect state law forbidding trespass on private lands; and

(4) require the commissioner to acquire access to the wetlands.

(b) The legislature finds that the wetlands of Minnesota provide public value by conserving surface waters, maintaining and improving water quality, preserving wildlife habitat, providing recreational opportunities, reducing runoff, providing for floodwater retention, reducing stream sedimentation, contributing to improved subsurface moisture, helping moderate climatic change, and enhancing the natural beauty of the landscape, and are important to comprehensive water management, and that it is in the public interest to:

(1) achieve no net loss in the quantity, quality, and biological diversity of Minnesota's existing wetlands;

(2) increase the quantity, quality, and biological diversity of Minnesota's wetlands by restoring or enhancing diminished or drained wetlands;

(3) avoid direct or indirect impacts from activities that destroy or diminish the quantity, quality, and biological diversity of wetlands; and

(4) mitigate where avoidance of activity is not feasible and prudent.

(c) Mitigation must be guided by the following principles in descending order of priority:

(1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;

(2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;

(3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;

(4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity; and

(5) compensating for the impact by replacing or providing substitute wetland resources or environments.

(d) If an agricultural wetland is located in a cultivated field, then mitigation under section 12 must be accomplished through restoration only without regard to the priority order in paragraph (c).

(e) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected.

Sec. 5. Minnesota Statutes 1990, section 103B.311, subdivision 6, is amended to read:

Subd. 6. [SCOPE OF PLANS.] Comprehensive water plans must include:

(1) a description of the existing and expected changes to physical environment, land use, and development in the county;

(2) available information about the surface water, groundwater, and related land resources in the county, including existing and potential distribution, availability, quality, and use;

(3) objectives for future development, use, and conservation of water and related land resources, including objectives that concern water quality and quantity, and sensitive areas, wellhead protection areas, and related land use conditions, and a description of actions that will be taken in affected watersheds or groundwater systems to achieve the objectives;

(4) a description of potential changes in state programs, policies, and requirements considered important by the county to management of water resources in the county;

(5) a description of conflicts between the comprehensive water plan and existing plans of other local units of government;

(6) a description of possible conflicts between the comprehensive water plan and existing or proposed comprehensive water plans of other counties in the affected watershed units or groundwater systems;

(7) the identification of high priority areas in the county for wetland restoration;

(8) a program for implementation of the plan that is consistent with the plan's management objectives and includes schedules for amending official controls and water and related land resources plans of local units of government to conform with the comprehensive water plan, and the schedule, components, and expected state and local costs of any projects to implement the comprehensive water plan that may be proposed, although this does not mean that projects are required by this section; and

(8) (9) a procedure for amending the comprehensive water plan.

Sec. 6. Minnesota Statutes 1990, section 103E.701, is amended by adding a subdivision to read:

Subd. 6. [WETLAND RESTORATION AND MITIGATION.] Repair of a drainage system may include the restoration or enhancement of wetlands; wetland mitigation under section 103G.222; and the realignment of a drainage system to prevent drainage of a wetland.

Sec. 7. [103E.516] [PERMANENT WETLANDS PRESERVE.]

Subdivision 1. [EASEMENTS.] Upon application by a landowner, the board may acquire permanent easements on land containing type 1, 2, or 3 wetlands, as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition).

Subd. 2. [NATURE OF PROPERTY RIGHTS ACQUIRED.] (a) A permanent full easement acquired must prohibit draining, ditching, tiling, filling, leveling, burning vegetation, and alteration of wildlife habitat and other natural features in the wetland, except that vegetation may be burned if permitted by the commissioner of natural resources or an agent of the commissioner.

(b) A permanent limited easement may permit grazing at any time, hay harvesting at any time, and cropping wetlands when they are dry of natural causes.

(c) A permanent easement may include one adjacent upland acre of land for each acre of type 2 wetland included.

(d) The easement must require that the landowner control noxious weeds pursuant to sections 18.171 to 18.317.

(e) The conservation easement must be conveyed to the state in recordable form free of any prior title, lien, or encumbrance and must provide for a right of entry by the state for inspection and correction of violations.

Subd. 3. [PAYMENT.] Payment for the conservation easement may be made in ten equal annual payments or, at the option of the land owner, shall be made: (1) for a limited easement, in a lump sum at 75 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time of easement applications; (2) for a full easement, in a lump sum at 90 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time of easement application.

Subd. 4. [PROPERTY TAX EXEMPTION.] Wetlands in which the board has acquired permanent easements under this section shall be exempt from property taxes in the year the easement is acquired and for all subsequent years.

Subd. 5. [ENFORCEMENT AND CORRECTIONS.] Enforcement of the conservation easement or violation corrections shall be governed by section 103F.515, subdivisions 8 and 9.

Subd. 6. [AVAILABLE FUNDS.] A property owner entitled to payments under this section must receive payments to the extent that funds are available. If funds are not available and payments are not made, restrictions on the use of the property owner's wetlands are terminated under this section.

Subd. 7. [REPORT REQUIRED.] The board must report annually to the legislature on the number, types, and acres of wetlands lost and gained each year.

Sec. 8. Minnesota Statutes 1990, section 103G.005, is amended by adding a subdivision to read:

Subd. 10a. [LOCAL GOVERNMENT UNIT.] "Local government unit" means:

(1) outside of the seven-county metropolitan area, a city council or county board of commissioners; and

(2) in the seven-county metropolitan area, a city council, a town board under section 368.01, or a watershed management organization under section 103B.211.

Sec. 9. Minnesota Statutes 1990, section 103G.005, is amended by adding a subdivision to read:

Subd. 11a. [MITIGATION.] "Mitigation" is the quantification and replacement of an area's size, quality, character, and diversity through restoration or creation of at least equivalent quantities in another area after the impacts of the proposed project have been avoided and minimized to the extent possible and there are no feasible and prudent alternatives.

Sec. 10. Minnesota Statutes 1990, section 103G.005, subdivision 15, is amended to read:

Subd. 15. [PUBLIC WATERS.] (a) "Public waters" means:

(1) waterbasins assigned a shoreland management classification by the commissioner under sections 103F.201 to 103F.221, except wetlands less than 80 acres in size that are classified as natural environment lakes;

(2) waters of the state that have been finally determined to be public waters or navigable waters by a court of competent jurisdiction;

(3) meandered lakes, excluding lakes that have been legally drained;

(4) waterbasins previously designated by the commissioner for management for a specific purpose such as trout lakes and game lakes pursuant to applicable laws;

(5) waterbasins designated as scientific and natural areas under section 84.033;

(6) waterbasins located within and totally surrounded by publicly owned lands;

(7) waterbasins where the state of Minnesota or the federal government holds title to any of the beds or shores, unless the owner declares that the water is not necessary for the purposes of the public ownership;

(8) waterbasins where there is a publicly owned and controlled access that is intended to provide for public access to the waterbasin;

(9) natural and altered watercourses with a total drainage area greater than two square miles;

(10) natural and altered watercourses designated by the commissioner as trout streams; and

(11) public waters wetlands, unless the statute expressly states otherwise.

(b) Public waters are not determined exclusively by the proprietorship of the underlying, overlying, or surrounding land or by whether it is a body or stream of water that was navigable in fact or susceptible of being used as a highway for commerce at the time this state was admitted to the union.

Sec. 11. Minnesota Statutes 1990, section 103G.005, is amended by adding a subdivision to read:

Subd. 17a. [WATERSHED.] "Watershed" means the 81 major watershed units delineated by the map, "State of Minnesota Watershed Boundaries - 1979".

Sec. 12. Minnesota Statutes 1990, section 103G.005, subdivision 18, is amended to read:

Subd. 18. [PUBLIC WATERS WETLANDS.] "Public waters wetlands" means all types 3, 4, and 5 wetlands, as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition), not included within the definition of public waters, that are ten or more acres in size in unincorporated areas or 2-1/2 or more acres in incorporated areas, including those wetlands designated as public waters under section 103G.201.

Sec. 13. Minnesota Statutes 1990, section 103G.005, is amended by adding a subdivision to read:

Subd. 19. [WETLANDS.] "Wetlands" means lands transitional between terrestrial and aquatic systems where the water table is usually at or near the surface or the land is covered by shallow water. For purposes of this definition, wetlands must have the following three attributes:

(1) have a predominance of hydric soils;

(2) are inundated or saturated by surface or ground water at a frequency and duration sufficient to support a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions; and

(3) under normal circumstances support a prevalence of such vegetation.

Sec. 14. Minnesota Statutes 1990, section 103G.221, subdivision 1, is amended to read:

**Subdivision 1. [DRAINAGE OF WETLANDS GENERALLY PROHIBITED WITHOUT REPLACEMENT.]** Except as provided in subdivisions 2 and 3, Wetlands may not be drained, and a permit authorizing drainage of wetlands may not be issued, unless the wetlands to be drained are replaced by wetlands that will have equal or greater public value.

**Sec. 15. [103G.222] [REPLACEMENT OF WETLANDS.]**

(a) Wetlands which are identified on United States Fish and Wildlife Service National Wetlands Inventory maps or revisions thereof, or which have been restored or created by public or private conservation programs, must not be drained or filled, wholly or partially, unless there are no feasible and prudent alternatives and unless replaced by restoring or creating wetland areas of at least equivalent size, quantity, character, and diversity under either a mitigation plan approved as provided in section 21 or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 21.

(b) Any mitigation or replacement shall be within the same watershed or county as the impacted wetlands, as based on the wetland evaluation in section 21, subdivision 2, except that counties or watersheds in which 80 percent or more of the presettlement wetland acreage is intact may accomplish mitigation in counties or watersheds in which 50 percent or more of the presettlement wetland acreage has been filled, drained, or otherwise degraded.

(c) For a wetland of two acres or less, mitigation must be in the ratio of two acres of mitigated wetland for each acre of drained or filled wetland, of which from ten to 50 percent must be a buffer zone of permanent vegetative cover.

(d) For a wetland of more than two acres, mitigation must be in the ratio of one acre of mitigated wetland for each acre of drained or filled wetland.

(e) Wetlands that are restored or created as a result of an approved mitigation plan are subject to the provisions of this section for any subsequent drainage or filling.

(f) All requests to add or delete a wetland from the application of this subdivision must be approved in the same way as provided for appeals by the committee for dispute resolution of the board of water and soil resources, and in consultation with the commissioner of agriculture, and must be based on a preponderance of the evidence

that the wetland does or does not comply with established criteria for inclusion in the national wetlands inventory.

Sec. 16. [103G.223] [CALCAREOUS FENS.]

Calcareous fens, as identified by the commissioner, may not be filled, drained, or otherwise degraded, wholly or partially, by any activity, unless the commissioner, under an approved management plan, decides some alteration is necessary.

Sec. 17. [84.034] [PEATLAND PROTECTION.]

Subdivision 1. [CITATION.] Sections 17 to 19 may be cited as the "Minnesota peatland protection act."

Subd. 2. [FINDINGS.] The legislature finds that certain Minnesota peatlands possess unique scientific, aesthetic, vegetative, hydrologic, geologic, wildlife, wilderness and educational values and represent the various peatland ecological types in the state. The legislature finds that it is desirable and appropriate to protect and preserve these patterned peatlands as a peatland management system through establishment and designation of certain peatland core areas as scientific and natural areas.

Subd. 3. [DEFINITIONS.] (1) Unless language or context clearly indicates that a different meaning is intended, the following terms, for the purposes of sections 17 to 19, have the meanings given to them.

(2) "Winter road" means an access route which may be used by vehicles only when the substrate is frozen.

(3) "Corridors of disturbance" means rights of way which are in existence on the effective date of this act, such as ditches, ditch banks, transmission lines, pipelines, permanent roads, winter roads, and recreational trails. The existence, on the effective date of this act, of a corridor of disturbance may be demonstrated by physical evidence, document recorded in the office of county recorder or other public official, aerial survey, or other evidence similar to the above.

(4) "State land" means land owned by the state of Minnesota and administered by the commissioner.

Subd. 4. [DESIGNATION OF PEATLAND SCIENTIFIC AND NATURAL AREAS.] Within the peatland areas described in section 18, state lands are hereby established and designated as scientific and natural areas to be preserved and managed by the commissioner in accordance with subdivision 5 and section 86A.05, subdivision 5.

Subd. 5. [ACTIVITIES IN PEATLAND SCIENTIFIC AND NATURAL AREAS.] Areas designated in subdivision 4 as peatland scientific and natural areas are subject to the following conditions:

(a) Except as provided in paragraph (b), all restrictions otherwise applicable to scientific and natural areas designated under section 86A.05, subdivision 5, apply to the surface use and to any use of the mineral estate which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas, including but not limited to, the following prohibitions:

(1) construction of any new public drainage systems after the effective date of this act or improvement or repair to a public drainage system in existence on the effective date of this act, under authority of chapter 103E, or any other alteration of surface water or ground water levels or flows unless specifically permitted under paragraph (b), clause (5) or (6);

(2) removal of peat, sand, gravel, or other industrial minerals;

(3) exploratory boring or other exploration or removal of oil, natural gas, radioactive materials or metallic minerals which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or natural features of the peatland scientific and natural areas, except in the event of a national emergency declared by Congress;

(4) commercial timber harvesting;

(5) construction of new corridors of disturbance, of the kind defined in subdivision 3, after the effective date of this act; and

(6) ditching, draining, filling, or any other activities which modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas.

(b) The following activities are allowed:

(1) recreational activities, including hunting, fishing, trapping, cross country skiing, snowshoeing, nature observation, or other recreational activities permitted in the management plan approved by the commissioner;

(2) scientific and educational work and research;

(3) maintenance of corridors of disturbance, including survey lines, consistent with protection of the peatland ecosystem;

(4) use of corridors of disturbance unless limited by a management plan adopted by the commissioner under subdivision 6;

(5) improvements to a public drainage system in existence on the effective date of this act only when it is for the protection and maintenance of the ecological integrity of the peatland scientific and natural area and when included in a management plan adopted by the commissioner under subdivision 6;

(6) repairs to a public drainage system in existence on the effective date of this act which crosses a peatland scientific and natural area and is used for the purposes of providing a drainage outlet for lands outside of the peatland scientific and natural area, provided that there are no other feasible and prudent alternative means of providing the drainage outlet. The commissioner shall cooperate with the ditch authority in the determination of any feasible and prudent alternatives. No repairs which would significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas shall be made unless approved by the commissioner;

(7) motorized uses that are engaged in, on corridors of disturbance, on or before the effective date of this act;

(8) control of forest insects, disease, and wildfires, as described in a management plan adopted by the commissioner under subdivision 6; and

(9) geological and geophysical surveys which would not significantly modify or alter the peatland water levels or flows, peatland water chemistry, plant or animal species or communities, or other natural features of the peatland scientific and natural areas.

Subd. 6. [MANAGEMENT PLANS.] The commissioner shall develop a management plan for each peatland scientific and natural area designated under section 18 in a manner prescribed by section 86A.09.

Subd. 7. [ESTABLISHING BASELINE ECOLOGICAL DATA.] The commissioner shall establish baseline data on the ecology and biological diversity of peatland scientific and natural areas and provide for ongoing, long-term ecological monitoring to determine whether changes are occurring in the peatland scientific and natural areas. This research is intended to identify any changes occurring in peatland scientific and natural areas as a result of any permitted activities outside the peatland scientific and natural areas. This baseline data may include, but is not limited to, the history of the peatlands and their geologic origins, plant and animal communities, hydrology, water chemistry, and contaminants introduced from remote sources of atmospheric deposition.

Subd. 8. [DITCH ABANDONMENTS.] In order to eliminate repairs or improvements to any public drainage system that crosses a peatland scientific and natural area in those instances where the repair or improvement adversely affects an area, the commissioner may petition for the abandonment of parts of the public drainage system under section 106A.811. If the public drainage system is necessary as a drainage outlet for lands outside of the peatland scientific and natural area, the commissioner will cooperate with the ditch authority in the development of feasible and prudent alternative means of providing a drainage outlet which avoids the crossing of and damage to the peatland scientific and natural area. In so doing, the commissioner shall grant flowage easements to the ditch authority for disposal of the outlet water on other state lands. The ditch authority shall approve the abandonment of parts of any public drainage system crossing a peatland scientific and natural area if the public drainage system crossing of those areas is not necessary as a drainage outlet for lands outside of the areas or if there are feasible and prudent alternative means of providing a drainage outlet without crossing such areas. In any abandonment under this subdivision the commissioner may enter into an agreement with the ditch authority regarding apportionment of costs and, contingent upon appropriations of money for that purpose, may agree to pay a reasonable share of the cost of abandonment.

Subd. 9. [COMPENSATION FOR TRUST FUND LANDS.] The commissioner shall acquire by exchange or eminent domain the surface interests, including peat, on trust fund lands contained in peatland scientific and natural areas established in subdivision 4.

Sec. 18. [84.035] [PEATLAND SCIENTIFIC AND NATURAL AREAS, DESIGNATION.]

The following scientific and natural areas are established and are composed of all of the core peatland areas identified on maps in the 1984 commissioner of natural resources report, "Recommendations for the Protection of Ecologically Significant Peatlands in Minnesota" and maps on file at the department of natural resources:

(1) Red Lake Scientific and Natural Area in Beltrami, Koochiching, and Lake of the Woods counties;

(2) Myrtle Lake Scientific and Natural Area in Koochiching county;

(3) Lost River Scientific and Natural Area in Koochiching county;

(4) North Black River Scientific and Natural Area in Koochiching county;

(5) Sand Lake Scientific and Natural Area in Lake county;

(6) Mulligan Lake Scientific and Natural Area in Lake of the Woods county;

(7) Lost Lake Scientific and Natural Area in St. Louis county;

(8) Pine Creek Scientific and Natural Area in Roseau county;

(9) Hole in the Bog Scientific and Natural Area in Cass county;

(10) Wawina Scientific and Natural Area in St. Louis county;

(11) Nett Lake Scientific and Natural Area in Koochiching county;

(12) East Rat Root River Scientific and Natural Area in Koochiching county;

(13) South Black River Scientific and Natural Area in Koochiching county;

(14) Winter Road Lake Scientific and Natural Area in Koochiching county;

(15) Sprague Creek Scientific and Natural Area in Roseau county;

(16) Luxemburg Scientific and Natural Area in Roseau county;

(17) West Rat Root River Scientific and Natural Area in Koochiching county; and

(18) Norris Camp Scientific and Natural Area in Lake of the Woods county.

Sec. 19. Minnesota Statutes 1990, section 103G.231, is amended by adding a subdivision to read:

Subd. 3. [PEAT MINING.] Peat mining, as defined in section 93.461, is permitted subject to the mine permit and reclamation requirements of sections 93.44 to 93.51, and the rules adopted under those restrictions, except as provided for in sections 17 to 19.

Sec. 20. [103G.2241] [EXCEPTIONS.]

Subdivision 1. [AGRICULTURAL EXEMPTIONS.] Wetlands identified in section 15 are not subject to mitigation or replacement if:

(1) the wetland is of type 1 or 2 and is four acres in size or less and is located on agricultural land;

(2) the wetland is a wetland restored under a contract or easement providing the landowner with the right to drain the restored wetland;

(3) the wetland is located between the banks of a ditch, as defined in section 103E.005, subdivision 8; or is located between the crowns of the leveled spoil banks planted with permanent grass, as provided in section 103E.021; and the wetland is drained pursuant to a ditch repair as defined in section 103E.701;

(4) the wetland is located within the right-of-way of a ditch and the filling is limited to side casting of spoil materials resulting from a ditch repair or maintenance project;

(5) the wetland has received a commenced drainage determination provided for by the federal Food Security Act of 1985, that was made to the county agricultural stabilization and conservation service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that drainage of the wetland had been commenced prior to December 23, 1985;

(6) the wetland is on agricultural land currently enrolled, or enrolled in the future, in the federal Food Security Act of 1985, as amended, except that land enrolled in a federal farm program is eligible for participation for those acres not already compensated under the federal program;

(7) the wetland was created solely as a result of beaver dam construction, or the blockage of culverts through roadways maintained by a public authority;

(8) the wetland was created by the constriction or blockage of a tile or ditch drainage facility existing on or before the effective date of this act, whether the constriction or blockage has occurred within the wetland or at a point downstream from the wetland;

(9) the wetland was planted and harvested with annually seeded crops or was in a crop rotation seeding of pasture grasses and legumes six of the ten years prior to January 1, 1991, or is included under the federal conservation reserve program in United States Code, title 16, section 3831; or

(10) a parcel containing approximately 50 acres in Washington county described as the northeast quarter of the northwest quarter and the southeast quarter of the northwest quarter of section 32, township 29 north, range 21 west lying east of Minnesota trunk highway No. 694, and the south 466.69 feet of the west 466.69 feet of the northwest quarter of the northeast quarter of section 32, township 29 north, range 21 west.

Subd. 2. [EXEMPTION FOR APPROVED PROJECTS.] Development projects and ditch improvement projects in the state that have received preliminary or final plat approval, or infrastructure that has been installed, or having site plan approval, conditional use permits, or similar official approval by a governing body or government agency, on or before the effective date of this act are exempt from provisions of this act. In the seven-county metropolitan area and in cities of the first and second class, plat approval must be preliminary as approved by the appropriate governing body.

Subd. 3. [EXEMPTION FOR WILD RICE LANDS.] The provisions of this act do not apply to land on which wild rice is planted, grown, or harvested, or land for which a permit is acquired for the development of water impoundment structures and facilities for the growth and harvesting of wild rice.

Sec. 21. [103G.2242] [MITIGATION PLANS.]

Subdivision 1. [RULES.] (a) By December 31, 1992, the commissioner, in consultation with the commissioner of agriculture, shall adopt rules governing the approval of mitigation plans under this section. These rules must address the criteria, procedure, timing, and location of acceptable mitigation; the establishment and administration of a wetland banking program for public and private projects, which include mitigation provisions allowing monetary payment to the wetland banking program for alteration of agricultural wetlands; the methodology to be used in identifying and evaluating wetland functions; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands or mineral wetlands, the mitigation plan rules must consider the impact on carbon balance described in the report required by Laws 1990, chapter 587, and include the planting of trees or shrubs.

(b) Prior to the adoption of the commissioner's rules, a mitigation plan must be approved by a six-member review panel within 120 days of application. The review panel shall be composed of the area regional administrator for the department of natural resources, the area regional director of the pollution control agency, one board member of the local soil and water conservation district or districts within the county, one manager of the watershed district, one member of the local water planning organization who must be appointed by the county board, and the commissioner of agriculture or the commissioner's designee. Where there is no watershed district, a member of the governing board of the county or city shall be present on the review panel.

(c) The review panel must use the "Minnesota Wetland Evaluation Methodology" as the criteria for ensuring that a degraded wetland must be mitigated effectively before a mitigation plan is approved.

(d) After the adoption of the rules, the mitigation plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules.

(e) If the local government unit fails to apply the rules, the government unit is subject to penalty under law, the loss of financial assistance under section 103B.3369, subdivision 5, and the commissioner must assume authority for approval of mitigation plans within the affected jurisdiction.

(f) The commissioner must notify the board of water and soil resources and the commissioner of agriculture when assuming authority for approval of mitigation plans under paragraph (e).

Subd. 2. [EVALUATION.] Questions concerning the location, size, or type of a wetland shall be submitted to and determined by a technical evaluation panel after an on-site inspection. The technical evaluation panel shall be composed of a technical professional employee of the department of natural resources, a technical professional employee of the local soil and water conservation district or districts, and an engineer for the local government unit. The panel must consult with and be in concurrence with the United States Fish and Wildlife Service and the national wetland inventory maps. The panel shall provide the wetland determination to the authority that must approve a mitigation plan under this section, and may recommend approval or denial of the mitigation plan. The authority must consider and include the decision of the technical evaluation panel in their approval or denial of a mitigation plan.

Subd. 3. [DECISION.] Upon receiving and considering all required data, the local government unit or commissioner approving a mitigation plan must act on all applications for mitigation plan approval within 120 days.

Subd. 4. [NOTICE OF APPLICATION.] Within ten days of receiving an application for approval of a mitigation plan under this section, a copy of the application must be submitted to the commissioner for publication in the Environmental Quality Board Monitor and separate copies mailed to individual members of the public who request a copy, the board of supervisors of the soil and water conservation district, the managers of the watershed district, the board of county commissioners, the commissioner of agriculture, and the mayors of the cities within the area watershed. At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected.

Subd. 5. [NOTICE OF DECISION.] At least 30 days prior to the effective date of the approval or denial of a mitigation plan under this section, a copy of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, the commissioner, individual

members of the public who request a copy, the board of supervisors of the soil and water conservation district, the managers of the watershed district, the board of county commissioners, the commissioner of agriculture, and the mayors of the cities within the area watershed.

Subd. 6. [PUBLIC COMMENT PERIOD.] Before approval or denial of a mitigation plan under this section, comments may be made by the public to the local government unit or the commissioner for a period of 60 days.

Subd. 7. [APPEAL.] Appeal of the decision may be obtained by mailing a notice of appeal to the board of water and soil resources within 30 days after the postmarked date of the mailing specified in subdivision 5. If appeal is not sought within 30 days, the decision becomes final. Appeal may be made by the wetland owner by any of those to whom notice is required to be mailed under subdivision 5, or by 100 residents of the county in which a majority of the wetland is located. All appeals must be heard by the committee for dispute resolution of the board of water and soil resources, in consultation with the commissioner of agriculture, and a decision made within 60 days of the appeal. The decision must be served by mail on the parties to the appeal, and is not subject to the provisions of chapter 14. The decision must be considered the decision of an agency in a contested case for purposes of judicial review under sections 14.63 to 14.69.

Subd. 8. [LOCAL REQUIREMENTS.] The rules adopted under subdivision 1 shall allow for local government units to use their own notice and public comment procedures so long as the requirements of this section are satisfied.

Subd. 9. [WETLAND HERITAGE ADVISORY COMMITTEE.] The governor shall establish a wetland heritage advisory committee consisting of a balanced diversity of interests including agriculture, environmental, sporting organizations, land development organizations, local government organizations, and other agencies. The committee must consist of nine members including the commissioner of agriculture, or a designee of the commissioner, the director of the board of water and soil conservation, and seven members appointed by the governor. The governor's appointees must include one county commissioner, one representative each from a statewide sportsman's organization, a statewide conservation organization, an agricultural commodity research and promotion council, one faculty member of an institution of higher education with expertise in the natural sciences, and one member each from two statewide farm organizations. The committee shall advise the commissioner on the development of rules and, after rule adoption, shall meet twice a year to review implementation of the program, to identify strengths and weaknesses, and to recommend changes to the rules and the law to improve the program.

Subd. 10. [MITIGATION CREDITS.] No public or private wetland restoration, enhancement, or construction may be allowed for mitigation unless specifically designated for mitigation and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, and is completed prior to any draining or filling of the wetland.

Subd. 11. [MITIGATED WETLAND ELIGIBLE FOR RIM.] A mitigated wetland under this section, in which the mitigation is located on the wetland owner's land, is eligible for enrollment under section 103F.515.

Sec. 22. [103G.226] [LOCAL GOVERNMENT UNITS AUTHORITY.]

A local government unit may adopt rules or ordinances that are more stringent than required by sections 15 and 21.

Sec. 23. [103G.227] [DRAINING PUBLIC WATERS; DRAINAGE SYSTEM MAINTENANCE.]

No public ditch may be repaired in such a way as to partially or completely drain a public water inventoried under section 103G.201, except as provided in section 103G.221. This section does not limit the rights of a landowner to maintain an existing drainage system within the criteria set forth in section 20.

This section and the provisions of sections 14 and 15 do not apply to the maintenance or repair of existing drainage systems when the maintenance or repair are necessary to allow for the continuation of prevailing farming practices and cropping history, including alterations necessary to correct failure of a system due to land subsidence. On land farmable in six of ten years, if a tile line must be replaced to conform with modern farm practices, the replacement tile may be larger and placed at a greater depth than the tile being replaced.

Sec. 24. [103G.228] [ENFORCEMENT.]

Subdivision 1. [CRIMINAL PENALTY.] Violation of this act constitutes a misdemeanor.

Subd. 2. [COURT COSTS.] Upon conviction, a violator of this act must pay all applicable court costs.

Subd. 3. [DAMAGED WETLAND.] Conviction under this act may require a violator to restore or replace any diminished or destroyed wetland. The imposed penalty under subdivision 1 may be reduced by 50 percent if the convicted violator restores the wetland within 30 days of notice of the conviction.

Subd. 4. [COMMISSIONER.] The commissioner or authorized agent is responsible for enforcement of this act.

Sec. 25. Minnesota Statutes 1990, section 103G.231, is amended by adding a subdivision to read:

Subd. 4. [USE OF WETLANDS FOR FOREST MANAGEMENT ACTIVITIES.] (a) Temporarily crossing or entering a wetland to perform silvicultural activities, including timber harvest as part of a forest management activity, is permitted so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the activities do not result in the construction of dikes, drainage ditches, tile lines, or buildings; and the timber harvesting and other silvicultural practices do not result in the drainage of the wetland or public waters.

(b) Permanent access for forest roads across wetlands is permitted so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the construction activities do not result in the access becoming a dike, drainage ditch or tile line; with filling avoided if possible; and there is no drainage of the wetland or public waters.

Sec. 26. [103G.232] [USE OF WETLANDS FOR OTHER PURPOSES.]

Subdivision 1. [AGRICULTURAL PURPOSES.] Activities associated with agriculture carried out for the purpose of growing, protecting, harvesting, or sustaining agricultural production are permitted so long as these activities do not result in the drainage or filling of a wetland or public water.

Subd. 2. [ROADWAYS AND BRIDGES.] Activities associated with routine maintenance of existing public highways, roads, streets, and bridges, or replacement of or minor improvements to structurally deficient or functionally obsolete structures where the improvements are necessary to meet current design and safety standards, are permitted so long as these activities do not result in the drainage or filling of a wetland or public waters.

Subd. 3. [PERMITTED STRUCTURES.] Normal maintenance and repair of a permitted structure or a structure constructed before the effective date of this section is permitted so long as it does not result in the drainage or filling of the wetland or public waters.

Subd. 4. [RIGHTS-OF-WAY MAINTENANCE.] Activities associated with routine maintenance of utility and pipeline rights-of-way are permitted as long as the right-of-way is not increased.

Sec. 27. [REPEALER.]

Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3, are repealed.

Sec. 28. [APPROPRIATION AND BONDS.]

\$50,000,000 is appropriated from the bond proceeds fund to be divided as follows:

(1) \$25,000,000 is appropriated to the board of water and soil resources to implement section 6, of which up to \$5,000,000 may be expended for wetland restoration under section 103F.515;

(2) \$25,000,000 is appropriated as follows to:

(a) Board of water and soil resources for the reinvest in Minnesota conservation reserve program, section 103F.515: \$10,000,000;

(b) Commissioner of natural resources for the reinvest in Minnesota resources program: \$15,000,000 divided as follows: acquire and enhance fish and wildlife under section 84.95, subdivision 2, clause (4):

(1) fish habitat acquisition: \$450,000;

(2) wildlife habitat acquisition: \$1,500,000;

(3) scientific and natural areas acquisition and enhancement: \$600,000;

(4) wildlife habitat enhancement: \$2,300,000;

(5) fish hatchery improvements: \$1,220,000;

(6) fish habitat enhancement: \$2,300,000;

(7) grassland/brushland enhancement: \$1,000,000;

(8) native prairie bank lands, acquisition and improvement of, under section 84.96: \$1,130,000; and

(9) transfer to the critical habitat private sector matching account for purposes of sections 84.943 and 84.944: \$4,500,000.

To provide the funds, the commissioner of finance on request of the governor shall sell and issue bonds of the state in an amount up to \$50,000,000 in the manner, upon the terms and with the effect prescribed by sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI. Money appropriated pursuant to section 29, subdivision 1, shall be applied to pay for the bonds.

(c) Of the appropriations in this section, no more than ten percent may be used for administrative expenses.

Sec. 29. [GENERAL FUND APPROPRIATION.]

Subdivision 1. [BOND DEBT SERVICE.] \$5,000,000 is appropriated from the general fund to the commissioner of finance to make the debt service payments as provided under section 28.

Subd. 2. [WETLANDS CLEARINGHOUSE AND BEAVER CONTROL.] \$400,000 is appropriated from the general fund for the purposes of this section.

(a) Of this appropriation, \$200,000 must be allocated to the Minnesota extension service in order to establish a wetlands clearinghouse and provide information, appropriate educational opportunities, and other assistance to individuals and interested groups about wetland values and benefits, restoration, creation and enhancement practices, the requirements of this law, and the programs and requirements of other state and federal law.

(b) \$200,000 is appropriated to the commissioner of natural resources for the purpose of contracting for and reimbursing local government for expenses incurred in the abatement and control of beavers causing damage, during the biennium beginning July 1, 1991.

Sec. 30. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 97A.145, subdivision 2; 103A.201; 103B.311, subdivision 6; 103E.701, by adding a subdivision; 103G.005, subdivisions 15 and 18, and by adding subdivisions; 103G.221, subdivision 1; and 103G.231, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; and 103G; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3."

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. 5, 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

#### SMALL EMPLOYER HEALTH BENEFITS

##### Section 1. [62K.01] [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] This chapter may be cited as the "small employer health benefit act of 1991."

Subd. 2. [FINDINGS.] The legislature finds that a significant number of uninsured residents of the state of Minnesota are employed by small employers. Small employers may be unable to purchase affordable health coverage because of the application of mandated benefits to all health plan products and the historical underwriting and rating practices applied by health carriers to small employer groups. The legislature believes that access to health insurance may improve for small employers if specific rating and underwriting restrictions, in conjunction with the use of a reinsurance pool, are imposed on all health carriers doing business in the small employer market, if health carriers are permitted to offer a limited benefit plan, and if a systematic review of proposed new benefits is required.

Subd. 3. [PURPOSE.] The purpose of this chapter is to promote the availability of health insurance to small employers; to impose

certain restrictions on the underwriting and rating of small employer groups; to improve access to health care services to the employees of small employers and their dependents; to establish a reinsurance pool to enable health carriers to more equitably spread the risk of loss associated with small employer business; and to provide for the systematic review of the social and financial impacts of proposed mandated benefits.

Subd. 4. [JURISDICTION.] This chapter applies to any health carrier that offers, issues, delivers, or renews a health benefit plan to one or more employees of a small employer.

Sec. 2. [62K.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of this chapter, the terms defined in this section have the meanings given them unless the language or the context clearly indicates otherwise.

Subd. 2. [ACTUARIAL OPINION.] "Actuarial opinion" means a written statement by a member of the American Academy of Actuaries that a health carrier is in compliance with this chapter, based on the person's examination, including a review of the appropriate records and of the actuarial assumptions and methods utilized by the health carrier in establishing premium rates for health benefit plans.

Subd. 3. [APPROPRIATE COMMITTEE CHAIRS.] "Appropriate committee chairs" means the chair of the health and human services committee and the chair of the insurance committee of the house of representatives, the chair of the commerce committee, and the chair of the health and human services committee of the senate.

Subd. 4. [ASSOCIATION.] "Association" means the small employer reinsurance association created by section 62K.10.

Subd. 5. [BASE PREMIUM RATE.] "Base premium rate" means for each class of business as to a rating period, the lowest premium rate charged or which could have been charged under a rating system for that class of business by the health carrier to small employers with similar case characteristics for health benefit plans with the same or similar coverage.

Subd. 6. [BOARD OF DIRECTORS.] "Board of directors" means the board of directors of the small employer reinsurance association created by section 62K.10.

Subd. 7. [CASE CHARACTERISTICS.] "Case characteristics" means the relevant characteristics of a small employer, as determined by a health carrier, which are considered by the carrier in the determination of premium rates for the small employer. Such

relevant characteristics include, but are not limited to, geographic area, employer group size, benefit differences, and family composition. Age, sex, claims experience, health status, and industry of the employer and duration of issue are not case characteristics for the purposes of this chapter.

Subd. 8. [CLASS OF BUSINESS.] “Class of business” means all of the small employer business of a health carrier as shown on the records of the health carrier except that a health carrier may establish, with the prior written approval of the commissioner, a distinct grouping of small employers:

(1) if a class of business was acquired from another health carrier;  
or

(2) if the class of business relies on substantially different managed care requirements, including but not limited to the use of limited provider networks, prior authorization, concurrent review, discharge planning, and case management.

The commissioner may approve the establishment of additional classes of business upon application to the commissioner and a finding by the commissioner that such action would enhance the efficiency and fairness of the small employer market.

Subd. 9. [COINSURANCE.] “Coinsurance” means an established dollar amount or percentage of health care expenses that an eligible employee or dependent is required to pay directly to a provider of medical services or supplies pursuant to the terms of a health benefit plan.

Subd. 10. [COMMISSIONER.] “Commissioner” means the commissioner of commerce or the commissioners’ designated representative for plans governed by chapter 62A or 62C or the commissioner of health for health maintenance organizations governed by chapter 62D.

Subd. 11. [CONTINUOUS COVERAGE.] “Continuous coverage” means the maintenance of continuous and uninterrupted health plan coverage by an eligible employee or dependent. An eligible employee or dependent shall be deemed to have maintained continuous coverage if the individual requests enrollment in a health benefit plan within 30 days of termination of the prior health plan coverage.

Subd. 12. [DEDUCTIBLE.] “Deductible” means the amount of health care expenses an eligible employee or dependent is required to incur before benefits are payable under a health benefit plan.

Subd. 13. [DEMOGRAPHIC COMPOSITION.] “Demographic

composition” means the age and sex characteristics of eligible employees, the family composition of eligible employees, and the standard age categories used by a health carrier to establish premiums.

Subd. 14. [DEPARTMENT.] “Department” means the department of commerce or the department of health, as applicable.

Subd. 15. [DEPENDENT.] “Dependent” means an eligible employee’s spouse, unmarried child who is under the age of 19 years, dependent child who is a student under the age of 25 years and financially dependent upon the eligible employee, or dependent child of any age who is disabled, subject to the applicable terms of the health benefit plan issued by the health carrier.

Subd. 16. [DURATION OF ISSUE.] “Duration of issue” means a rate factor used to justify higher rates which incorporated the length of time a group is covered by a health carrier, but which does not incorporate claims experience or health status.

Subd. 17. [ELIGIBLE CHARGES.] “Eligible charges” means the actual charges submitted to a health carrier by or on behalf of a provider, eligible employee, or dependent for health services covered by the carrier’s health benefit plan. Eligible charges do not include charges for health services excluded by the health benefit plan or charges for which an alternate carrier is liable pursuant to the coordination of benefit provisions of the health benefit plan.

Subd. 18. [ELIGIBLE EMPLOYEE.] “Eligible employee” means an individual employed by a small employer for at least 20 hours per week on a regular basis and who has satisfied all employer participation and eligibility requirements, including but not limited to the satisfactory completion of a probationary period of not less than 30 days. A late entrant is not an eligible employee.

Subd. 19. [FINANCIALLY IMPAIRED CONDITION.] “Financially impaired condition” means a health carrier which is not insolvent and (1) is deemed by the commissioner to be potentially unable to fulfill its contractual obligations, or (2) is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

Subd. 20. [HEALTH BENEFIT PLAN.] “Health benefit plan” means any policy, contract, or certificate issued by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan as defined in subdivision 33. The term does not include coverage that is:

(1) limited to disability or income protection coverage;

- (2) automobile medical payment coverage;
- (3) supplemental to liability insurance;
- (4) designed solely to provide payments of a per diem, fixed indemnity or nonexpense-incurred basis;
- (5) credit accident and health insurance issued pursuant to chapter 62B;
- (6) designed solely to provide dental or vision care;
- (7) blanket accident and sickness insurance as defined in section 62A.11;
- (8) accident only coverage issued by a licensed and tested insurance agent or solicitors that provides reasonable benefits in relation to the cost of covered services;
- (9) long-term care insurance as defined in section 62A.46; or
- (10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44.

Subd. 21. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended.

Subd. 22. [HEALTH PLAN.] "Health plan" means a health benefit plan issued by a health carrier:

- (1) to a small employer;
- (2) to any employer who does not satisfy the definition of a small employer as set forth in subdivision 31; or
- (3) to any individual purchasing an individual or conversion policy of health care coverage issued by a health carrier.

Subd. 23. [INDEX RATE.] "Index rate" means for each class of business as to a rating period for small employers with similar case characteristics, the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

Subd. 24. [LATE ENTRANT.] "Late entrant" means an eligible employee or dependent who is not enrolled in a small employer's health benefit plan. Late entrants may be subject to a preexisting condition limitation or exclusion from coverage for up to 18 months from the effective date of coverage of the late entrant. An otherwise eligible employee or dependent shall not be a late entrant if:

(1) the individual was covered by another group health plan at the time the individual was eligible to enroll in a health benefit, plan, declined enrollment on that basis, and presents to a health carrier a certificate of termination of such coverage, provided that the individual maintains continuous coverage;

(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1981 (COBRA), Public Law Number 99-272, as amended, and any state continuation laws applicable to the employer or health carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of the date of marriage; or

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of the date of birth or adoption.

Subd. 25. [MANDATED BENEFIT.] "Mandated benefit" means a health plan benefit required by state law to be included in a health plan offered or issued by a health carrier that requires the coverage of or the offer of coverage of specific diseases, conditions, treatments, or services or the direct reimbursement of services rendered by specific types of health care providers.

Subd. 26. [MCHA.] "MCHA" means the Minnesota comprehensive health association established pursuant to section 62E.10.

Subd. 27. [MEDICAL NECESSITY.] "Medical necessity" means the appropriate and necessary medical and hospital services eligible for payment under a health benefit plan as determined by a health carrier.

Subd. 28. [MEMBERS.] "Members" means the health carriers operating in the small employer market who are members of the association.

Subd. 29. [PREEXISTING CONDITION.] "Preexisting condition" means any condition manifesting in such a manner as would cause an ordinarily prudent person to seek medical advice, diagnosis, care,

or treatment or for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the effective date of coverage, or as to a pregnancy existing as of the effective date of coverage of a health benefit plan.

Subd. 30. [RATING PERIOD.] "Rating period" means the calendar period for which premium rates established by a health carrier are assumed to be in effect, as determined by the health carrier.

Subd. 31. [SMALL EMPLOYER.] "Small employer" means any person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the preceding calendar year, employed no less than two nor more than 29 eligible employees. If a small employer has only two eligible employees, the employees must not be the spouse, child, sibling, parent, or grandparent of the other. Entities which are eligible to file a combined tax return for purposes of state tax laws shall be considered a single employer for purposes of determining the number of eligible employees. Small employer status shall be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this act shall continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan.

Subd. 32. [SMALL EMPLOYER MARKET.] "Small employer market" means the market for group health benefit plans for small employers. A health carrier shall be considered to be participating in the small employer market if the health carrier offers, sells, issues, or renews a health plan to any small employer or the eligible employees of a small employer offering a group health benefit plan.

Subd. 33. [SMALL EMPLOYER PLAN.] "Small employer plan" means a health benefit plan issued by a health carrier to a small employer for coverage of the medical and hospital benefits described in section 62K.05.

Subd. 34. [TRANSITION PERIOD.] "Transition period" means January 1, 1993, through December 31, 1993.

### Sec. 3. [62K.03] [PARTICIPATION REQUIREMENTS.]

Subdivision 1. [CARRIER PARTICIPATION.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, offer, sell, issue, and renew a health benefit plan to small employers in accordance with this chapter. Beginning during the transition period, as defined in section 62K.02, subdivision 34, every health carrier participating in the small employer market shall make available a health benefit plan to small employers and shall fully comply with the underwrit-

ing and rate restrictions set forth in this chapter. A health carrier may cease to transact business in the small employer market pursuant to section 62K.09.

Subd. 2. [EXCEPTION TO CARRIER PARTICIPATION.] A health carrier transacting business in the small employer market shall not be required to offer a health benefit plan to small employers pursuant to this chapter if the commissioner finds that such offer would place the health carrier in a financially impaired condition. A health carrier which does not offer a health benefit plan to small employers pursuant to this subdivision shall not offer a health benefit plan to small employers for 180 days following a determination by the commissioner that the health carrier has ceased to be in a financially impaired condition.

Subd. 3. [EMPLOYER PARTICIPATION.] Health carriers shall require that:

(1) 100 percent of a small employer's eligible employees who have not waived coverage participate in any health benefit plan offered, sold, issued, or renewed by the health carrier; and

(2) small employers contribute a minimum of 50 percent of the premium charged by the health carrier for coverage of an eligible employee.

Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted by this chapter. Except as hereinafter permitted with respect to late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee's or dependent's health benefit plan. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by another health benefit plan, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the effective date of coverage of the late entrant. Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation shall not exceed 18 months.

Subd. 5. [CANCELLATIONS.] No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the small employer group; provided, however, that a health carrier may cancel, decline to issue, or fail to renew a health benefit plan:

(1) for nonpayment of the required premium or contributions toward premiums by the small employer or eligible employee;

(2) for fraud or misrepresentation by the small employer, eligible employee, or dependent with respect to their eligibility for coverage or any other material fact;

(3) if eligible employee participation during the preceding calendar year declines to less than 100 percent;

(4) for failure of an employer to comply with the health carrier's premium contribution requirements;

(5) if a health carrier ceases to do business in the small employer market pursuant to section 62K.09;

(6) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including but not limited to any service area restrictions imposed on health maintenance organizations pursuant to section 62D.03, subdivision 4, paragraph (m), and insufficient provider network capacity, as determined by the commissioner, to the extent that these grounds are not expressly inconsistent with this chapter.

Subd. 6. [MCHA ENROLLEES.] Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance of a health benefit plan to a small employer. MCHA enrollees shall be enrolled in the small employer's health benefit plan as of the first date of renewal of a health benefit plan occurring after January 1, 1993, or, in the case of a new group, as of the initial effective date of the health benefit plan. Unless otherwise permitted by this act, health carriers shall not impose any underwriting restrictions, including any preexisting condition limitations on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan so long as continuous coverage is maintained.

#### Sec. 4. [62K.04] [TRANSITION PERIOD.]

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] During the transition period, as defined in section 62K.02, subdivision 34, health carriers participating in the small employer market shall offer and make available a health benefit plan to small employers who satisfy the small employer participation requirements specified in section 62K.03, subdivision 3, and shall comply with the underwriting, rating, and other requirements set forth in sections 62K.03 to 62K.09. Compliance with these requirements is required as of the first renewal date of any small employer group occurring during the transition period. For new small employer

business, compliance is required as of the first date of offering occurring during the transition period.

Subd. 2. [NEW CARRIERS.] A health carrier entering the small employer market after the transition period, as defined in section 62K.02, subdivision 34, shall begin complying with this chapter during the 365-day period beginning with the health carrier's initial offer, issue, or delivery of a health benefit plan to a small employer or an eligible employee of a small employer. Compliance with this chapter's requirements is required as of the first date of offering of a health benefit plan to a small employer. A health carrier entering the small employer market after the transition period shall be deemed to be a member of the small employer reinsurance association established by section 62K.10 as of the date of the health carrier's initial offer of a health benefit plan to a small employer.

Sec. 5. [62K.05] [SMALL EMPLOYER PLAN BENEFITS.]

Subdivision 1. [BENEFIT DESIGN.] The minimum benefits of a small employer plan shall be equal to 80 percent of the cost of health care services covered under the small employer plan, in excess of an annual deductible which shall not exceed \$500 per individual and \$1,000 per family. Coinsurance and deductibles shall not apply to child health supervision services and prenatal services, as defined by section 62A.047.

Out-of-pocket costs for covered services shall not exceed \$3,000 per individual and \$6,000 per family per year. The maximum lifetime benefit shall not be less than \$500,000.

Subd. 2. [MINIMUM BENEFITS.] The medical services and supplies listed in this subdivision are the minimum benefits that must be covered by a small employer plan:

(1) inpatient and outpatient hospital services, excluding services provided for the diagnosis, care or treatment of chemical dependency or a mental illness or condition, other than those conditions specified in clause (10);

(2) physician services for the diagnosis or treatment of illnesses, injuries, or conditions;

(3) diagnostic X rays and laboratory tests;

(4) ground transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition;

(5) services of a home health agency if the services qualify as reimbursable services under Medicare and are directed by a physician;

(6) services of a private duty registered nurse if medically necessary, as determined by the health carrier;

(7) the rental or purchase, as appropriate, of durable medical equipment, other than eyeglasses and hearing aids;

(8) child health supervision services up to age 18, as defined in section 62A.047;

(9) maternity and prenatal care services as defined in section 62A.047; and

(10) inpatient and outpatient physician and hospital services for the diagnosis and treatment of certain mental illnesses or conditions, as defined by the International Classification of Diseases-Clinical Modification (ICD-9-CM), seventh edition (1990) and as classified as ICD-9 codes 295 to 299.

Subd. 3. [ADDITIONAL BENEFITS.] Health carriers may offer small employers additional benefits not listed in this section.

Subd. 4. [BENEFIT EXCLUSIONS.] No medical, hospital, or other health care benefits, services, supplies, or articles not expressly set forth in subdivision 2 are required to be included in a health benefit plan. Nothing in subdivision 2 shall restrict the right of a health carrier to restrict coverage to those services which are medically necessary. Health carriers may exclude any benefit, service, supply, or article not expressly set forth in subdivision 2 from a health benefit plan.

Subd. 5. [CONTINUATION COVERAGE.] Health benefit plans must include only the continuation of coverage provisions required by the Consolidated Omnibus Reconciliation Act of 1981 (COBRA), Public Law Number 99-272, as amended.

Subd. 6. [DEPENDENT COVERAGE.] Other state law and rules applicable to health plan coverage of newborn infants, dependent children who do not reside with the eligible employee, handicapped children, and dependents and adopted children shall apply to a health benefit plan, provided, however, that section 62A.151 shall not apply to a health benefit plan issued to small employers.

Subd. 7. [MEDICAL EXPENSE REIMBURSEMENT.] Health carriers may reimburse or pay for medical services provided pursuant to a health benefit plan in accordance with the health carrier's provided contract requirements including but not limited to salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnostic-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop,

implement, or change its provider contract requirements for a health benefit plan. Coinsurance, deductibles, out-of-pocket maximums, and maximum lifetime benefits must be calculated and determined in accordance with each health carrier's standard business practices.

Subd. 8. [PLAN DESIGN.] Notwithstanding any other law, regulation, or administrative interpretation to the contrary, health carriers may offer a health benefit plan through any provider arrangement, including but not limited to the use of open, closed, or limited provider networks. Health carriers may use any utilization management practices otherwise permitted by law, including but not limited to second surgical opinions, prior authorization, concurrent and retrospective review, referral authorizations, case management and discharge planning. A health carrier may contract with groups of providers with respect to health care services of benefits, and may negotiate with providers regarding the level or method of reimbursement provided for services rendered under a health benefit plan.

**Sec. 6. [62K.06] [DISCLOSURE OF UNDERWRITING RATING PRACTICES.]**

When offering or renewing a health benefit plan, health carriers shall disclose in all solicitation and sales materials:

(1) the case characteristic factors used to determine initial and renewal rates, including demographics, claim experience, health status, benefit design, industry of the small employer, or duration of issue;

(2) the extent to which premium rates for a small employer are established or adjusted based upon actual or expected variation in claim experience;

(3) provisions concerning the health carrier's right to change premium rates and the factors other than claim experience that affect changes in premium rates;

(4) a description of the class of business in which a small employer is or will be included, including the applicable grouping of plan;

(5) provisions relating to renewability of coverage; and

(6) the use and effect of any preexisting condition provisions, if permitted.

**Sec. 7. [62K.07] [SMALL EMPLOYER REQUIREMENTS.]**

Subdivision 1. [VERIFICATION OF ELIGIBILITY.] Small em-

employers purchasing a health benefit plan shall maintain information verifying the continuing eligibility of the employer, its employees, and their dependents and shall provide such information to health carriers on a quarterly basis or as reasonably requested by the health carrier.

Subd. 2. [WAIVERS.] Small employers participating in a health benefit plan shall maintain written documentation of a waiver of coverage by an eligible employee or dependent and shall provide such documentation to the health carrier upon reasonable request.

**Sec. 8. [62K.08] [RESTRICTIONS RELATING TO PREMIUM RATES.]**

Subdivision 1. [RATE RESTRICTIONS.] Premium rates for all health benefit plans sold or issued to small employers shall be subject to the following restrictions:

(a) [INDEX RATE.] Between classes of business, the index rate for a rating period for any class of business must not exceed the index rate for any other class of business by more than 20 percent, adjusted pro rata for periods less than one year.

(b) [PREMIUM VARIATIONS.] Within a class of business, the premium rates charged during a rating period to small employers with similar case characteristics for the same or similar coverage, or the rates which could be charged to such employers under the rating system for that class of business, shall be limited to the index rate, plus or minus 30 percent of the index rate, adjusted pro rata for rating periods of less than one year.

(c) [ANNUAL PREMIUM INCREASE.] The percentage increases in the premium rate charged to a small employer for a new rating period may not exceed the sum of the following:

(1) the percentage change in the index rate measured from the first day of the prior rating period to the first day of the new rating period;

(2) an adjustment, not to exceed 15 percent annually and adjusted pro rata for rating periods of less than one year, due to the claims experience, health status, or duration of issue of the eligible employees or dependents of the small employer as determined from the health carrier's rate manual for the class of business; and

(3) any adjustment due to change in coverage, demographic composition, or change in the case characteristics of the small employer as determined from the health carrier's rate manual for the class of business.

Subd. 2. [TABLE RATING.] The difference between the highest premium rate for all rate tables and the lowest premium rate for all rate tables within a class of business for small employers with similar case characteristics must be limited to the average premium rate for all rate tables, plus or minus 30 percent, adjusted pro rata for rating periods of less than one year.

Subd. 3. [INVOLUNTARY TRANSFERS PROHIBITED.] A health carrier shall not involuntarily transfer a small employer into or out of a class of business. A health carrier shall not offer to transfer a small employer into or out of a class of business unless such offer is made to transfer all small employers in the class of business without regard to case characteristics, age, sex, claim experience, health status, industry of the employer, or duration of issue.

Sec. 9. [62K.09] [CESSATION OF SMALL EMPLOYER BUSINESS.]

Subdivision 1. [NOTICE TO COMMISSIONER.] A health carrier electing to cease doing business in the small employer market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the following activities:

(1) the elimination of a class of business by a health carrier so long as other classes of business are maintained;

(2) the failure of a health carrier to offer or issue new business in the small employer market or continue an existing product line, provided that a health carrier does not terminate, cancel, or fail to renew its current small employer business or other product lines; and

(3) the inability of a health maintenance organization to offer or renew a health benefit plan because it has demonstrated to the satisfaction of the commissioner that it will not have the capacity within its service area to adequately deliver services to the enrollees of health benefit plans because of its obligations to existing large group contract holders and enrollees.

Subd. 2. [NOTICE TO EMPLOYERS.] A health carrier electing to cease doing business in the small employer market shall provide 120 days' written notice to each small employer covered by a health benefit plan issued by the health carrier. Any health carrier that ceases to write new business in the small employer market shall continue to be governed by this act with respect to continuing small employer business conducted by the carrier.

Subd. 3. [REENTRY PROHIBITION.] A health carrier that ceases

to do business in the small employer market after the effective date of this act shall be prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner. This subdivision shall apply to any health maintenance organization that ceases to do business in the small employer market in one service area with respect to that service area only.

Sec. 10. [62K.10] [REINSURANCE ASSOCIATION.]

Subdivision 1. [NONPROFIT CORPORATION.] The small employer reinsurance association is a nonprofit corporation.

Subd. 2. [PURPOSE.] The association is established to provide for the fair and equitable transfer of risk associated with participation by a health carrier in the small employer market to a private reinsurance pool created and maintained by the association. The participation by a health carrier in the reinsurance pool is voluntary.

Subd. 3. [TASK FORCE.] The commissioner of commerce shall establish a six-member task force to develop the rules of participation in and operating guidelines for the reinsurance pool. Members of the task force must be representative of the member's respective share in the small employer market during the preceding year. One member must be representative of an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident or sickness insurance. One member must be representative of a non-profit health service plan corporation regulated under chapter 62C. One member must be representative of a health maintenance organization regulated under chapter 62D. One member must be the commissioner of health or designated representative.

Subd. 4. [APPOINTMENT.] The commissioner shall appoint the members of the task force no later than June 15, 1991.

Subd. 5. [REPORT.] The task force shall report to the legislature on their recommendations for operation of the reinsurance association no later than January 15, 1992. The report must include recommendations regarding the transfer of risk to the association, assessments, board composition, and operation of the association. The report must include recommendations regarding statutory changes necessary for implementation of the reinsurance association by January 1, 1993.

Sec. 11. [62K.11] [SUPERVISION BY COMMISSIONER.]

Subdivision 1. [REPORTS.] Health carriers doing business in the small employer market shall file by April 1 of each year an annual actuarial opinion with the commissioner certifying that the health

carrier is in compliance with the underwriting and rating requirements of this chapter and that the rating methods used by the carrier are actuarially sound. Health carriers shall retain a copy of such opinion at its principal place of business.

Subd. 2. [RECORDS.] Health carriers doing business in the small employer market shall maintain at their principal place of business a complete and detailed description of their rating practices, including information and documentation which demonstrate that a health carrier's rating methods and practices are based upon commonly accepted actuarial assumptions and are in accordance with sound actuarial principles.

Subd. 3. [SUBMISSIONS TO COMMISSIONER.] The commissioner may request information and documentation from a health carrier describing its rating practices and renewal underwriting practices, including information and documentation that demonstrates that a health carrier's rating methods and practices are in accordance with sound actuarial principles. Any information received by the commissioner pursuant to this subdivision is nonpublic data pursuant to section 13.37.

#### Sec. 12. [62K.12] [PENALTIES AND ENFORCEMENT.]

The commissioner may suspend or revoke a health carrier's license or certificate of authority or impose a monetary penalty not to exceed \$25,000 for each violation of this chapter. Such action shall be by order and subject to the notice, hearing, and appeal procedures set forth in section 60A.051. The action of the commissioner shall be subject to judicial review pursuant to chapter 14.

#### Sec. 13. [62K.13] [PROHIBITED PRACTICES.]

Subdivision 1. [PROHIBITION ON ISSUANCE OF INDIVIDUAL POLICIES.] Health carriers operating in the small employer market shall not offer, issue, or renew an individual policy, subscriber contract, or certificate to any eligible employee or dependent of a small employer who satisfies the employer participation requirements set forth in section 62K.03, subdivision 3, except as permitted in subdivision 2.

Subd. 2. [EXCEPTIONS.] (a) Health carriers may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage pursuant to section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) Health carriers may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage as a result of the expiration of any continuation

of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

Subd. 3. [SALE OF OTHER PRODUCTS.] A health carrier shall not condition the offer, sale, issuance, or renewal of a health benefit plan on the purchase by a small employer of other insurance products offered by the health carrier or a subsidiary or affiliate of the health carrier, including but not limited to life, disability, property, and general liability insurance. This prohibition shall not apply to insurance products offered as a supplement to a health maintenance organization plan to provide coverage to enrollees for health care services and supplies received from providers who are not employed by, under contract with, or otherwise affiliated with the health maintenance organization.

## ARTICLE 2

### HEALTH CARE COST CONTAINMENT

Section 1. [62K.19] [MANDATORY REVIEW OF MANDATED BENEFITS.]

Subdivision 1. [SCOPE.] This section applies to any amendments or revisions to the minimum benefits set forth in section 62K.05, and to newly enacted, amended, or revised benefits applicable to any health plan.

Subd. 2. [EVALUATION PROCESS.] Any person, association, or organization seeking consideration of a legislative proposal that would mandate a new, revised, or amended minimum benefit or the offering of a new, revised, or amended minimum benefit by a health carrier in a health plan shall submit to the department of health a report assessing the social and financial impact of the proposed benefit. The appropriate committee chairs shall also refer all legislative proposals for new health plan benefits or amendments to current health plan benefits to the department of health for review and evaluation.

Subd. 3. [EVALUATION CRITERIA.] Upon receipt of a legislative proposal, the commissioner of health shall evaluate the social and financial impact of a proposed change, amendment, revision, or addition to a health plan using the following criteria, to the extent that reliable information is available:

(1) the extent to which the treatment or service is utilized by a significant portion of the population;

(2) the extent to which the treatment or service is medically effective;

(3) the extent to which health plan coverage is currently generally available without a mandate;

(4) if coverage is not generally available, the extent to which lack of coverage results in persons being unable to obtain necessary health care;

(5) if coverage is not generally available, the extent to which lack of coverage results in unreasonable financial hardship;

(6) the level of public demand for the treatment or for health plan coverage of the treatment;

(7) the extent to which health plan coverage would increase or decrease the cost of treatment or service;

(8) the extent to which health plan coverage may increase the use of the treatment or service;

(9) the extent to which the treatment or service may be a substitute or alternative for a more expensive treatment;

(10) the extent to which health plan coverage can reasonably be expected to increase or decrease premiums and the administrative expenses of health carriers; and

(11) the impact of the proposed mandate on the total cost of health care.

The commissioner of health may request the appropriate committee chairs to rank the proposals referred under this section to enable the commissioner to evaluate them in order of importance.

Subd. 4. [QUALIFIED EXPERTS.] The commissioner of health may contract with qualified experts in the disciplines of biostatistics, epidemiology, health economics, medicine, underwriting, and health sciences research to review the social and financial impact of proposed mandates. Qualified experts under contract to the department of health shall provide a written report of their analysis. The qualified experts shall evaluate the social and financial impact of the proposed mandate using the criteria stated in subdivision 3.

Subd. 5. [PUBLIC COMMENT.] The commissioner of health shall publish in the State Register a description of the proposed change in mandated benefits and a notice soliciting public comment on the proposal. The commissioner shall receive written public comments from interested persons for 30 days from the date of publication in the State Register. All data or comments submitted to the commissioner are public data, unless the provider of the data requests that it be held as trade secret information and maintained as nonpublic

data, as defined by section 13.02, subdivision 9. All public comments submitted to the auditor shall, to the extent feasible, address the criteria stated in subdivision 3 and shall be forwarded to any qualified experts retained by the commissioner.

Subd. 6. [COMMISSIONER'S DUTIES.] The commissioner of health shall review reports received from qualified experts and public comments. The commissioner shall issue a recommendation in the form of a written report that shall incorporate the reports of qualified experts and public comments. The report must be issued no later than 120 days after the date of submission pursuant to subdivision 2. The commissioner shall forward this recommendation to the appropriate committee chairs, the speaker of the house, and the majority leader of the senate.

Sec. 2. [144.1463] [TECHNOLOGY AND BENEFITS ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP.] The commissioner shall convene a technology and benefits advisory committee consisting of 11 members. The membership shall consist of the following:

(1) a practicing physician with broad knowledge of developments in medical technology and medical care services innovations;

(2) a medical researcher specializing in development of new medical technology and services;

(3) a nurse experienced in high-technology medical care;

(4) an individual with expertise in biomedical ethics;

(5) two representatives of third-party payors of health care costs, one representing a managed care plan, the other representing another health insurance model;

(6) three consumers of health care services; and

(7) two employers, one representing a firm with fewer than 49 employees, and one representing a firm with 50 or more employees, who offer health insurance plans under chapter 62A, 62C, or 62D to their employees.

Subd. 2. [DUTIES.] The technology and benefits advisory committee is responsible for periodically reviewing, analyzing, and evaluating health care technology, benefits, and coverage, and making recommendations to the commissioner. The committee's recommendations must be based on the following principles: (1) equitable access to health care procedures and technologies; (2) maintaining an appropriate balance between expenditures for primary and

preventive care, and expenditures for high-cost cases; (3) promotion of high-quality and cost-effective health care; and (4) containment of health care cost increases. The committee shall make recommendations to the commissioner on proposed additions or deletions of benefit mandates under chapters 62A, 62C, 62D, and 62E and to programs of health care coverage financed or administered by the state, including, but not limited to, the state employees' health plan.

### Sec. 3. [MEDICAL MALPRACTICE STUDY.]

The commissioner of health shall study the causes of increasing medical malpractice costs, and the impact of these increased costs on access to medical care. The commissioner shall consider the use of alternative dispute resolution mechanisms, such as arbitration and mediation, as alternatives to litigation, the use of documented medical care protocols and guidelines, and any other strategies for limiting malpractice costs without depriving consumers of due process and just compensation for redress of harm resulting from negligence or incompetence. In conducting this study, the commissioner shall consult with medical care providers, attorneys with experience in malpractice litigation, experts in alternative dispute resolution, consumers, and third party payors of health care costs. The commissioner shall report to the legislature with recommendations on or before July 1, 1992.

### Sec. 4. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1993, for the purposes of this article.

## ARTICLE 3 ADMINISTRATION

### Section 1. [HEALTH PLANNING.]

Subdivision 1. [DUTIES OF THE COMMISSIONER.] The commissioner of health shall prepare a statewide health plan to establish long-term goals for improving the health of Minnesota citizens. The goals shall include, but need not be limited to:

(1) improving the health care delivery system, including Minnesota's public health infrastructure;

(2) increasing access to quality health care, both financial and geographic;

(3) reducing the occurrence of diseases or conditions that are influenced by lifestyle choices and cultural norms;

(4) reducing the incidence of vaccine-preventable disease;

(5) reducing the transmission of HIV infection and other sexually transmitted disease in Minnesota;

(6) reducing the occurrence and severity of chronic disease;

(7) reducing the occurrence of environmentally induced and occupationally induced disease;

(8) reducing the incidence of mortality and morbidity resulting from injury;

(9) improving the health status of Minnesota's communities of color;

(10) improving the health status of women of child-bearing age and their children; and

(11) improving the health of Minnesota's elderly citizens.

Subd. 2. [HEALTH PLANNING ADVISORY COMMITTEE.] The commissioner shall appoint a health planning advisory committee, which shall advise the commissioner in developing the state health plan and long-term goals under subdivision 1. The committee shall serve for two years, and shall consist of the following:

(1) two physicians, one primary care physician, and one specialist;

(2) one nurse;

(3) one member representing an allied health occupation;

(4) one representative of a hospital;

(5) one representative of a nursing home;

(6) two representatives of third-party payors of health care costs, one representing a managed care plan, the other representing a different health insurance model; and

(7) five consumers, of whom two shall be persons of color.

In appointing the committee, the commissioner shall ensure that all regions of the state are represented.

## Sec. 2. [HEALTH PROGRAM CONSOLIDATION PLAN.]

The commissioner of health, with assistance from the commissioner of human services and the commissioners of other state agencies, shall by January 1, 1993, report to the legislature on the potential benefits of consolidating, through merger or reconfiguration, health benefit programs administered, funded, or provided by state and local government. These programs include, but are not limited to: medical assistance, general assistance medical care, the children's health plan, the Minnesota comprehensive health association, the maternal and child health program, the services for children with handicaps program, state and local government employee health benefits programs, corrections system health programs, and the health care components of workers' compensation coverage and motor vehicle and motorcycle coverage. The report must identify programs for which consolidation is appropriate, and provide an implementation plan that significantly improves the cost-effectiveness of public and private health care purchasing. The report must also recommend any legislative changes needed for effective program consolidation.

## Sec. 3. [HEALTH PLAN REGULATION STUDY.]

The commissioner of health and the commissioner of commerce shall develop a plan for the division of regulatory authority over health plans. The plan must allow each commissioner to exercise the independent authority to the greatest extent possible and must minimize jurisdictional overlaps. This plan must be presented to the legislature by July 1, 1992.

## Sec. 4. [MANAGED CARE ORGANIZATION STUDY.]

The commissioner of health, in consultation with the commissioner of commerce, shall study the need for regulation of organizations which provide utilization review or which operate limited-access health care provider networks on behalf of payors of health care costs not regulated under Minnesota Statutes, chapter 62A, 62C, or 62D. If the commissioner determines that regulation is necessary to ensure adequate and appropriate access to quality medical care, the commissioner shall present a plan for regulation in the report. This report shall be presented to the legislature by July 1, 1992.

## Sec. 5. [APPROPRIATION.]

\$...... is appropriated from the general fund for the biennium ending June 30, 1993, to the commissioner of health for the purposes of this article.

## ARTICLE 4

## DATA COLLECTION AND RESEARCH INITIATIVES

## Section 1. [144.7061] [HEALTH CARE ANALYSIS UNIT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health 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 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) provide technical assistance as needed to the department of health;

(5) periodically evaluate the state's existing health care financing and delivery programs;

(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;

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

(10) provide technical assistance to the administrator of the outcomes-based pilot project established in article 5.

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 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 department of health working on unit 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 department of health; 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 health shall seek federal funding, and funding from private and other non-state sources, for the initiatives of the health care analysis unit.

## Sec. 2. [144.7063] [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. [144.7065] [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 coordinate 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. [144.7067] [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. [144.7069] [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 exam-

inee 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 performed 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 health, for the biennium ending June 30, 1993, to establish a health care analysis unit and implement the initiatives required by sections 1 to 7.

ARTICLE 5  
OUTCOMES-BASED PILOT PROJECT

Section 1. [144.7071] [LEGISLATIVE INTENT AND FINDINGS.]

The legislature finds that the use of health care practice guidelines combined with an outcomes-based approach to health care management offers unique opportunities to avoid unnecessary and ineffective health care by providing consumers, providers, and payors with necessary information and incentives to identify and purchase health care that works. The savings that could be realized through the implementation of such a system on a statewide basis, as well as the improvement in the quality of care being provided, makes the goal of providing affordable, quality health care to all the citizens of the state much easier to attain.

Therefore, the legislature finds it to be appropriate and desirable to conduct an innovative pilot project to design, implement, administer, and evaluate an outcomes-based model of health care management, incorporating practice guidelines.

The cost savings realized by the project will be used to periodically expand the project to include more participants, providers, and care delivered under guidelines. The ultimate goal of the project will be to generate sufficient cost savings to expand the project to include all citizens of the state who do not have health care coverage.

Sec. 2. [144.7073] [CONSUMERS' HEALTH IMPROVEMENT PLAN PILOT PROJECT.]

Subdivision 1. [INITIAL PROJECT AREA.] The commissioner of health shall select an area or areas of the state in which to initiate the consumers' health improvement plan pilot project according to the following criteria:

(a) The initial pilot project area or areas shall include sufficient numbers of health care providers practicing in sufficient numbers of health care specialties to ensure full access to all necessary, effective health care by pilot project participants.

(b) The initial pilot project area or areas shall be of sufficient size to include as residents at least 15,000 uninsured persons and at least 25,000 persons insured under existing programs of public or private health insurance.

The commissioner shall supervise all aspects of the project.

Subd. 2. [SELECTION OF ADMINISTRATOR.] The commissioner shall select an administrator for the project by competitive

bid. The administrator must have demonstrated experience in at least the following areas:

- (1) health care management;
- (2) claims administration;
- (3) the management of health care information systems;
- (4) the use of practice guidelines within an outcomes-based management system; and
- (5) the direct provision of health care.

Subd. 3. [ADMINISTRATOR'S DUTIES.] The administrator shall consult regularly with the health care analysis unit, established in article 4, in carrying out the duties assigned in this subdivision. The administrator's duties are as follows:

(a) Establish a process for the initial approval, revision, and addition of practice guidelines which are submitted by each provider's professional association, and by the health care analysis unit established in article 4, for use by providers participating in the pilot project. The practice guidelines to be implemented in the pilot project are those objective findings or circumstances that when present document that the initiation of health care is necessary to preserve or improve health. All guidelines implemented must be supported by medical or health literature citations from appropriately controlled studies so as to minimize unnecessary, unproven or ineffective care.

(b) Adopt a provider fee schedule and negotiate hospital and other health service and supply contracts, including but not limited to contracts for drugs and medical equipment, in which fees for services and supplies are equivalent to those prevailing under other local third-party payers, except that to the extent possible, reimbursement shall be linked to providers' success in achieving the objective of the pilot project to identify and deliver necessary and effective health care.

(c) Establish system requirements for an outcomes-based management system incorporating practice guidelines for use in the pilot project. System requirements shall be broad enough to allow use of more than one brand or variety of software or hardware provided that they meet the compatibility objectives of this subdivision. System requirements shall include the following:

(1) The software selected shall allow for direct, automated inputting of all information collected in connection with the delivery of health care, including, but not limited to, history and examination

data and data relating to clinical and functional status and satisfaction with care.

(2) The software shall allow participating providers to precertify participants for treatment on the basis of health need; and, once treatment has been rendered, to measure outcome against the cost of care.

(3) System hardware and software shall be capable of being operated from participating providers offices; and, to the extent practicable, shall emphasize on-site health care management by providers.

(4) The system shall include a report function to allow both providers and consumers access to individual data, which shall be nonpublic and private, concerning both the consumers' course of treatment and summary data concerning the comparative outcomes of treatment in similar cases, which shall be public.

(d) Establish and maintain the Minnesota health outcomes database as follows:

(1) determine uniform specifications for the collection, transmission, and maintenance of health outcomes data for the pilot project; and

(2) conduct studies and research on the following subjects:

(i) new and revised practice guidelines to be used in connection with the pilot project;

(ii) the comparative effectiveness of alternative modes of treatment, medical equipment, and drugs;

(iii) the relative satisfaction of participants with their care, determined with reference to both provider and mode of treatment;

(iv) the cost versus the effectiveness of health care treatments; and

(v) the impact on cost and effectiveness of health care of the management techniques and administrative interventions used in the pilot project.

(e) Issue rules relating to the administration of the pilot project. At a minimum, the rules must provide that:

(1) any licensed provider who agrees to render care subject to approved practice guidelines and who agrees to implement the

project's outcomes-based management system may participate in the pilot project; and

(2) initially, participation by pilot project providers is limited to those maintaining offices within 30 miles of the pilot project area or areas. The administrator may also designate providers from outside this area to assure that participants have full access to covered health care. Additional providers will be added as the project expands.

(f) Establish appropriate financial incentives and disincentives designed to further the purposes of the project, including the application or waiver of copayments and deductibles.

(g) Establish appropriate eligibility, enrollment, and payment provisions consistent with the purposes of the project.

Subd. 4. [PARTICIPATION.] (a) All persons residing in the pilot project area who do not have health care coverage are eligible to participate in the project.

(b) All persons covered under state-subsidized health programs who reside in the pilot project area shall be required to participate in the pilot project to the extent that they seek care for which there are approved providers providing care subject to approved guidelines.

(c) Any of the following privately insured persons may receive care rendered subject to practice guidelines by pilot project providers, if they live in the pilot project area and they and their insurer consent to their participation, and agree to share data relating to cost and outcome with the pilot project administrator:

(1) persons covered by self-insured plans; and

(2) persons covered by health plans purchased from private carriers.

Subd. 5. [COVERAGE FOR HEALTH CARE FOR PILOT PROJECT PARTICIPANTS.] (a) The administrator shall determine basic health care coverage for persons who do not have health care coverage. That coverage shall include:

(1) care that is necessary and effective, as determined by reference to approved practice guidelines and validated by measurement of outcomes;

(2) care, including preventive care, determined by the administrator to be necessary, and for which there exists sufficient study or

research data to support a finding that the care is necessary and effective; and

(3) other care determined by the administrator to be covered, but for which there is insufficient study or research data to support a finding of necessity or effectiveness.

(b) Coverage for persons enrolled in state-subsidized health programs shall be that which is set forth in their benefits agreements:

(1) except that for care of proven effectiveness delivered subject to approved guidelines, such coverage, including choice of provider, shall be limited to care obtained from participating providers;

(2) except that coverage shall be supplemented with preventive care as defined by the Guidelines of the United States Task Force on Preventive Care to the extent it is necessary and effective; and

(3) a waiver of federal regulations shall be requested with respect to coverage mandated by federal law whenever care is provided under guidelines or standards by pilot project providers.

(c) Coverage for persons enrolled in private health plans directed to pilot project participating providers by their carriers shall be that set forth in their benefits agreements:

(1) provided, however, that this coverage may be limited to care rendered subject to practice guidelines; and

(2) provided further that preventive care from pilot project providers shall be made available to the extent it is necessary and effective care.

(d) The administrator shall take such steps as may be reasonable and necessary to reconcile existing health coverage with care provided participants by pilot project providers. Any conflict between existing health coverage and pilot project guidelines shall be resolved in favor of the pilot project guidelines.

(e) Coverage for persons who do not otherwise have health care coverage and persons enrolled in state-subsidized health programs based upon benefits shall be converted to coverage based upon need and effectiveness at the earliest possible date.

(f) The administrator shall make every possible effort to eliminate barriers to access to health care determined to be both necessary and effective and take steps to eliminate access to health care not determined to be necessary and effective.

Subd. 6. [PROVIDER PANELS.] (a) The administrator shall appoint panels of providers who shall assist the administrator in determining what additional practice guidelines are needed and which existing ones need revising.

(b) These panels shall also advise the administrator about adding participants and providers during the course of the project to maximize the cost savings generated by the project and to expand its size and scope to the extent practicable.

(c) New and revised practice guidelines shall be implemented based on referred medical journals and published studies that conform to the requirements of controlled studies and the scientific method of inquiry and after consultation with the appropriate panel of providers.

Subd. 7. [PAYMENT OF CLAIMS AND FINANCIAL INCENTIVES PAID TO PILOT PROJECT PROVIDERS.] (a) Participating providers shall be paid on the basis of fee schedules, contracts, and to the extent they are cost effective, financial incentives established by the administrator.

(b) The administrator shall conduct periodic audits of pilot project providers office-based outcomes management systems to ensure that cost and effectiveness data is accurately reported and pilot project guidelines are adhered to.

Subd. 8. [GENERAL ADMINISTRATION.] The administrator shall establish a pilot project administrative office, hire staff and arrange working relationships with persons currently employed by the state of Minnesota in the administration of health coverage programs, initiate procedures designed to identify and recruit persons who do not have health care coverage, persons currently enrolled in state-subsidized health programs and privately insured persons for participation in the pilot project, determine and administer care and coverage for persons who do not have health care coverage participating in the pilot project and administer care provided other persons participating in the pilot project.

Subd. 9. [ASSISTANCE.] State departments, agencies, boards, and commissions shall provide the assistance the commissioner of health and the administrator require to design, implement, administer, and evaluate the pilot project. The evaluation shall include an estimate of the savings accrued by state financed health care programs due to the pilot project.

These departments, agencies, boards, and commissions shall work with the commissioner of health to ensure maximum participation by persons enrolled in health care programs under their supervision not only to further the purposes of the pilot project, but as an attempt to achieve significant cost savings in those programs.

Subd. 10. [REPORTS.] The commissioner shall, by the end of January of each year the pilot project is operating, provide a detailed report to the legislature. The report must include a review by the administrator of the:

- (1) the outcomes of care provided in the pilot project;
- (2) progress in implementing, expanding or revising practice guidelines for use in connection with all necessary and effective modes of treatment used in the pilot project;
- (3) actual improvements in quality of care achieved as a result of providing only care that is necessary and effective;
- (4) actual savings achieved as a result of rendering only necessary and effective care;
- (5) the impact of the pilot project's systems, technologies, and methods on all providers and other participants, health care, and the health care delivery system in general;
- (6) progress in eliminating barriers to access to necessary and effective care rendered participants enrolled in the pilot project; and
- (7) results likely to be achieved were the pilot project to be extended to include additional persons who do not have health care coverage and additional persons currently enrolled in state or employer financed health insurance programs.

The report may include suggestions for additional legislation or legislative changes needed to aid in the administration of the project.

In the report due January 1, 1993, and each subsequent year, the administrator shall make recommendations regarding any expansion of the project during the next year, including expanding the project area, the number of participants and providers, and the practice guidelines to be added, or the termination of the pilot project.

The costs of this expansion may not exceed the actual cost savings generated by the project.

### Sec. 3. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of health for the purposes of section 2. The appropriation is available until expended.

### Sec. 4. [REPEALER.]

This article is repealed July 1, 1996."

Delete the title and insert:

"A bill for an act relating to health; establishing a health benefit plan for small employers; establishing mechanisms for containing health care costs; requiring long-term goals for improving the health of Minnesotans; requiring a plan for health program consolidation; establishing a health care analysis unit and requiring data collection and research initiatives; establishing an outcomes-based pilot project; appropriating money; amending Minnesota Statutes 1990, section 147.091, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 62K; 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.

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

H. F. No. 100, A bill for an act relating to health; imposing an additional fee on classified drivers licenses; establishing the emergency medical services personnel account; establishing an incentive plan for ambulance service personnel; setting plan requirements; amending Minnesota Statutes 1990, section 171.06, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 353E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 171.06, is amended by adding a subdivision to read:

Subd. 2b. [FEES INCREASED.] The fees for classified drivers license and classified under 21 drivers licenses in subdivision 2 are increased by \$2. This increase does not apply to duplicate drivers licenses. The additional fees must be paid into the state treasury and credited to the emergency medical services personnel account established in section 2.

Sec. 2. Minnesota Statutes 1990, section 353D.01, is amended to read:

353D.01 [PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN.]

Subdivision 1. [ESTABLISHMENT.] The public employees defined contribution plan is administered by the public employees retirement association under supervision of the association board of trustees. To assist it in governing the operations of the plan, the board may appoint an advisory committee of not more than nine members who are representative of the employers and employees who participate in the plan.

Subd. 1a. [EMERGENCY MEDICAL SERVICES PERSONNEL ACCOUNT.] A separate account is created in the general fund to be known as the emergency medical services personnel account. The account consists of all funds deposited in the general fund from the additional drivers license fee, and all funds forfeited under sections 9 and 10. Investment earnings on money in the account must be credited to the account.

Subd. 1b. [APPROPRIATION.] Money from the emergency medical services account is appropriated on January 1 each year to the public employees retirement association to fund the ambulance service personnel incentive program as provided in section 353D.031.

Subd. 2. [ELIGIBILITY.] (a) Except as provided in section 353D.11, eligibility to participate in the retirement plan is open to:

(1) an elected local government official of a governmental subdivision who elects to participate in the plan who is not a member of the public employees retirement association within the meaning of section 353.01, subdivision 7, and to;

(2) basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate; and

(3) a person who qualifies to have an ambulance service personnel incentive payment made on the person's behalf under section 353D.031.

(b) For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Elected local government official does not include an elected county sheriff. Except as provided in section 353D.11, elected local government officials and first response personnel and emergency medical service personnel who are currently covered by a public or

private pension plan because of their employment or provision of services are not eligible to participate in the plan.

Sec. 3. Minnesota Statutes 1990, section 353D.02, is amended to read:

353D.02 [ELECTION OF COVERAGE.]

Eligible (a) Elected local government officials eligible under section 353D.01, subdivision 2, paragraph (a), clause (1), may elect to participate in the plan after being elected or appointed to a public office by filing an application to participate on a form prescribed by the executive director of the association. Participation begins on the first day of the month after the application is received in the association's office or on the date when the term of office commences, whichever date is later. An election to participate in the plan is irrevocable during incumbency in office.

Each (b) For personnel eligible under section 353D.01, subdivision 2, paragraph (a), clause (2), a public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity with eligible personnel may elect to participate in the plan. If a service elects to participate, its eligible personnel may elect to participate or to decline to participate. An individual's election must be made within 30 days of the service's election to participate or 30 days of the date on which the individual was employed by the service or began to provide service for it, whichever date is later. An election by a service or an individual is irrevocable.

(c) A person eligible under section 353D.01, subdivision 2, paragraph (a), clause (3), may elect to participate in the plan. The person must elect to participate or decline to participate by June 30, 1994, or by June 30 of the fiscal year after June 30, 1994, which the person first becomes qualified to have an ambulance service personnel incentive payment made on the person's behalf under section 353D.031.

Sec. 4. [353D.021] [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION TO PROVIDE PLAN INFORMATION TO CERTAIN AMBULANCE ATTENDANTS.]

The public employees retirement association shall undertake all practical efforts to inform ambulance attendants, ambulance drivers, and ambulance service medical directors on an ongoing basis about the ambulance service personnel incentive program and their eligibility to elect to participate in this plan. The commissioner of health and the executive director of the state board of investment shall provide all reasonable assistance to the public employees retirement association in preparing relevant information on the incentive program and the plan.

Sec. 5. Minnesota Statutes 1990, section 353D.03, is amended to read:

353D.03 [FUNDING OF PLAN.]

(a) An eligible elected local government official eligible under section 353D.01, subdivision 2, paragraph (a), clause (1), who elects to participate in the public employees defined contribution plan shall contribute an amount equal to five percent of salary as defined in section 353.01, subdivision 10. A participating elected local government official's governmental subdivision shall contribute a matching amount.

(b) A public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate in the plan shall fund benefits for its qualified personnel eligible under section 353D.01, subdivision 2, paragraph (a), clause (2), who individually elect to participate, except that personnel who are paid for their services may elect to make member contributions in an amount not to exceed the service's contribution on their behalf. Ambulance service contributions on behalf of salaried employees must be a fixed percentage of salary. An ambulance service making contributions for volunteer or largely uncompensated personnel may assign a unit value for each call or each period of alert duty for the purpose of calculating ambulance service contributions. ambulance service contributions. An ambulance service with personnel for whom funding is provided under the paragraph that has ambulance attendants, ambulance drivers, and ambulance service medical directors qualified to have an ambulance service personnel incentive payment made on the person's behalf under section 353D.031 may discontinue that funding if the ambulance service has given its participating personnel at least 18 months notice of its intent to discontinue its funding of the plan.

Sec. 6. [353D.031] [AMBULANCE SERVICE PERSONNEL INCENTIVE PROGRAM.]

Subdivision 1. [ADMINISTRATION.] The money credited in the emergency medical services personnel account must be allocated annually by the executive director of the public employees retirement association.

Subd. 2. [ELIGIBILITY FOR ALLOCATION.] (a) The money credited in the emergency medical services personnel account must be annually allocated on the basis of the number of qualified personnel and their credited service during the previous year ending June 30.

(b) The amount of revenue paid to the emergency medical services account since the effective date of this section or the date of the last

allocation, whichever applies, plus any net investment income credited to the account, must be determined.

(c) The number of qualified personnel must be determined. Qualified personnel are ambulance attendants, ambulance drivers, and ambulance service medical directors who:

(1) are employed by or serving an ambulance service that is licensed as such by the state of Minnesota;

(2) perform all or a predominant portion of services in Minnesota or on behalf of Minnesota residents, as certified by the chief administrative officer of the ambulance service;

(3) are currently certified by the department of health as an ambulance attendant, ambulance driver, or ambulance service medical director and are certified as active by the chief administrative officer of the ambulance service;

(4) for the year in question, would be considered a volunteer attendant under section 144.8091, subdivision 2, except that the salary limit is \$3,000 for calendar year 1992, and is \$3,000 multiplied by the cumulative percentage increase in the national consumer price index for all urban wage earners published by the federal Department of Labor since December 31, 1992;

(5) for an ambulance service medical director, meets the salary limit set forth in clause (4) based only on the person's hourly stipends or salary for service as a medical director; and

(6) has credit for no more than 20 years of service.

(d) The amount of credited service by qualified personnel in the form of units must be determined. A year of service by a qualified person after the person elects to participate in the plan, or after January 1, 1992, whichever is later, is equal to two units. If a qualified person has service that would have qualified before the date of election of participation or January 1, 1992, whichever is later, the person must receive an additional one-fifth of a unit per year of that service for a maximum of five years, except that the person cannot receive credit for any year in which contributions were made by an ambulance service on the person's behalf under sections 353D.03 and 353D.04.

Subd. 3. [ALLOCATION.] The money available for allocation must be divided by the total number of units associated with qualified personnel to determine the dollar value of a unit. A qualified person is entitled to have deposited on the person's behalf in the person's individual account an amount equal to the dollar

value of a unit multiplied by the person's number of units credited for that year under subdivision 2, paragraph (d).

Sec. 7. Minnesota Statutes 1990, section 353D.05, is amended to read:

353D.05 [INVESTMENT OF FUNDS.]

Subdivision 1. [INVESTMENT.] Employing unit contributions under section 353D.03 and ambulance service personnel incentive allocation under section 353D.031, after the deduction of an amount for administrative expenses, and individual participant contributions must be remitted to the state board of investment for investment in the Minnesota supplemental investment fund established by section 11A.17.

Subd. 2. [INVESTMENT OPTIONS.] (a) An individual participant may elect to purchase shares in the income share account, the growth share account, the money market account, the bond market account, the guaranteed return account, or the common stock index account established by section 11A.17, or a combination of those accounts. The participant may elect to purchase shares in a combination of those accounts by specifying the percentage of the total contributions and ambulance service personnel incentive allocation to be used to purchase shares in each of the accounts.

(b) Twice in a calendar year, a participant may indicate in writing a choice of options for subsequent purchases of shares. After a choice is made, until the participant makes a different written indication, the executive director of the association shall purchase shares in the supplemental investment fund or funds specified by the participant. If no initial option is indicated by a participant, the executive director shall invest all contributions made by or on behalf of a participant in the income share account. A choice of investment options is effective no later than the first pay date occurring more than 30 days after receipt of the written choice of options.

(c) One month before the start of a new guaranteed investment contract, a participant may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the guaranteed return account. If a partial transfer is made, a minimum of \$200 must be transferred and a minimum balance of \$200 must remain in the previously selected investment options. Upon expiration of a guaranteed investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the guaranteed return account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired,

unless the participant qualifies for a benefit payment under section 353D.07.

(d) Twice in a calendar year, a participant or former participant may also change the investment options selected for all or a portion of the individual's previously purchased shares in accounts other than the guaranteed return account. If a partial transfer of previously purchased shares is selected, a minimum of \$200 must be transferred and a minimum balance of \$200 must remain in the previously selected investment option. A change under this paragraph is effective as soon as cash flow to an account permits, but not later than six months from the requested change.

Subd. 3. [ADMINISTRATIVE EXPENSES.] The public employees retirement association may deduct an amount, ~~set annually by the executive director of the association, but not to exceed two percent of the employing unit contributions to the plan,~~ to defray the expenses of the association in administering the plan. The amount must be set annually by the executive director of the association, but not to exceed two percent of the total amount of the employing unit contributions to the plan and the ambulance service personnel incentive allocation received by the plan.

Sec. 8. [353D.051] [VESTING FOR INCENTIVE ASSOCIATIONS.]

(a) Sixty months of service credit, accumulated after the date on which the person elects to participate in the plan, are required for vesting of retirement benefits under section 353D.07, other than on account of death, that are derived from ambulance service personnel incentive allocations under section 353D.031. These 60 months must be accumulated within 120 months of the first month of service credit earned after the date on which the person elects to participate in the plan. No minimum period of service is required for vesting of benefits under section 353D.07, on account of death, that are derived from ambulance service personnel incentive allocations under section 353D.031, once the person has elected to participate in the plan. Upon completion of 60 months of service under the plan with one or more participating ambulance services, a participant terminating active service is entitled to receive the value of the participant's individual account as provided in section 353D.07.

(b) Amounts derived from ambulance service personnel incentive allocations under section 353D.031 that are credited to a person's account are forfeited at the end of the 120th month after the first month of service credit earned after the date on which the person elects to participate in the plan, if the person does not have 60 months of service credit at that time. Funds forfeited must be added to the emergency medical services personnel account for the subsequent January 1 allocation under section 353D.031.

Sec. 9. Minnesota Statutes 1990, section 353D.06, is amended to read:

353D.06 [REPORTING.]

The executive director of the public employees retirement association shall prescribe the reporting forms required from employing units and the election forms required from participants. Reporting forms must contain names, identification numbers, amount of contribution by and on behalf of each participant, and such other data as is required to keep an accurate record of the account value of each participant and to determine eligibility for aid allocations of ambulance service personnel incentive amounts under section 353D.031.

In the event an ambulance service fails to provide required information within 60 days after the public employees retirement association sends the service a notice that the information is overdue, its members forfeit the service units credited and its members are not entitled to the ambulance service personnel incentive amount allocated for that year. Ambulance services that provide fraudulent information are subject to criminal prosecution.

Sec. 10. [353D.091][FEDERAL REQUIREMENTS.]

Subdivision 1. [PLAN TAX QUALIFICATION AND STATUS.] The public employees retirement association shall seek a determination from the Internal Revenue Service regarding the tax qualification status of the incentive program and from the United States Department of Labor regarding whether the incentive program must comply with federal Employee Retirement Income Security Act (ERISA) requirements.

Subd. 2. [REPORT TO LEGISLATURE.] The executive director shall immediately report the results of each determination to the chairs of the senate governmental operations committee, house governmental operations committee, and legislative commission on pensions and retirement.

Subd. 3. [IMPLEMENTATION DELAY.] The association shall not credit participants with service units nor transfer money from the emergency medical services personnel account under section 353D.031, subdivision 1, into individual accounts unless written notification is received from (1) the Internal Revenue Service that implementation of the incentive program does not jeopardize the tax-exempt status of the defined contribution plan or a public pension plan under section 356.30, subdivision 3, and (2) the United States Department of Labor that the incentive program need not comply with federal ERISA requirements, including any requirements for tax-deferred treatment of contributions and interest earned on contributions.

Subd. 4. [RULES AND POLICIES.] If the incentive program receives favorable determinations from both the Internal Revenue Service and the United States Department of Labor, the association shall formulate and adopt rules or policies in accordance with the restrictions and standards of the Internal Revenue Code and rules and regulations of the Internal Revenue Service.

Sec. 11. [EFFECTIVE DATE.]

If the requirements under section 11 are met by June, 1992, sections 1 to 5 and 9 are effective July 1, 1992, and section 6 is effective January 1, 1993. If not, sections 1 to 10 are inoperative."

Delete the title and insert:

"A bill for an act relating to health; imposing an additional fee on classified drivers licenses; establishing the emergency medical services personnel account; establishing an incentive plan for ambulance service personnel; setting plan requirements; amending Minnesota Statutes 1990, sections 171.06, by adding a subdivision; 353D.01; 353D.02; 353D.03; 353D.05; and 353D.06; proposing coding for new law in Minnesota Statutes, chapter 353D."

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

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 218, A bill for an act relating to occupations and professions; requiring residential building contractors, remodelers, and specialty contractors to be licensed by the state; establishing a builders state advisory council; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 45.027, subdivision 1, is amended to read:

Subdivision 1. [GENERAL POWERS.] In connection with the administration of chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order under those chapters, or to aid in the enforcement of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or in the prescribing of rules or forms under those chapters;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the administration of chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98;

(4) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, to the legislature;

(5) examine the books, accounts, records, and files of every licensee under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, and of every person who is engaged in any activity regulated under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

(6) publish information which is contained in any order issued by the commissioner; and

(7) require any person subject to chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, to report all sales or transactions that are regulated under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction.

Sec. 2. Minnesota Statutes 1990, section 45.027, subdivision 2, is amended to read:

Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, or proceeding under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, the commissioner or a designated representative may administer oaths and affirmations, subpoena witnesses, compel their attendance, take

evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.

Sec. 3. Minnesota Statutes 1990, section 45.027, subdivision 5, is amended to read:

Subd. 5. [LEGAL ACTIONS; INJUNCTIONS; CEASE AND DESIST ORDERS.] Whenever it appears to the commissioner that any person has engaged or is about to engage in any act or practice constituting a violation of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order adopted under those chapters, the commissioner has the following powers: (1) the commissioner may bring an action in the name of the state in the district court of the appropriate county to enjoin the acts or practices and to enforce compliance with chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order adopted or issued under those chapters, or the commissioner may refer the matter to the attorney general or the county attorney of the appropriate county. Upon a proper showing, a permanent or temporary injunction, restraining order, or other appropriate relief must be granted; (2) the commissioner may issue and cause to be served upon the person an order requiring the person to cease and desist from violations of chapters 45 to 83, 309, and 332, sections 326.83 to 326.98, or any rule or order adopted or issued under those chapters. The order must be calculated to give reasonable notice of the rights of the person to request a hearing and must state the reasons for the entry of the order. A hearing must be held not later than seven days after the request for the hearing is received by the commissioner, unless the person requesting the hearing and the department of commerce agree the hearing be scheduled after the seven-day period. After the hearing and within 20 days after receiving the administrative law judge's report, the commissioner shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order will become final and will remain in effect until it is modified or vacated by the commissioner. Unless otherwise provided, all hearings must be conducted in accordance with chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person is in default, and the proceeding may be determined against that person upon consideration of the cease and desist order, the allegations of which may be considered to be true. The commissioner may adopt rules of procedure concerning all proceedings conducted under this subdivision.

Sec. 4. Minnesota Statutes 1990, section 45.027, subdivision 6, is amended to read:

Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed \$2,000 per violation upon

a person who violates chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, unless a different penalty is specified.

Sec. 5. Minnesota Statutes 1990, section 45.027, subdivision 7, is amended to read:

Subd. 7. [ACTIONS AGAINST LICENSEES.] In addition to any other actions authorized by this section, the commissioner may, by order, deny, suspend, or revoke the authority or license of a person subject to chapters 45 to 83, 155A, 309, or 332, or sections 326.83 to 326.98, or censure that person if the commissioner finds that:

(1) the order is in the public interest; and

(2) the person has violated chapters 45 to 83, 155A, 309, or 332, or sections 326.83 to 326.98.

Sec. 6. Minnesota Statutes 1990, section 45.027, subdivision 8, is amended to read:

Subd. 8. [STOP ORDER.] In addition to any other actions authorized by this section, the commissioner may issue a stop order denying effectiveness to or suspending or revoking any registration subject to chapters 45 to 83, 309, or 332, or sections 326.83 to 326.98.

## RESIDENTIAL CONTRACTORS

Sec. 7. [326.83] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 7 to 22.

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

Subd. 3. [COUNCIL.] "Council" means the builders state advisory council.

Subd. 4. [LICENSEE.] "Licensee" means a residential building contractor, remodeler, or specialty contractor licensed under sections 7 to 22.

Subd. 5. [MECHANICAL CONTRACTOR.] "Mechanical contractor" means a person, sole proprietor, partnership, joint venture, corporation, or other organization which is in the business of erection, installation, alteration, repair, relocation, replacement, addition to, use or maintenance of any heating, ventilating, cooling, process piping, plumbing, fire protection, refrigeration systems,

incinerators or other miscellaneous heat-producing appliance, piping, or equipment or appliances associated with those systems.

Subd. 6. [PUBLIC MEMBER.] "Public member" means a person who is not, and never was, a residential builder, remodeler, or specialty contractor or the spouse of such person, or a person who has no, or never has had a material financial interest in acting as a residential building contractor, remodeler, or specialty contractor or a directly related activity.

Subd. 7. [REMODELER.] "Remodeler" means a person in the business of contracting or offering to contract to improve existing residential real estate. A remodeler has two or more special skills.

Subd. 8. [RESIDENTIAL BUILDING CONTRACTOR.] "Residential building contractor" means a person in the business of building residential real estate or of contracting or offering to contract to improve residential real estate.

Subd. 9. [RESIDENTIAL REAL ESTATE.] "Residential real estate" means a new or existing building constructed for habitation by one to four families, and includes detached garages.

Subd. 10. [SPECIALTY CONTRACTOR.] "Specialty contractor" means a person other than a residential building contractor, remodeler, or material supplier, in the business of contracting or offering to contract to make part of an improvement to residential real estate, including roofing.

## Sec. 8. [326.84] [LICENSING REQUIREMENTS.]

Subdivision 1. [PERSONS REQUIRED TO BE LICENSED.] Except as provided in subdivision 3, no person may engage in the work of a residential building contractor, remodeler, or specialty contractor for compensation without a valid license issued by the commissioner. The commissioner shall determine which types of one-skill competency or single special skill groups must be licensed as specialty contractors.

Subd. 2. [PERSONS CONSIDERED LICENSED.] Residential building contractors, remodelers, and specialty contractors are considered licensed if the following requirements are met:

(1) for a sole proprietorship, the proprietor is licensed;

(2) for a partnership, a general partner is licensed; and

(3) for a corporation, a chief executive officer, responsible managing employee, or qualifying person in Minnesota designated by the corporation is licensed. "Responsible managing employee" or "qual-

ifying person" means an employee who is regularly employed by the corporation and is actively engaged in the classification of work for which the responsible managing employee qualifies on behalf of the corporation. A person may act in the capacity of the qualifying party for one additional corporation if one of the following conditions exist:

(i) there is a common ownership of at least 25 percent of each licensed corporation for which the person acts in a qualifying capacity; or

(ii) one corporation is a subsidiary of another corporation for which the same person acts in a qualifying capacity. "Subsidiary" as used in this section means a corporation of which at least 25 percent is owned by the parent corporation.

Subd. 3. [EXCEPTIONS.] The license requirement does not apply to:

(1) an employee of a licensee performing work for the licensee;

(2) a material person, manufacturer, or retailer furnishing finished products, materials, or articles of merchandise who does not install or attach the items;

(3) an owner or owners of residential real estate who improve the residential real estate or who build or improve a structure on the residential real estate and who do the work themselves or jointly with the owner's own employees or agents;

(4) an architect or engineer engaging in professional practice as defined in chapter 326;

(5) a person engaging in any project by one or more contracts, for which the aggregate contract price, including labor, materials, installation, and all other items, is less than \$1,500;

(6) a residential building contractor, remodeler, or specialty contractor licensed by the city of St. Paul or the city of Minneapolis and who is performing work within the legal boundaries of one of those municipalities. The two cities shall adopt and administer the competency tests for the residential building contractors and remodelers established in section 13 within six months of the effective date of the rules establishing the examinations. The commissioner may by rule establish a procedure for the city of Minneapolis and the city of St. Paul to administer this licensing program on a contract basis;

(7) a mechanical contractor, plumber, or electrician;

(8) a person doing excavating for the installation of an on-site sewage treatment system;

(9) all specialty contractors that were required to be licensed by the state before the effective date of sections 7 to 22; and

(10) specialty contractors that are not required to be licensed, as determined by the commissioner.

Sec. 9. [326.85] [ADVISORY COUNCIL.]

Subdivision 1. [BUILDERS STATE ADVISORY COUNCIL.] The commissioner shall appoint seven persons to the builders state advisory council. At least three members of the council must reside in greater Minnesota, as defined in section 1160.02, subdivision 5. At least one member of the council must be a residential building contractor, one a remodeler, one a specialty contractor, one a representative of the commissioner, one a local building official, and one a public member.

Subd. 2. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of the council are as provided in section 15.059.

Subd. 3. [DUTIES.] The council shall advise the commissioner on matters related to sections 7 to 22.

Sec. 10. [326.86] [FEES.]

Subdivision 1. [LICENSING FEE.] The commissioner shall establish licensing fees for residential building contractors, remodelers, and specialty contractors. The fees must be limited to the cost of license administration and enforcement and must be placed in a separate account in the general fund. The amount necessary to administer and enforce sections 7 to 22 is appropriated to the commissioner from the separate account.

Subd. 2. [LOCAL SURCHARGE.] A local government unit may place a surcharge in an amount no greater than \$5 on each building permit that requires a licensed residential building contractor, remodeler, or specialty contractor for the purpose of license verification. The local government may verify a license by telephone or facsimile machine.

Sec. 11. [326.87] [CONTINUING EDUCATION.]

Subdivision 1. [STANDARDS.] The commissioner, in consultation with the council, may adopt standards for continuing education requirements and course approval. Except for the course content, the standards must be consistent with the standards established for real estate agents and other professions licensed by the department of commerce.

Subd. 2. [HOURS.] A licensee of a general residential contractor or remodeler must provide proof of completion of 15 hours for each two-year license period. A specialty contractor must complete five hours for each two-year license period. Continuing real estate hours and continuing general residential contractor or remodeler hours must be granted for the same course if it meets the guidelines for an approved course in each license program.

Sec. 12. [326.88] [TEMPORARY LICENSES.]

Subdivision 1. [APPLICATION AND ISSUANCE.] Residential building contractors and remodelers must apply for a category one temporary license from the commissioner within 180 days of the effective date of sections 7 to 22. The commissioner must issue category one and two temporary licenses as provided in subdivisions 2 and 3.

Subd. 2. [CATEGORY ONE LICENSE.] A category one temporary license must be:

(1) in effect for no more than two years after the effective date of sections 7 to 22;

(2) issued no later than two years after the effective date of sections 7 to 22; and

(3) issued only upon proof satisfactory to the commissioner of at least two years of education or prior experience in the area for which the license is applied.

Subd. 3. [CATEGORY TWO LICENSE.] A category two temporary license must be issued to residential building contractors, remodelers, or specialty contractors if the person who obtained a license under section 8, subdivision 2, clause (2) or (3), leaves the partnership or corporation because of death, disability, retirement, or position change. A category two temporary license expires after one year and may not be renewed.

Sec. 13. [326.89] [APPLICATION AND EXAMINATION.]

Subdivision 1. [FORM.] An applicant for a license under sections 7 to 22 must submit an application to the commissioner, under oath, on a form prescribed by the commissioner. Within 30 days of receiving all required application information, the commissioner must act on the license request. If one of the categories in the application does not apply, the applicant must state the reason. The commissioner may refuse to issue a license if the application is not complete or contains unsatisfactory information.

Subd. 2. [CONTENTS.] The application must include the following information regarding the applicant:

- (1) Minnesota workers' compensation insurance account number;
- (2) employment insurance account number;
- (3) type of license requested;
- (4) name and address of the applicant if the applicant is a sole proprietorship; name and address of each partner if the applicant is a partnership; or name and address of each of the corporate officers, directors, and all shareholders holding more than five percent of the outstanding stock in the corporation;
- (5) whether the applicant has ever been licensed in any other state and has had a professional or vocational license refused, suspended, or revoked;
- (6) whether the applicant or any of its corporate or partnership directors, officers, limited or general partners, managers, or all shareholders holding more than five percent of the outstanding stock of the corporation has been convicted of a crime that either related directly to the business for which the license is sought or involved fraud, misrepresentation, or misuse of funds; has suffered a judgment in a civil action involving fraud, misrepresentation, negligence, or breach of contract, or conversion within the ten years prior to the submission of the application; or has had any government license or permit suspended or revoked as a result of an action brought by a federal, state, or local governmental unit or agency in this or any other state;
- (7) the applicant's education and experience as they relate to the requested type of license; and
- (8) the applicant's business history for the past five years and whether the applicant has ever filed for bankruptcy or protection from creditors or has any unsatisfied judgments against the applicant.

The commissioner may require further information as the commissioner deems appropriate to administer the provisions and further the purposes of this chapter.

Subd. 3. [EXAMINATION.] All individual applicants must satisfactorily complete a written examination for the type of license requested. The commissioner may establish the examination qualifications, including related education experience and education, the examination procedure, and the examination for each licensing

group. The examination must include at a minimum the following areas:

(1) appropriate knowledge of technical terms commonly used and the knowledge of reference materials and code books to be used for technical information; and

(2) understanding of the general principles of business management and other pertinent state laws.

Each examination must be designed for the specified type of license requested. The council shall advise the commissioner on the grading, monitoring, and updating of examinations.

Subd. 4. [COMPETENCY SKILLS.] The commissioner shall, in consultation with the council, determine the competency skills and installation knowledge required for the licensing of specialty contractors.

Sec. 14. [326.90] [LOCAL LICENSE PROHIBITED.]

Except as provided in section 8, subdivision 3, clause (6), a political subdivision may not require a residential building contractor, remodeler, or specialty contractor to also be licensed under any ordinance, law, rule, or regulation of the political subdivision. This section does not prohibit charges for building permits or other charges not directly related to licensure.

Sec. 15. [326.91] [DENIAL, SUSPENSION, OR REVOCATION OF LICENSES.]

Subdivision 1. [CAUSE.] The commissioner may by order deny, suspend, or revoke any license or may censure a licensee if the commissioner finds that the order is in the public interest, and that the applicant or licensee:

(1) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, is false or misleading with respect to any material fact;

(2) has engaged in a fraudulent, deceptive, or dishonest practice;

(3) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the business;

(4) has failed to reasonably supervise employees, agents, subcontractors, or salespersons, or has performed negligently or in breach of contract, so as to cause injury or harm to the public;

(5) has violated or failed to comply with any provision of sections 7 to 22 or any rule or order under sections 7 to 22;

(6) has been shown to be incompetent, untrustworthy, or financially irresponsible;

(7) has been convicted of a violation of the state building code;

(8) has failed to use the proceeds of any payment made to the licensee for the construction of, or any improvement to, residential real estate, as defined in section 326.83, for the payment of labor, skill, material, and machinery contributed to such construction or improvement, knowing that the cost of any such labor performed, or skill, material, or machinery furnished for such improvement remains unpaid; or

(9) has not furnished to the person making such payment either a valid lien waiver as to any unpaid labor performed, or skill, material, or machinery furnished for such improvement, or a payment bond in the basic amount of the contract price for such improvement conditioned for the prompt payment to any person or persons entitled thereto.

Subd. 2. [ADMINISTRATIVE ACTION.] Section 45.027 applies to any action taken by the commissioner in connection with the administration of sections 7 to 22.

#### Sec. 16. [326.92] [PENALTIES.]

Subdivision 1. [MISDEMEANOR.] A person required to be licensed under sections 7 to 22, who performs unlicensed work as a residential building contractor, remodeler, or specialty contractor, is guilty of a misdemeanor.

Subd. 2. [LIEN RIGHTS.] An unlicensed person who knowingly violates sections 7 to 22 has no right to claim a lien under section 514.01 and the lien is void. Nothing in this section affects the lien rights of material suppliers and licensed contractors to the extent provided by law.

Subd. 3. [COMMISSIONER ACTION.] The commissioner may bring actions, including cease and desist actions, against a licensed or unlicensed residential building contractor, remodeler, or specialty contractor to protect the public health, safety, and welfare.

#### Sec. 17. [326.93] [SERVICE OF PROCESS; NONRESIDENT LICENSING.]

Subdivision 1. [LICENSE.] A nonresident of Minnesota may be licensed as a residential building contractor, remodeler, or specialty

contractor upon compliance with all the provisions of sections 7 to 22.

Subd. 2. [SERVICE OF PROCESS.] Service of process upon a person performing work in the state of a type that would require a license under sections 7 to 22 may be made as provided in section 45.028.

**Sec. 18. [326.94] [RECOVERY FUND; INSURANCE.]**

Subdivision 1. [RECOVERY FUND.] In addition to any other fees, each applicant shall pay a fee to the residential recovery fund. The residential recovery fund is created in the state treasury and must be administered by the commissioner in the manner provided by section 82.34 with the following exceptions:

(1) that the commissioner shall set appropriate fees for each license category for the initial license and for the renewal of licenses and may establish a fee scale based on the licensee's gross annual receipts;

(2) that the sole purpose of this fund is to compensate persons aggrieved by fraudulent, deceptive, or dishonest practices by licensees of this section; and

(3) that the sum of the unpaid judgment per claimant or transaction excluding attorney fees shall not exceed \$10,000 and that nothing may obligate the fund for more than \$50,000 per licensee per year.

Subd. 2. [INSURANCE.] Residential building contractors, remodelers, and specialty contractors must have public liability insurance with limits of at least \$100,000 per occurrence and \$10,000 property damage insurance. The commissioner may increase the minimum amount of insurance required based on the type of license and the annual gross receipts of the licensee.

**Sec. 19. [326.95] [LICENSE NUMBER; ADVERTISING.]**

Subdivision 1. [LICENSE NUMBER MUST BE DISPLAYED.] The license number of a licensee must be placed on all building permits and building permit applications made to or issued by the state or a political subdivision. In jurisdictions that have not adopted the state building code, the license number must be placed on the site plan review or zoning permit. License numbers must be on all business cards and all contracts to perform work for which a license is required.

Subd. 2. [ADVERTISING.] The license number of a licensee must appear in any display advertising by that licensee.

Subd. 3. [CONTRACTS.] Contracts entered into by a licensee must state that the person is licensed and must state the license number.

Subd. 4. [NOTICES.] License numbers must appear on each notice under section 514.11, and each statement under section 514.08.

Sec. 20. [326.96] [PUBLIC EDUCATION.]

The commissioner may develop materials and programs to educate the public concerning licensing requirements and methods for reporting unlicensed contracting activity.

Sec. 21. [326.97] [LICENSE RENEWAL.]

Subdivision 1. [APPROVAL.] Licensees whose applications have been properly and timely filed and who have not received notice of denial of renewal within 30 days are considered to have been approved for renewal and may continue to transact business whether or not the renewed license has been received. Application for renewal of a license is required every two years after the initial issuance. Applications are timely if received or postmarked by December 15 of the year prior to the renewal year. Applications must be made on a form approved by the commissioner.

Subd. 2. [FAILURE TO APPLY.] A person who has failed to make a timely application for renewal of a license by January 1 of the renewal year is unlicensed until the license has been issued by the commissioner and is received by the applicant.

Subd. 3. [REEXAMINATION NOT REQUIRED.] An examination is not required for the renewal of a license, except that a licensee who has failed to renew a license for two years must retake the examination.

Sec. 22. [326.98] [RULES.]

The commissioner may adopt rules to administer and enforce sections 7 to 22.

Sec. 23. [APPROPRIATION.]

\$..... is appropriated to the commissioner of commerce from the general fund to administer sections 7 to 22."

Amend the title as follows:

Page 1, line 6, after "money;" insert "amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8;"

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

The report was adopted.

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

H. F. No. 248, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water or natural wetlands in Anoka county.

Reported the same back with the following amendments:

Page 1, line 7, after "282.018," insert "subdivision 1,"

Page 2, delete lines 6 to 19

Page 2, delete lines 27 to 36

Page 3, delete lines 1 to 5

Page 3, delete lines 13 to 25

Page 3, delete lines 29 to 36

Page 4, delete lines 1 to 7

Page 4, delete lines 19 to 31

Page 4, delete lines 35 and 36

Page 5, delete lines 1 to 36

Page 6, delete lines 1 and 2

Page 6, line 3, delete "(8)" and insert "(7)"

Page 6, line 11, delete "(9)" and insert "(8)"

Page 6, line 16, delete "(10)" and insert "(9)"

Page 6, after line 21, insert:

"Sec. 2. [SALE OF TAX-FORFEITED LAND; ANOKA COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, Anoka county may sell the tax-forfeited land bordering public water or natural wetlands that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The land described in this section may be sold to the state for natural resource purposes or to the public. The commissioner of natural resources may exercise the option to purchase the land for the state until one year after the effective date of this section. Thereafter, the land may be offered for public sale under Minnesota Statutes, chapter 282. The conveyance must be in a form approved by the attorney general.

(c) The land that may be sold is described as:

Government Lot 1, Section 30, Township 34, Range 23 West, Anoka County, Minnesota.

(d) The county has determined that the county's land management interests would best be served if the land were sold as provided under this section."

Page 6, line 23, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 279, A bill for an act relating to the environment; authorizing the city of Hopkins to issue bonds to pay for environmental response costs at a landfill; authorizing the city to impose a solid waste collection surcharge; authorizing a landfill cleanup assessment against property; authorizing a service charge; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 473.845, subdivision 3, is amended to read:

Subd. 3. [EXPENDITURES FROM THE FUND.] Money in the fund may only be appropriated to the agency for expenditure for:

(1) reasonable and necessary expenses for closure and postclosure care of a mixed municipal solid waste disposal facility in the metropolitan area for a 20-year period after closure, if the agency determines that the operator or owner will not take the necessary actions requested by the agency for closure and postclosure in the manner and within the time requested;

(2) reasonable and necessary response and postclosure costs at a mixed municipal solid waste disposal facility in the metropolitan area that has been closed for 20 years in compliance with the closure and postclosure rules of the agency; or

(3) reasonable and necessary response costs resulting from county actions required under section 473.833, subdivision 2a, when those actions are done under the supervision of the agency; or

(4) reimbursement to a local government unit for costs incurred over \$400,000 under a work plan approved by the commissioner of the agency to remediate methane at a closed disposal facility owned by the local government unit.

## Sec. 2. [DEFINITIONS.]

For the purposes of this act, the following terms have the meaning given them.

(a) "City" means the city of Hopkins.

(b) "Landfill" means the approximately 26 acre landfill site owned by the city in the northwest quarter of the southwest quarter of Section 25, Township 117, North Range 22 West, Hennepin county.

(c) "Release" has the meaning given it in Minnesota Statutes, section 115B.02, subdivision 15.

(d) "Response" has the meaning given it in Minnesota Statutes, section 115B.02, subdivision 18.

## Sec. 3. [BONDS; LOANS.]

Subdivision 1. [BONDS.] (a) The city may issue bonds as provided in this subdivision after making the findings in this paragraph. The city must find:

(1) costs have been or will be incurred to respond to releases from the landfill, including methane releases and releases into the groundwater;

(2) other responsible parties have not provided funds to cover the costs of responding to the releases;

(3) the public health and welfare or the environment will be endangered by allowing the releases to continue;

(4) the response is consistent with orders and directives from the commissioner of the Minnesota pollution control agency; and

(5) the issuance of bonds is deemed necessary by the city to pay for response costs.

(b) The city may authorize by resolution the issuance of bonds in an amount which together with any previous bonds issued under this section, does not exceed \$5,000,000 to pay any costs incurred or to be incurred by the city to respond to releases, to conduct closure and postclosure care, to remediate the landfill and any immediately adjacent property, and to refund outstanding bonds issued for these purposes.

(c) The city may pledge to the payment of the bonds and the interest on the bonds, its full faith, credit, and taxing powers, or the revenues from the landfill cleanup assessment and the service charge authorized by this act.

(d) The proceeds of the bonds may be used in part to establish a reserve as a further security for the payment of their principal and interest when due and to pay credit enhancement fees.

(e) Bonds issued under this section may be sold at public or private sale upon conditions that the city determines. An election is not required to authorize the issuance of bonds under this section and bonds or obligations issued under this act shall not be included in computing the net debt of the city under Minnesota Statutes, chapter 475. Expenses for response costs that are payable through the bonding authority granted in this act are not current expenses of the city under Minnesota Statutes, section 475.52. Except as otherwise provided in this section, the bonds must be issued and sold as provided in Minnesota Statutes, chapter 475.

Subd. 2. [LOANS IN ANTICIPATION OF BONDS.] After authorizing bonds in accordance with this act, the city may borrow to provide money immediately that is required for the bond purpose. The city shall decide the terms of the loans by resolution. The loans must be evidenced by negotiable notes due in not more than 24 months from the date of the loan payable to the order of the lender or to bearer, to be repaid with interest from the proceeds of the bonds when the bonds are issued and delivered to the bond purchasers. The city may enter into loan and related agreements, both before and after issuing the obligations, with persons, firms, public or private

corporations, federal or state agencies, and governmental units under terms and conditions the city considers appropriate. A governmental unit in the state may make or purchase the loans. Minnesota Statutes, chapter 475, does not apply to the loans and the loans may be made without advertisement.

#### Sec. 4. [REVENUE MECHANISMS.]

Subdivision 1. [AUTHORITY.] (a) The city may, by ordinance, impose the landfill cleanup assessment as provided in subdivision 2 to pay the costs specified in this subdivision. If revenue from the landfill cleanup assessment is insufficient for payment of those costs, the city may levy a service charge as provided in subdivision 3 for the remaining amount necessary.

The costs which can be paid from the assessment authorized in subdivision 2 and the service charge authorized in subdivision 3 include:

(1) the costs of principal and interest on bonds or other obligations issued under section 3 until the bonds or other obligations are repaid; and

(2) the costs incurred or to be incurred to respond to releases, closure, and postclosure care of the landfill until June 30, 1996.

(b) The city shall not budget more than \$400,000 per year from the combination of assessments and service charges. Any amount received in excess of \$400,000 in one year shall be subtracted from the total of the assessments and service charges allowed to be imposed for the next year.

(c) After June 30, 1996, the city shall not budget from the total of the assessments and service charges more than the annual amount needed to pay principal and interest on the bonds issued under section 3. The city's authority to impose assessments and service charges under this act expires on final payment of the principal and interest on the bonds, except that any funds remaining may be placed in the general fund of the city.

Subd. 2. [LANDFILL CLEANUP ASSESSMENT.] (a) The city may impose an assessment against the property classes established by the city under paragraph (b). The landfill cleanup assessment must be determined by the city and certified to the county auditor by January 1 of each year. The assessment must be extended on the assessment rolls of the county for the year in which the assessment is filed, and shall be enforced and collected in the same manner provided for real estate taxes. The assessments, if not paid, become delinquent in January of the following year and are subject to the same penalties and at the same rate of interest as delinquent real

estate taxes. Assessments imposed under this subdivision are exempt from the determination of the city's levy limitation under Minnesota Statutes, chapter 275.

(b) For the purposes of this subdivision, the city shall classify, by ordinance, real property within the corporate limits of the city according to the type of solid waste generation on or from the property. Property exempt from taxation by the state and political subdivisions and other governmental units must also be included in the classification. Classifications must include, but are not limited to, commercial, industrial, single family residential, and multifamily residential property. Rates and charges for the assessment may take into account the character, kind, and quality of the service and of the solid waste, the method of disposition, the number of people served at each place of collection, and all other factors that enter into the cost of solid waste generation.

Subd. 3. [SERVICE CHARGE.] The city may levy a service charge computed upon the net tax capacity of all the taxable property in the city, not to exceed the remaining amount necessary as provided in subdivision 1. Service charges based on the net tax capacity may be payable and collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes. Service charges imposed under this act are not included in computations under Minnesota Statutes, section 469.177, chapter 473F, or any other law that applies to general ad valorem levies.

#### Sec. 5. [DOES NOT AFFECT LIABILITY.]

This act does not affect the liability of persons for costs or damages associated with releases from the landfill and does not affect the city's right to pursue responsible parties or indemnification from any party for costs or damage associated with the landfill.

This act does not affect the city's liability under Minnesota Statutes, section 115B.04, subdivision 4.

#### Sec. 6. [COST RECOVERY; USE OF PROCEEDS.]

The city shall seek reimbursement of the costs covered by this act under any applicable insurance contract and shall seek to recover its costs from persons liable for releases from the landfill under Minnesota Statutes, section 115B.04.

The city must first use amounts recovered under this section to pay the administrative and legal expenses of the city that are incurred under this act and then to pay the principal and interest on the bonds authorized in section 3 and if there remains any excess after retirement of the bonds, the city must apply it to property tax relief.

## Sec. 7. [APPROPRIATION.]

\$..... is appropriated from the metropolitan landfill contingency action trust fund to the commissioner of the pollution control agency to be available until June 30, 1993, for the purpose of reimbursing the city for costs incurred over \$400,000 under a work plan approved by the commissioner to remediate methane at the landfill.

The maximum amount for which the city may bond under section 3, subdivision 1, paragraph (b), is reduced by the amount of the appropriation in this section.

## Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment, except that if the service charges are imposed in section 4, subdivision 3, they cannot be levied on property before the 1991 levy, payable in 1992."

Delete the title and insert:

"A bill for an act relating to the environment; adding a purpose for expenditure from the metropolitan landfill contingency action trust fund; authorizing the city of Hopkins to issue bonds to pay for environmental response costs at a landfill; authorizing a landfill cleanup assessment against property; authorizing a service charge; appropriating money; amending Minnesota Statutes 1990, section 473.845, subdivision 3."

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. 303, A bill for an act relating to waste management; making changes to state and local government responsibility and authority for waste management; placing emphasis on waste reduction and recycling; adjusting waste facility siting processes; amending Minnesota Statutes 1990, sections 16B.122, subdivision 2; 16B.61, subdivision 3a; 115A.02; 115A.03, subdivision 17a; 115A.06, subdivision 2; 115A.14, subdivision 4; 115A.15, subdivisions 7 and 9; 115A.151; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.551, subdivisions 1 and 4; 115A.552, subdivisions 1, 2, and by adding a subdivision; 115A.554; 115A.557, subdivision 4; 115A.64, subdivi-

sion 2; 115A.67; 115A.83; 115A.84, subdivision 2; 115A.86, subdivision 5, and by adding a subdivision; 115A.882; 115A.9162, subdivision 2; 115A.919; 115A.923, subdivisions 1 and 1a; 115A.931; 115A.94, subdivision 4; 115A.9561; 115A.96, subdivision 6; 115B.04, subdivision 4; 115B.22, subdivision 8; 116.07, subdivision 4j; 325E.042, subdivision 2; 325E.115, subdivision 1; 325E.1151, subdivision 3; 400.08, subdivision 1; 473.803, subdivision 2; 473.811, subdivisions 1, 3, and 5; 473.823, subdivision 5; 473.845, subdivision 4; 473.848, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A; 325E; and 473; repealing Minnesota Statutes 1990, sections 325E.045; and 473.844, subdivision 3; Laws 1989, chapter 325, section 72, subdivision 2.

Reported the same back with the following amendments:

Page 10, line 28, delete "ensure, in cooperation with" and insert "encourage"

Page 10, line 30, delete ", that" and insert "to provide"

Page 10, line 31, delete "are available to all" and insert "for"

Page 17, line 12, delete "and"

Page 17, line 13, delete "and" and insert a comma and after "date" insert "and time" and after "delivery" insert ", and the name of the waste collector that delivered the waste to the facility"

Page 17, line 26, delete "while the vehicle is in transit or"

Page 18, line 11, delete everything before "a" and delete "or" and insert "and"

Page 18, line 12, delete "to" and insert "shall"

Page 18, line 13, delete "a" and insert "the same" and delete "beyond"

Page 18, line 14, after "that" insert "is"

Page 26, after line 10, insert:

"Sec. 45. [116.90] [REFUSE DERIVED FUEL.]

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

(b) "Minor modification" means a physical or operational change that does not increase the rated energy production capacity of a solid fuel fired boiler and which does not involve capital costs in excess of 20 percent of a new solid fuel fired boiler having the same rated capacity.

(c) "Refuse derived fuel" means a product resulting from the processing of mixed municipal solid waste in a manner that reduces the quantity of noncombustible material present in the waste, reduces the size of waste components through shredding or other mechanical means, and produces a fuel suitable for combustion in existing or new solid fuel fired boilers.

(d) "Solid fuel fired boiler" means a device that is designed to combust solid fuel, including but not limited to wood, coal, biomass, or lignite to produce steam or heat water.

Subd. 2. [USE OF REFUSE DERIVED FUEL.] Existing or new solid fuel fired boilers may utilize refuse derived fuel in an amount up to 30 percent by weight of the fuel feed stream under the following conditions:

(1) utilization of refuse derived fuel involves no modification or only minor modification to the solid fuel fired boiler;

(2) utilization of refuse derived fuel does not cause a violation of emissions limitations or ambient air quality standards applicable to the solid fuel fired boiler; and

(3) the solid fuel fired boiler has a valid permit to operate."

Page 27, line 16, delete "PURCHASE AND" and insert "RECYCLING OR REUSE REQUIRED.]"

Page 27, delete lines 17 to 36, and insert:

"Major appliances must be recycled or reused. Each county shall ensure that its residents have the opportunity to recycle used major appliances. For the purposes of this section, recycling includes:

(1) the removal of capacitors that may contain PCBs;

(2) the removal of ballasts that may contain PCBs;

(3) the removal of chlorofluorocarbon refrigerant gas; and

(4) the recycling or reuse of the metals."

Page 28, delete lines 1 and 2

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 28, after the first semicolon insert "116;"

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. 354, A bill for an act relating to natural resources; providing a deadline for the legislative task force on minerals to submit its report; extending the availability of its appropriation.

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

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 390, A bill for an act relating to taxation; providing that certain nonprofit organizations that provide athletic programs qualify for a sales tax exemption on their purchases; amending Minnesota Statutes 1990, section 297A.25, subdivision 16.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TEMPORARY SALES TAX EXEMPTION FOR NON-PROFIT ATHLETIC ORGANIZATION.]

The gross receipts from the sale of tangible personal property and the storage, use, or other consumption of such property, and the gross receipts from the sale of meals and lodging, to a nonprofit educational organization that conducts athletic programs for children and adults who are persons with mental retardation or related conditions, are exempt from the taxes imposed under Minnesota Statutes, sections 297A.01 to 297A.44. Sales exempted by this

section include sales pursuant to section 297A.01, subdivision 3, paragraphs (d) and (f). The exemption applies only to property, meals, and lodging purchased for use in the performance of the educational function of the organization. To qualify under this section, an organization must meet the organizational and operational tests that apply to nonprofit organizations under Minnesota Statutes, section 297A.25, subdivision 16.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for sales occurring after May 5, 1989, and before August 15, 1991."

Delete the title and insert:

"A bill for an act relating to taxation; providing that certain nonprofit organizations that provide athletic programs qualify for a sales tax exemption on their purchases."

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

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 406, A bill for an act relating to employees; providing for a wage protection program; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

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

The report was adopted.

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

H. F. No. 426, A bill for an act relating to education; providing a two-year tuition exemption to Minnesota veterans of the Persian Gulf war; proposing coding for new law in Minnesota Statutes, chapter 135A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 197.447, is amended to read:

197.447 [VETERAN, DEFINED.]

The word "veteran" as used in Minnesota Statutes, except in sections 136C.13, 196.21, 197.971, and 243.251, means a citizen of the United States or a resident alien who has been separated under honorable conditions from any branch of the armed forces of the United States after having served on active duty for 181 consecutive days or by reason of disability incurred while serving on active duty, or who has active military service certified under section 401, Public Law Number 95-202, or as specified by Code of Federal Regulations, title 38. The active military service must be certified by the United States Secretary of Defense as active military service and a discharge under honorable conditions must be issued by the Secretary.

Sec. 2. [197.753] [PERSIAN GULF CONFLICT; VETERANS' TUITION GRANT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] A tuition grant program is established under the commissioner of veterans affairs for veterans who served in the Persian Gulf conflict.

Subd. 2. [VETERAN ELIGIBILITY.] A veteran is eligible to be considered for this grant if the commissioner finds that the applicant:

(1) is a veteran who served in the active military service in a place, time, and manner to become eligible for the Southwest Asia Service Medal;

(2) was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction;

(3) has been reverted to state status or discharged from active military service under honorable conditions; and

(4) is enrolled or has been accepted for enrollment at any of the following public or private Minnesota post-secondary educational institutions; the University of Minnesota, a state university, a community college, a technical college, or any other college or university accredited by the north central association of colleges and secondary schools, a law school approved by the supreme court, a nursing school approved by the state board of nursing, or a trade, business, or vocational school approved by the state department of

education, or a theological seminary, for any course which the veteran or survivor may elect.

Subd. 3. [SURVIVOR ELIGIBILITY.] Eligibility for the grant shall also apply to the surviving spouse and children of a veteran who is deceased or listed as missing in action by the United States Department of Defense providing that:

(1) the veteran became missing in action or died from service-related causes which arose during the period of time in which the veteran became eligible for the Southwest Asia Service Medal; and

(2) the missing or deceased veteran was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction; or

(3) the surviving spouse or child was a Minnesota resident at the time of the veteran's induction into the armed forces and for the six months immediately preceding induction.

Subd. 4. [AMOUNT OF GRANT.] For eligible veterans, as defined under subdivision 2, the amount of the grant shall be \$1,000. In the case of an eligible spouse or child of a deceased veteran, as defined under subdivision 3, the amount of the grant shall be \$2,000. Benefits under this section shall be provided only once to each eligible person.

Subd. 5. [SATISFACTORY PROGRESS REQUIRED.] An application for the grant shall be accompanied by proof of satisfactory completion of 15 quarter credit hours of instruction or the equivalent and proof of continuing registration at a qualifying institution of higher education, as defined in subdivision 2.

Subd. 6. [IMPLEMENTATION.] The commissioner of veterans affairs shall issue criteria for documentation of service, and shall develop procedures for implementing this section.

Subd. 7. [EFFECT ON STATE GRANTS.] The grant provided under this section shall not be considered in determining eligibility for a grant under sections 136A.095 to 136A.132.

### Sec. 3. [197.754] [TIME LIMIT ON USING BENEFITS.]

Eligible veterans shall have ten years from the date of their last discharge or release from active duty, and eligible survivors shall have until July 1, 2000, or until their 25th birthday, whichever is later, within which to apply for the grant specified in section 2.

### Sec. 4. [APPROPRIATION.]

\$..... is appropriated for fiscal year 1992, and \$..... is appropriated for fiscal year 1993 from the general fund to the commissioner of veterans affairs for any tuition grant provided under section 2. The unencumbered balance remaining from the first year does not cancel, but is available for the second year.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1991."

Delete the title and insert:

"A bill for an act relating to education; providing tuition grants for Gulf war veterans and their survivors; appropriating money; amending Minnesota Statutes 1990, section 197.447; proposing coding for new law in Minnesota Statutes, chapter 197."

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. 446, A bill for an act relating to natural resources; Eurasian water milfoil; changing the watercraft surcharge; placing the surcharge in a dedicated account; providing for informational materials; providing for a pilot program; restricting new public access; amending Minnesota Statutes 1990, sections 86B.415, subdivisions 7 and 9; 103G.617, subdivision 3, and by adding subdivisions.

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

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 447, A bill for an act relating to education; establishing a scholarship program; specifying conditions; providing for funding through special collegiate license plates; removing some responsibilities from higher education coordinating board and transferring others to the commissioner of education; amending Minnesota Statutes 1990, sections 135A.05; 135A.06, subdivisions 2, 3, and 5;

135A.08; 135A.10, subdivision 1; 135A.15; 136A.02, subdivision 5; 136A.04, subdivision 1; and 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapters 125; 126; 135A; and 168; repealing Minnesota Statutes 1990, sections 136A.02, subdivision 6; 136A.04, subdivision 2; 136A.041; 136A.043; 136A.044; 136A.85; 136A.86; 136A.87; and 136A.88.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [135A.30] [MINNESOTA ACADEMIC EXCELLENCE SCHOLARSHIP.]

Subdivision 1. [CREATION.] The Minnesota academic excellence scholarship program is created to reward students who have demonstrated outstanding ability, achievement and potential in one of the following subjects: English/creative writing, fine arts, foreign language, math, science, or social science.

Subd. 2. [ELIGIBILITY.] To be eligible to receive a scholarship under this section, a student must:

(1) graduate from a Minnesota public or nonpublic high school in the academic year in which the scholarship is awarded;

(2) successfully complete a college preparatory curriculum and demonstrate outstanding ability, achievement and potential in one of the specified subjects;

(3) be admitted to enroll full time in a baccalaureate degree-granting program at the University of Minnesota or of a Minnesota state university, or at Minnesota private, baccalaureate degree-granting college or university; and

(4) pursue studies in the subject for which the award is made.

Subd. 3. [SELECTION OF RECIPIENTS.] The governing board of an eligible institution shall determine, in consultation with its campuses, application dates and procedures, criteria to be considered, and methods of selecting students to receive scholarships. A campus, with the approval of its governing board, may award a scholarship in any of the specified fields of study (1) in which the campus offers a program that is of the quality and rigor to meet the needs of the talented student, and (2) that is pertinent to the mission of the campus.

Subd. 4. [AMOUNT OF SCHOLARSHIP.] The amount of the scholarship must be (1) at public institutions, the cost of tuition and

fees for full-time attendance for one academic year, or (2) at private institutions, an amount equal to the lesser of the actual tuition and fees charged by the institution or the tuition and fees in comparable public institutions. Scholarships awarded under this section must not be considered in determining a student's financial need as provided in section 136A.101, subdivision 5.

Subd. 5. [RENEWALS.] The scholarship shall be renewed yearly, for up to three additional academic years, if the student (1) maintains full-time enrollment with a grade point average of at least 3.0 on a four point scale; (2) pursues studies and continues to demonstrate outstanding ability, achievement and potential in the field for which the award was made; and (3) is achieving satisfactory progress toward a degree.

Subd. 6. [NUMBER OF AWARDS.] The number of scholarships awarded each year shall be determined by the amount of money available in the scholarship account, as provided in section 168.129, subdivision 6, that is credited to a post-secondary institution or system through sales of its license plates. The number of new awards must be determined after subtracting the actual and projected amount necessary for renewals.

Subd. 7. [DISTRIBUTION AMONG CAMPUSES.] Post-secondary systems with more than one campus shall allocate at least three-fourths of the revenue available from the sale of license plates proportionately to the campuses to which the revenue is attributable. The board annually shall determine the distribution of the remaining portion among the campuses, after consideration of special needs or circumstances.

## Sec. 2. [168.129] [SPECIAL COLLEGIATE LICENSE PLATES.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The commissioner of public safety shall issue special collegiate license plates to an applicant who (1) is an owner or joint owner of a passenger automobile, pickup truck, or van, (2) pays a fee determined by the commissioner to cover the costs of handling and manufacturing the plates, (3) pays the registration tax required under section 168.12, (4) pays the fees required under this chapter, (5) contributes at least \$100 to the scholarship account established in subdivision 6, and (6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Subd. 2. [DESIGN.] After consultation with each participating college, university or post-secondary system, the commissioner shall design the special collegiate plates.

A participating college or university shall estimate annually the number of plates needed and inform the commissioner by a date determined by the commissioner.

Subd. 3. [NO REFUND.] Contributions under this section must not be refunded.

Subd. 4. [PLATE TRANSFERS.] Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger vehicle, pickup, or van owned or jointly owned by the person to whom the special plates were issued.

Subd. 5. [FEES CREDITED.] The fees collected under this section must be deposited to the state treasury and credited to the highway user tax distribution fund. Fees collected under this section do not include the contributions collected for the scholarship account.

Subd. 6. [SCHOLARSHIP ACCOUNT.] A scholarship account is created in the general fund. Except for one percent that may be retained by the commissioner of public safety for administrative costs, all contributions received under this section must be deposited by the commissioner in the scholarship account. Money in the scholarship account is appropriated to the governing board of the institution to which they are attributable, as provided in subdivision 7.

Subd. 7. [RECORD.] The commissioner shall maintain a record of the number of license plates issued for each post-secondary institution or system in order to determine the amount of scholarship funds available to that institution or system.

Sec. 3. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

**Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.]** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or

Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; ~~and~~

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491; and

(8) to the extent not deducted in computing federal taxable income, the amount of a contribution under section 168.129.

#### Sec. 4. [GOVERNING BOARD DUTIES.]

The board of regents of the University of Minnesota, the state university board, and the governing boards of eligible private colleges and universities are requested to cooperate with the higher education coordinating board, public and nonpublic Minnesota high schools, and school districts to publicize the availability of the scholarships and to identify qualified students.

## Sec. 5. [EFFECTIVE DATES.]

Subdivision 1. Section 1 is effective for high school graduates beginning in the 1991-1992 school year.

Subd. 2. Sections 2 and 3 are effective for vehicle registrations after June 30, 1991."

Delete the title and insert:

"A bill for an act relating to education; establishing a scholarship program; providing for funding through special collegiate license plates; appropriating money; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; proposing coding for new law in Minnesota Statutes, chapters 135A and 168."

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

The report was adopted.

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

H. F. No. 478, A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; requiring notarized affidavits of candidacy; changing time for issuance of certificates of election; changing certain deadlines and language of a disclaimer; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.04, subdivision 1; 204B.09, subdivision 1; 204C.40, subdivision 2; 205.16, subdivision 4; 205A.07, subdivision 3; 211B.04; and 447.32, subdivisions 2, 3, and 4.

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 1a, is amended to read:

Subd. 1a. [DEER LICENSE; ABSENTEE BALLOT APPLICATION.] The commissioner shall ~~include with every license~~ have

available for persons purchasing licenses to take deer with firearms or by archery, sold or issued during a general election year, an application for an absentee ballots and a voter registration card ballot. The commissioner shall obtain absentee ballot application forms from the secretary of state.

Sec. 2. [135A.16] [PROVISIONS TO FACILITATE VOTING.]

Subdivision 1. [IDENTIFICATION CARDS.] All post-secondary institutions that enroll students accepting state or federal financial aid may provide every full-time student a student identification card that contains the enrolling student's photograph and name.

Subd. 2. [RESIDENTIAL HOUSING LIST.] All post-secondary institutions that enroll students accepting state or federal financial aid may prepare a current list of students enrolled in the institution and residing in the institution's housing or within ten miles of the institution's campus. The list shall include each student's current address. The list shall be certified and sent to the appropriate county auditor or auditors for use in election day registration as provided under section 201.061, subdivision 3.

Sec. 3. Minnesota Statutes 1990, section 200.02, is amended by adding a subdivision to read:

Subd. 21. [LOCAL ELECTION OFFICIAL.] "Local election official" means the municipal clerk or principal officer charged with duties relating to elections.

Sec. 4. Minnesota Statutes 1990, section 201.061, subdivision 3, is amended to read:

Subd. 3. [ELECTION DAY REGISTRATION.] An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration card, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) showing a drivers driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) showing any document approved by the secretary of state as proper identification; or

(3) showing one of the following:

(i) a current valid student identification card from a post-secondary educational institution in Minnesota, if a list of students from

that institution has been prepared under section 135A.16 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct sign an oath in the presence of the election judge vouching that the voter personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day.

A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration card.

Sec. 5. Minnesota Statutes 1990, section 201.091, subdivision 1, is amended to read:

Subdivision 1. [MASTER LIST.] Each county auditor shall prepare and maintain a current list of registered voters in each precinct in the county which is known as the master list. The master list must be created by entering each completed voter registration card received by the county auditor into the statewide registration system. It must show the name, residence address, and date of birth of each voter registered in the precinct. The information contained in the master list may only be made available to election public officials for purposes related to election administration, to the state court administrator for jury selection, and in response to public officials authorized to carry out a law enforcement duties inquiry concerning a violation of or failure to comply with any criminal statute or state or local tax statute.

Sec. 6. Minnesota Statutes 1990, section 201.091, subdivision 4, is amended to read:

Subd. 4. [PUBLIC INFORMATION LISTS.] The county auditor shall make available for inspection a public information list which must contain the name, address, and voting history of each registered voter in the county. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The county auditor may adopt reasonable rules governing access to the list. No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforce-

ment. The secretary of state may provide copies of the public information lists and other information from the statewide registration system for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.

Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement. Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

Upon receipt of a written request and a copy of the court order, the secretary of state may withhold from the public information list the name of any registered voter placed under court-ordered protection.

Sec. 7. Minnesota Statutes 1990, section 201.13, subdivision 1, is amended to read:

Subdivision 1. ~~[LOCAL REGISTRAR OF VITAL STATISTICS COMMISSIONER OF HEALTH, REPORTS OF DECEASED RESIDENTS.]~~ The local registrar of vital statistics in each county or municipality commissioner of health shall report monthly to the ~~county auditor~~ secretary of state the name ~~and~~, address, date of birth, and county of residence of each individual 18 years of age or older who has died while maintaining residence in ~~that county or municipality~~ Minnesota since the last previous report. The secretary of state shall determine if any of the persons listed in the report are registered to vote and shall prepare a list of those registrants for each county auditor. The county auditor shall change the status of those registrants to "deceased" in the statewide registration system. Upon receipt of the ~~report~~ list, the county auditor shall remove from the files the ~~original and duplicate~~ registration cards of the voters reported to be deceased and make the appropriate changes in the data base of the central statewide registration system.

Sec. 8. [201.1611] [POST-SECONDARY INSTITUTION VOTER REGISTRATION.]

Subdivision 1. [FORMS.] All post-secondary institutions that enroll students accepting state or federal financial aid shall provide voter registration forms to each student upon payment of tuition, fees, and activities funds at the commencement of fall quarter. The forms must contain spaces for the information required in section 201.071, subdivision 1, and applicable rules of the secretary of state. The institutions may request these forms from the secretary of state.

Subd. 2. [STUDENT VOTER REGISTRATION.] Upon registration or receipt of payment of fees, students must be asked if they want to register to vote at the same time. A copy of each completed voter registration form must be sent to the county auditor of the county in which the voter maintains residence or to the secretary of state as soon as possible. All completed voter registration forms must be forwarded to the county auditor within five days and in no case later than 21 days before the general election.

Sec. 9. Minnesota Statutes 1990, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION PROCEDURES.] Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) the county auditor of the county where the applicant maintains residence; or

(b) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be accepted if it is signed and dated by the applicant, contains the applicant's residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device, at the discretion of the auditor or clerk.

Sec. 10. Minnesota Statutes 1990, section 204B.09, subdivision 1, is amended to read:

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

Sec. 11. Minnesota Statutes 1990, section 204B.16, subdivision 6, is amended to read:

Subd. 6. [PUBLIC FACILITIES.] Every statutory city, home rule charter city, county, town, school district, and other public agency, including the University of Minnesota and other public colleges and universities, shall make their facilities, including parking, available for the holding of city, county, state, and federal elections, subject to the approval of the local election official. A charge for the use of the facilities may be imposed in an amount that does not exceed the lowest amount charged to any public or private group.

Sec. 12. Minnesota Statutes 1990, section 204B.16, is amended by adding a subdivision to read:

Subd. 7. [APPROPRIATE FACILITIES.] The facilities provided in accordance with subdivision 6 shall be sufficient in size to accommodate all election activities and the requirements of subdivision 5. The space must be separated from other activities within the building. The local election official may approve space in two connecting rooms for registration and balloting activities. Except in the event of an emergency making the approved space unusable, the public facility may not move the election from the space approved by the local election official without prior approval. In addition to the requirements of subdivision 5, the public facility must make remaining parking spaces not in use for regularly scheduled activities available for voters.

Sec. 13. Minnesota Statutes 1990, section 204B.32, is amended to read:

#### 204B.32 [ELECTION EXPENSES; PAYMENT.]

Subdivision 1. [PAYMENT.] (a) The secretary of state shall pay the compensation for presidential electors, the cost of printing the pink paper ballots, and all necessary expenses incurred by the secretary of state in connection with elections.

(b) The counties shall pay the compensation prescribed in section 204B.31, clauses (b) and (c), the cost of printing the canary ballots, the white ballots, the pink ballots when machines are used, the state partisan primary ballots, and the state and county nonpartisan primary ballots, all necessary expenses incurred by county auditors in connection with elections, and the expenses of special county elections.

(c) Subject to subdivision 2, the municipalities shall pay the compensation prescribed for election judges and sergeants at arms, the cost of printing the municipal ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of

the municipal clerks in connection with elections, except special county elections.

(d) The school districts shall pay the compensation prescribed for election judges and sergeants-at-arms, the cost of printing the school district ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the school district clerks in connection with school district elections not held in conjunction with state elections. When school district elections are held in conjunction with state elections, the school district shall pay the costs of printing the school district ballots, providing ballot boxes and all necessary expenses of the school district clerk.

All disbursements under this section shall be presented, audited, and paid as in the case of other public expenses.

Subd. 2. [ALLOCATION OF COSTS.] Municipalities or counties may allocate the costs of conducting elections to school districts for payment of their proportionate share of such expenses for elections held at the same time as the regular municipal or county primary and general election. Allocated costs include expenses for election equipment and supplies; polling locations; personnel (including election judge compensation and the portion of salaries of election administrative and technical employees attributable to the preparation and conduct of the election); transportation related to the conduct of the election; required election notices and newspaper publication of election information; communications devices; and postage (including mailings to election judges and for absentee voter applications and ballots).

Sec. 14. Minnesota Statutes 1990, section 204B.35, is amended by adding a subdivision to read:

Subd. 5. [COMBINED LOCAL ELECTIONS.] Municipalities shall determine the voting method in combined local elections when other election jurisdictions located wholly or partially within the municipality schedule elections on the same date as the regular municipal primary or general election.

Sec. 15. Minnesota Statutes 1990, section 204C.19, subdivision 2, is amended to read:

Subd. 2. [BALLOTS; ORDER OF COUNTING.] Except as otherwise provided in this subdivision, the ballot boxes shall be opened, the votes counted, and the total declared one box at a time in the following order: the white box, the pink box, the canary box, the light green box, the blue box, the buff box, the goldenrod box, the gray box, and then the other kinds of ballots voted at the election. If enough election judges are available to provide counting teams of four or more election judges for each box, more than one box may be opened and counted at the same time. The election judges on each

counting team shall be evenly divided between the major political parties. The numbers entered on the summary sheet shall not be considered final until the ballots in all the boxes have been counted and corrections have been made if ballots have been deposited in the wrong boxes.

Sec. 16. Minnesota Statutes 1990, section 204C.40, subdivision 2, is amended to read:

Subd. 2. [TIME OF ISSUANCE; CERTAIN OFFICES.] No certificate of election shall be issued until ~~12 days~~ seven days after the canvassing board has declared the result of the election. In case of a contest, an election certificate shall not be issued until a court of proper jurisdiction has finally determined the contest. This subdivision shall not apply to candidates elected to the office of state senator or representative.

Sec. 17. Minnesota Statutes 1990, section 205.07, subdivision 1, is amended to read:

Subdivision 1. [DATE.] The municipal general election in each statutory city shall be held on the first Tuesday after the first Monday in November in every even-numbered year; ~~except that.~~ Notwithstanding any provision of law to the contrary and subject to the provisions of this section, the governing body of a statutory city may, by ordinance passed at a regular meeting held before September 1 of any year, elect to hold the election on the first Tuesday after the first Monday in November in each odd-numbered year. A city which was a village on January 1, 1974 and before that date provided for a system of biennial elections in the odd-numbered year shall continue to hold its elections in that year until changed in accordance with this section. When a city changes its elections from one year to another, and does not provide for the expiration of terms by ordinance, the term of an incumbent expiring at a time when no municipal election is held in the months immediately prior to expiration is extended until the date for taking office following the next scheduled municipal election. If the change results in having three council members to be elected at a succeeding election, the two individuals receiving the highest vote shall serve for terms of four years and the individual receiving the third highest number of votes shall serve for a term of two years. To provide an orderly transition to the odd or even year election plan, the governing body of the city may adopt supplementary ordinances regulating initial elections and officers to be chosen at the elections and shortening or lengthening the terms of incumbents and those elected at the initial election so as to conform as soon as possible to the regular schedule provided in section 412.02, subdivision 1. Whenever the time of the municipal election is changed, the city clerk immediately shall notify in writing the county auditor and secretary of state of the change of date. Thereafter the municipal general election shall be held on the first Tuesday after the first Monday in November in each

odd-numbered or even-numbered year until the ordinance is revoked and notification of the change is made.

Sec. 18. Minnesota Statutes 1990, section 205.07, is amended by adding a subdivision to read:

Subd. 3. [EFFECT OF ORDINANCE; REFERENDUM.] An ordinance changing the year of the municipal election is effective 240 days after passage and publication or at a later date fixed in the ordinance. Within 180 days after passage and publication of the ordinance, a petition requesting a referendum on the ordinance may be filed with the city clerk. The petition shall be signed by eligible voters equal in number to ten percent of the total number of votes cast in the city at the last municipal general election. If the requisite petition is filed within the prescribed period, the ordinance shall not become effective until it is approved by a majority of the voters voting on the question at a general or special election held at least 60 days after submission of the petition. If the petition is filed, the governing body may reconsider its action in adopting the ordinance.

Sec. 19. Minnesota Statutes 1990, section 205.16, subdivision 4, is amended to read:

Subd. 4. [NOTICE TO AUDITOR.] At least 30 45 days prior to every municipal election, the municipal clerk shall provide a written notice to the county auditor, including the date of the election and the offices and questions to be voted on at the election.

Sec. 20. Minnesota Statutes 1990, section 205A.07, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO AUDITOR.] At least 30 45 days prior to every school district election, the school district clerk shall provide a written notice to the county auditor of each county in which the school district is located. The notice must include the date of the election and the offices and questions to be voted on at the election.

Sec. 21. Minnesota Statutes 1990, section 447.32, subdivision 2, is amended to read:

Subd. 2. [ELECTIONS.] Except as provided in this chapter, the Minnesota election law applies to hospital district elections, as far as practicable. Regular elections must be held in each hospital district at the same time, in the same election precincts, and at the same polling places as general elections of state and county officers. Alternatively, the hospital board may by resolution fix a date for an election, not later than December 7 just before the expiration of board members' terms. It may establish the whole district as a single election precinct or establish two or more different election precincts and polling places for the elections. If there is more than one

precinct, the boundaries of the election precincts and the locations of the polling places must be defined in the notice of election, either in full or by reference to a description or map on file in the office of the clerk.

Special elections may be called by the hospital board ~~at any time~~ to vote on any matter required by law to be submitted to the voters. A special election may not be conducted either during the 30 days before and the 30 days after the state primary or state general election, or during the 20 days before and the 20 days after the regularly scheduled election of any municipality wholly or partially within the hospital district. Special elections must be held within the election precinct or precincts and at the polling place or places designated by the board. In the case of the first election of officers of a new district, precincts and polling places must be set by the governing body of the most populous city or town included in the district.

Advisory ballots may be submitted by the hospital board on any question it wishes, concerning the affairs of the district, but only at a regular election or at a special election required for another purpose.

Sec. 22. Minnesota Statutes 1990, section 447.32, subdivision 3, is amended to read:

Subd. 3. [ELECTION NOTICES.] At least two weeks before the first day to file affidavits of candidacy, the clerk of the district shall publish a notice stating the first and last day on which affidavits of candidacy may be filed, the places for filing the affidavits and the closing time of the last day for filing. The clerk shall post a similar notice in at least one conspicuous place in each city and town in the district at least ten days before the first day to file affidavits of candidacy.

The notice of each election must be posted in at least one public and conspicuous place within each city and town included in the district at least ten days before the election. It must be published in the official newspaper of the district or, if a paper has not been designated, in a legal newspaper having general circulation within the district, at least ~~one week~~ two weeks before the election. Failure to give notice does not invalidate the election of an officer of the district. A voter may contest a hospital district election in accordance with chapter 209. Chapter 209 applies to hospital district elections.

Sec. 23. Minnesota Statutes 1990, section 447.32, subdivision 4, is amended to read:

Subd. 4. [CANDIDATES; BALLOTS; CERTIFYING ELECTION.] A person who wants to be a candidate for the hospital board shall file

an application to be placed on the ballot as a candidate affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate resides. The application affidavit of candidacy must be filed with the city or town clerk not more than 60 or less than 45 days ten weeks nor less than eight weeks before the election. Applications The city or town clerk must be forwarded immediately forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 12:00 p.m. on the day after the last day to file affidavits of candidacy.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must contain the names of the proposed candidates for each office, the length of the term of each office, and an additional blank space for the insertion of another name by the voter. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers or on a different ballot. The hospital board may also authorize the use of voting machines subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. They may be paid by the district at a rate set by the board. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

#### Sec. 24. [EFFECTIVE DATE.]

Sections 17 and 18 are effective the day following final enactment and apply to all ordinances passed within 180 days prior to the day following final enactment."

Delete the title and insert:

"A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain

facilities for elections; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain deadlines; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.07, subdivision 3; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201."

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. 525, A bill for an act relating to insurance; regulating claim denial; requiring chemical dependency claim reviewers to meet certain qualifications; requiring insurers to file an annual report on evaluations with the commissioner of commerce; amending Minnesota Statutes 1990, section 72A.201, subdivision 8.

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. 527, A bill for an act relating to health; creating a limited exception to the moratorium on licensure of new nursing home beds; allowing a licensed, but not medical assistance certified, facility to upgrade beds from boarding care beds to nursing home beds; amending Minnesota Statutes 1990, section 144A.071, subdivision 3.

Reported the same back with the following amendments:

Page 5, line 23, delete everything after "facility" and insert "with an addendum to its provider agreement effective beginning July 1, 1983,"

Page 5, line 24, delete everything before "if"

Amend the title as follows:

Page 1, line 4, delete everything after "a"

Page 1, line 5, delete "certified," and after "facility" insert "with an addendum to its provider agreement"

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. 543, A bill for an act relating to human services; providing rule 12 funding for a dispersed apartment pilot program for persons with mental illness.

*Reported the same back with the following amendments:*

Delete everything after the enacting clause and insert:

"Section 1. [FUNDING FOR PILOT PROGRAM.]

The commissioner of human services shall authorize Olmsted county to use \$496,000 of the funds allocated to the county for the biennium ending June 30, 1993, under Minnesota Statutes, section 245.73, and administered under Minnesota Rules, parts 9535.2000 to 9535.3000. The commissioner shall allocate this grant money to Olmsted county and the local housing and redevelopment authority for enhanced community support services provided to persons with mental illness through the dispersed apartment pilot program.

Sec. 2. [GOODHUE COUNTY PILOT PROJECT.]

The commissioner of human services shall authorize Goodhue county to use \$61,640 of the funds allocated to the county for the biennium ending June 30, 1993, under Minnesota Statutes, section

245.73 and Minnesota Rules, parts 9535.2000 to 9535.3000, to provide supportive housing services for persons who are chronically mentally ill.

Sec. 3. [FILLMORE COUNTY PILOT PROJECT.]

The commissioner of human services shall authorize Fillmore county to use \$18,760 of the funds allocated to the county for the biennium ending June 30, 1993, under Minnesota Statutes, section 245.73 and Minnesota Rules, parts 9535.2000 to 9535.3000, to provide supportive housing services for persons who are chronically mentally ill."

Delete the title and insert:

"A bill for an act relating to human services; providing funding for various pilot projects."

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

The report was adopted.

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

H. F. No. 556, A bill for an act relating to veterans; changing certain requirements for appointment of county veterans service officers; amending Minnesota Statutes 1990, section 197.60, subdivision 2, and by adding a subdivision.

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. 578, A bill for an act relating to Dakota county; permitting cities and towns to transfer assessment review duties to the county; proposing coding for new law in Minnesota Statutes, chapter 383D.

Reported the same back with the following amendments:

Page 1, line 17, after the period insert "The county assessor shall attend each meeting of the county board of equalization at which public testimony is to be taken."

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

The report was adopted.

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

H. F. No. 609, A bill for an act relating to veterans; authorizing the veterans homes board to rent certain facilities; authorizing expenditures of money; amending Minnesota Statutes 1990, section 198.003.

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 617, A bill for an act relating to agriculture; authorizing expense reimbursement for the Minnesota education in agriculture council; appropriating money; amending Minnesota Statutes 1990, section 126.113, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1990, section 126.113, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The Minnesota education in agriculture leadership council is established to promote education about agriculture."

Page 1, line 22, after "agriculture" insert "leadership"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "agriculture" insert "leadership"

Page 1, line 5, delete "subdivision" and insert "subdivisions 1 and"

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

The report was adopted.

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

H. F. No. 620, A bill for an act relating to state lands; authorizing the sale of certain land in Cook county.

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. 648, A bill for an act relating to veterans; providing for establishment of a veterans home in Fergus Falls; proposing coding for new law in Minnesota Statutes, chapter 198.

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

The report was adopted.

Segal from the Committee on Economic Development to which was referred:

H. F. No. 710, A bill for an act relating to economic development; authorizing the establishment of rural development zones; proposing coding for new law in Minnesota Statutes, chapter 469.

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. 722, A bill for an act relating to the military; clarifying language about certain money appropriated for land acquisition; amending Minnesota Statutes 1990, section 190.25, subdivision 3.

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

The report was adopted.

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

H. F. No. 744, A bill for an act relating to the environment; petrofund; amending Minnesota Statutes 1990, sections 115C.09, subdivisions 1, 2, 3, and 5; 116.46, subdivision 7; 116.491, subdivision 1; and 116.50; proposing coding for new law in Minnesota Statutes, chapter 115C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [103I.222] [USE OF POLYVINYL CHLORIDE.]

The department shall adopt emergency rules within six months, and permanent rules within one year, of the effective date of this section designed to allow use of flush threaded polyvinyl chloride casing and screens used for leak detection and monitoring wells at underground or aboveground petroleum storage tank sites.

Sec. 2. Minnesota Statutes 1990, section 115C.07, subdivision 3, is amended to read:

Subd. 3. [RULES.] (a) The board shall adopt rules regarding its practices and procedures, the form and procedure for applications for compensation from the fund, procedures for investigation of claims and specifying the costs that are eligible for reimbursement from the fund.

(b) The board may adopt emergency rules under this subdivision for one year after June 4, 1987.

(c) The board shall adopt emergency rules within four months of the effective date of this section, and permanent rules within one year of the effective date of this section, designed to ensure that

costs submitted to the board for reimbursement are reasonable. The rules shall include a requirement that persons taking corrective action solicit competitive bids, based on unit service costs, except in circumstances where the board determines that such solicitation is not feasible.

(d) The board shall adopt rules requiring training of environmental consultants and contractors.

Sec. 3. Minnesota Statutes 1990, section 115C.09, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSABLE COSTS.] (a) The board shall provide partial reimbursement to eligible responsible persons for reimbursable costs incurred after June 4, 1987.

(b) The following costs are reimbursable for purposes of this section:

(1) corrective action costs incurred by the responsible person, except the costs related to the physical removal of a tank; ~~and~~

(2) costs that the responsible person is legally obligated to pay as damages to third parties for bodily injury or property damage caused by a release if the responsible person's liability for the costs has been established by a court order or a consent decree; and

(3) up to 180 days worth of interest costs, incurred after the effective date of this section, associated with the financing of corrective action. Interest costs are not eligible for reimbursement to the extent they exceed two percentage points above the adjusted prime rate charged by banks, as defined in section 270.75, subdivision 5, at the time the financing contract was executed.

(c) A cost for liability to a third party is incurred by the responsible person when an order or consent decree establishing the liability is entered. Except as provided in this paragraph, reimbursement may not be made for costs of liability to third parties until all eligible corrective action costs have been reimbursed. If a corrective action is expected to continue in operation for more than one year after it has been fully constructed or installed, the board may estimate the future expense of completing the corrective action and, after subtracting this estimate from the total reimbursement available under subdivision 3, reimburse the costs for liability to third parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

Sec. 4. Minnesota Statutes 1990, section 115C.09, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBLE PERSON ELIGIBILITY.] (a) A responsible person who has incurred reimbursable costs after June 4, 1987, in response to a release, may apply to the board for partial reimbursement under subdivision 3 and rules adopted by the board. The board may consider applications for reimbursement after the commissioner has approved a design for corrective action that the commissioner determines will adequately address the release. The board may also consider applications when the corrective action has been fully constructed or installed and periodically afterward as the corrective action continues operation. at the following stages:

(1) after the commissioner approves a plan for corrective action related to soil contamination;

(2) after the commissioner determines that the corrective action plan described in clause (1) has been fully constructed or installed;

(3) after the commissioner approves a comprehensive plan for corrective action that will adequately address the entire release, including groundwater contamination if necessary;

(4) after the commissioner determines that the corrective action necessary to adequately address the release has been fully constructed or installed; and

(5) periodically afterward as the corrective action continues operation, but no more frequently than four times per 12-month period unless the application is for more than \$2,000 in reimbursement.

(b) The commissioner shall review a plan, and provide an approval or disapproval to the responsible person and the board, within 60 days in the case of a plan submitted under paragraph (a), clause (1), and within 120 days in the case of a plan submitted under paragraph (a), clause (3), or the commissioner shall explain to the board why additional time is necessary. The board shall consider a complete application within 60 days of submission of the application under paragraph (a), clauses (1) and (2), and within 120 days of submission of the application under paragraph (a), clauses (3) and (4), or the board shall explain for the record why additional time is necessary. For purposes of the preceding sentence, board consideration of an application is timely if it occurs at the regularly scheduled meeting following the deadline. Board staff may review applications submitted to the board simultaneous to the commissioner's consideration of the appropriateness of the corrective action, but the board may not act on the application until after the commissioner's approval is received.

~~(b) (c) A reimbursement may not be made unless the board determines that the commissioner has determined that the corrective action has, or when completed will have, adequately addressed~~

the release was appropriate in terms of protecting public health, welfare, and the environment.

(e) The board shall reduce the amount of reimbursement to be made under this section if it finds that the responsible person has not complied with one or more of the following requirements:

(1) at the time of the release the tank was in substantial compliance with state and federal rules and regulations applicable to the tank, including rules or regulations relating to financial responsibility;

(2) the agency was given notice of the release as required by section 115.061;

(3) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and

(4) if the responsible person is an operator, the person exercised due care with regard to operation of the tank, including maintaining inventory control procedures.

(d) The reimbursement shall be reduced as much as 100 percent for failure by the responsible person to comply with the requirements in paragraph (e), clauses (1) to (4). In determining the amount of the reimbursement reduction, the board shall consider:

(1) the likely environmental impact of the noncompliance;

(2) whether the noncompliance was negligent, knowing, or willful;

(3) the deterrent effect of the award reduction on other tank owners and operators; and

(4) the amount of reimbursement reduction recommended by the commissioner.

Sec. 5. Minnesota Statutes 1990, section 115C.09, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENT.] (a) The board shall reimburse a responsible person who is eligible under subdivision 2 from the account for 90 percent of the portion of the total reimbursable costs or \$1,000,000, whichever is less. Not more than \$1,000,000 may be reimbursed for costs associated with a single release, regardless of the number of persons eligible for reimbursement, and not more than \$2,000,000 may be reimbursed for costs associated with a single tank facility.

(b) A reimbursement may not be made from the account under this subdivision until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) Money in the account is appropriated to the board to make reimbursements under this section. A reimbursement to a state agency must be credited to the appropriation account or accounts from which the reimbursed costs were paid.

(d) The board shall reduce the amount of reimbursement to be made under this section if it finds that the responsible person has not complied with one or more of the following requirements:

(1) at the time of the release the tank was in substantial compliance with state and federal rules and regulations applicable to the tank, including rules or regulations relating to financial responsibility;

(2) the agency was given notice of the release as required by section 115.061;

(3) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and

(4) if the responsible person is an operator, the person exercised due care with regard to operation of the tank, including maintaining inventory control procedures.

(e) The reimbursement shall be reduced as much as 100 percent for failure by the responsible person to comply with the requirements in paragraph (d), clauses (1) to (4). In determining the amount of the reimbursement reduction, the board shall consider:

(1) the likely environmental impact of the noncompliance;

(2) whether the noncompliance was negligent, knowing, or willful;

(3) the deterrent effect of the award reduction on other tank owners and operators; and

(4) the amount of reimbursement reduction recommended by the commissioner.

(f) A responsible person may assign the right to receive reimbursement to each lender, who advanced funds to pay the costs of the corrective action, or to each contractor, who provided corrective action services. An assignment must be made by filing with the board a document, in a form prescribed by the board, indicating the identity of the responsible person, the identity of the assignee, the

dollar amount of the assignment and the location of the corrective action. An assignment signed by the responsible person is valid unless terminated by filing a termination with the board, in a form prescribed by the board, which must include the written concurrence of the assignee. The board shall maintain an index of assignments filed under this paragraph. The board shall pay the reimbursement to the responsible person and to one or more assignees by a multiparty check. The board has no liability to a responsible person for a payment under an assignment meeting the requirements of this paragraph.

Sec. 6. Minnesota Statutes 1990, section 115C.09, subdivision 3b, is amended to read:

Subd. 3b. [VOLUNTEER ELIGIBILITY.] (a) Notwithstanding subdivisions 1 to 3, a person may apply to the board for partial reimbursement under subdivision 3 who:

(1) is not a responsible person under section 115C.02;

(2) holds legal or equitable title to the property where a release occurred; and

(3) incurs reimbursable costs on or after May 23, 1989.

(b) A person eligible for reimbursement under this subdivision must, to the maximum extent possible, comply with the same conditions and requirements of reimbursement as those imposed by this section on a responsible person.

(c) The board may reduce the reimbursement to a person eligible under this subdivision if the person acquired legal or equitable title to the property from a responsible person who failed to comply with the provisions of subdivision 2 3, paragraph ~~(e)~~ (d).

Sec. 7. Minnesota Statutes 1990, section 115C.09, subdivision 5, is amended to read:

Subd. 5. [RETURN OF REIMBURSEMENT.] (a) The board may demand the complete or partial return of any reimbursement made under this section if the ~~responsible person~~ applicant for reimbursement:

(1) misrepresents or omits a fact relevant to a determination made by the board or the commissioner under this section; ~~or~~

(2) fails to complete corrective action that the commissioner determined at the time of the reimbursement to be necessary to adequately address the release, unless the reimbursement was made under subdivision 3a; or

(3) fails to reimburse a person for agreed-to amounts for corrective actions taken in response to a request by the applicant.

(b) If a reimbursement under this subdivision is not returned upon demand by the board, the board may recover the reimbursement, with administrative and legal expenses, in a civil action in district court brought by the attorney general against the ~~responsible person applicant~~. If the board's demand for return of the reimbursement is based on willful actions of the ~~responsible person applicant~~, the ~~responsible person applicant~~ shall also forfeit and pay to the state a civil penalty, in an amount to be determined by the court, of not more than the full amount of the reimbursement.

Sec. 8. Minnesota Statutes 1990, section 115C.09, is amended by adding a subdivision to read:

Subd. 6. [CONSULTANT AND CONTRACTOR FRAUD.] If a person, with intent to defraud, issues an invoice or other demand for payment with knowledge that it is false in whole or in part, and with knowledge that it is being submitted to the board for reimbursement:

(1) that person shall be considered to have presented a false claim to a public body under section 609.465; and

(2) the board may demand that the person return any money received as a result of a reimbursement made on the basis of the false invoice or other demand for payment. If the money is not returned upon demand by the board, the board may recover the money, with administrative and legal expenses, in a civil action in district court brought by the attorney general against the person. The person shall also forfeit and pay to the state a civil penalty, in an amount to be determined by the court, of not more than the full amount of the money received by the person on the basis of the false invoice or other demand for payment.

Sec. 9. Minnesota Statutes 1990, section 115C.09, is amended by adding a subdivision to read:

Subd. 7. [DUTY TO PROVIDE INFORMATION.] A person who submits an application to the board for reimbursement, or who has issued invoices or other demands for payment which are the basis of an application, shall furnish to the board copies of any financial records which the board requests and which are relevant to determining the validity of the costs listed in the application, or shall make the financial records reasonably available to the board for inspection and auditing.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective on the day following final enactment, except for section 4, subdivision 2, paragraph (b), which is effective on October 1, 1991.

Delete the title and insert:

"A bill for an act relating to the environment; petrofund; amending Minnesota Statutes 1990, sections 115C.07, subdivision 3; 115C.09, subdivisions 1, 2, 3, 3b, 5, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 103I."

With the recommendation that when so amended the bill pass.

The report was adopted.

Begich from the Committee on Labor-Management Relations to which was referred:

H. F. No. 756, A bill for an act relating to labor; establishing rights and duties in relation to union organization; providing that certain acts are an unfair labor practice; proposing penalties; amending Minnesota Statutes 1990, section 179.12; 179A.07, by adding a subdivision; and 179A.13, subdivision 2.

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

The report was adopted.

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

H. F. No. 767, A bill for an act relating to the environment; regulating the distribution of copies of reports to the legislature; requiring public entities to conform to certain printing requirements; amending Minnesota Statutes 1990, sections 3.195, subdivision 1; and 16B.122; repealing Minnesota Statutes 1990, section 16B.125.

Reported the same back with the following amendments:

Page 1, line 15, strike "ten" and insert "six"

Page 2, line 3, after the period insert "Distribution of a report to legislative committee or commission members during a committee or commission hearing is not prohibited by this paragraph."

(c) A report or publication produced by a public entity may not be sent to both the home address and the office address of a representative or senator unless mailing to both addresses is requested by the representative or senator.

Page 2, line 4, delete “(c)” and insert “(d)” and after “publications,” insert “periodicals,”

Page 2, line 31, after “is” insert “primarily composed of soy ink or other”

Page 3, line 4, after “colors” insert “, excluding pastel colors”

Page 3, line 7, delete “standard” and after “inks” insert “, standard or processed,”

Page 3, line 9, after “staples” insert “and bind documents by methods that do not use glue” and delete “and”

Page 3, line 10, before the period insert “; and

(8) produce reports, publications, and periodicals that are readily recyclable within the state resources recovery program”

Page 3, line 11, delete the colon

Page 3, line 12, delete “(1)”

Page 3, line 13, delete “; and” and insert a period

Page 3, delete lines 14 to 15

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 796, A bill for an act relating to motor fuels; authorizing commissioner of public safety to make and administer interstate fuel tax agreements; imposing decal fee on interstate motor carriers; amending Minnesota Statutes 1990, section 168.187, subdivisions 17 and 26; proposing coding for new law in Minnesota Statutes, chapter 296; repealing Minnesota Statutes 1990, section 296.17, subdivision 9a.

Reported the same back with the following amendments:

Page 4, line 9, delete "general" and insert "trunk highway"

Page 4, line 17, delete "department" and insert "commissioner"

Page 4, line 18, after the period insert "Decal fees paid to the commissioner under this subdivision must be deposited in the trunk highway fund."

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. 843, A bill for an act relating to waste; Western Lake Superior sanitary district; amending the definition of solid waste; changing the date for adoption of a budget; amending Minnesota Statutes 1990, sections 458D.02, subdivision 18; and 458D.08.

Reported the same back with the following amendments:

Page 1, line 16, strike everything after the first comma

Page 1, line 17, strike "community activities,"

Page 1, line 19, before "rock" insert "or"

Page 1, line 20, strike the comma and delete "sewage sludge;" and strike "solids" and insert "; sewage sludge; solid"

Page 1, line 23, strike "waste" and insert "wastewater" and strike the comma

Page 1, line 25, after the second comma insert "and"

Page 2, line 1, delete the first comma and insert a semicolon and delete "other"

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

The report was adopted.

Segal from the Committee on Economic Development to which was referred:

H. F. No. 860, A bill for an act relating to economic development; providing funding for the Red River trade corridor project; appropriating money.

Reported the same back with the following amendments:

Page 1, line 8, delete "regents of the University of Minnesota" and insert "commissioner of trade and economic development"

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

The report was adopted.

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

H. F. No. 870, A bill for an act relating to retirement; Duluth police consolidation account in the public employees police and fire fund; authorizing certain survivors to elect alternative benefit coverage.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [353A.081] [PUBLIC EMPLOYEES RETIREMENT ASSOCIATION POLICE AND FIRE CONSOLIDATION ACCOUNT COVERAGE ELECTION AUTHORITY.]

Subdivision 1. [ENTITLEMENT.] In addition to coverage selection periods in Minnesota Statutes, section 353A.08, subdivision 3, the surviving spouse of a member of a public employee retirement association consolidation account who is killed in the line of duty is eligible to make an election of coverage indicated in subdivision 2. If there is no surviving spouse, the legal guardian of the oldest dependent child under the age of 18 is eligible to make an election of coverage under subdivision 2. If the oldest dependent child is age 18 to 23 and is enrolled full time in an accredited post-secondary educational institution for at least five of the 12 months immediately preceding the death of the member, this dependent child is eligible to make the election.

Subd. 2. [ELECTION OF COVERAGE.] Individuals eligible under subdivision 1 may elect, on a form prescribed by the executive

director of the public employees retirement association, to have survivor benefits calculated under the relevant provisions of the public employees police and fire fund benefit plan or to have survivor benefits calculated under the relief association benefit plan. The relevant provisions of the public employee police and fire fund benefit plan for the person electing that benefit coverage are the relevant provisions of the public employee police and fire fund benefit plan applicable to survivor benefits, including participation in the Minnesota postretirement investment fund.

If the election results in an increased benefit amount to the surviving spouse eligible under subdivision 1, or to eligible children if there is no surviving spouse, the increased benefit accrues as of the date on which the survivor benefits payable to the survivors from the consolidation account were first paid. The back payment of any increase in prior benefit amounts, plus any postretirement adjustments payable under Minnesota Statutes, section 356.41, if applicable, is payable as soon as practicable after the effective date of the election.

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; public employees retirement fund police and fire consolidation accounts; permitting survivors of account members killed in the line of duty to elect coverage; proposing coding for new law in Minnesota Statutes, chapter 353A."

With the recommendation that when so amended the bill pass.

The report was adopted.

Begin from the Committee on Labor-Management Relations to which was referred:

H. F. No. 871, A bill for an act relating to employment; board of electricity; clarifying definitions; providing for a complaint committee; clarifying and adding duties of the board; providing penalties; amending Minnesota Statutes 1990, sections 326.01, subdivisions 2, 3, 4, 5, 6, 6a, and by adding subdivisions; 326.241, subdivision 2, and by adding a subdivision; 326.242, subdivisions 1, 2, 3, 4, 5, 6, 9, and by adding subdivisions; 326.244, subdivision 4, and by adding a subdivision; and 326.246.

Reported the same back with the following amendments:

Page 13, line 18, after the period insert "The board shall hold the hearing within five working days of the licensee's request for hearing."

Page 15, line 34, delete "(a)"

Page 16, delete lines 15 to 21

Page 17, after line 24, insert:

"Sec. 31. Minnesota Statutes 1990, section 326.244, subdivision 5, is amended to read:

Subd. 5. [EXEMPTIONS FROM INSPECTIONS.] Installations, materials, or equipment shall not be subject to inspection under sections 326.241 to 326.248:

1. When owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under sections 326.241 to 326.248, while performing electrical maintenance work only as defined by board rule; or

2. When owned or leased, and operated and maintained by any electric, communications or railway utility or telephone company in the exercise of its utility or telephone function; and

(i) are used exclusively for the generations, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence, and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility or telephone company; and

(ii) are generally accessible only to employees of such utility or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the meter; or

3. When used in the street lighting operations of an electric utility; or

4. When used as outdoor area lights which are owned and operated by an electric utility and which are connected directly to its distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction; or

5. When the installation, material, and equipment are alarm or communication systems laid out, installed, or maintained within residential units not larger than a duplex; or

6. When the installation, material, and equipment are in facilities subject to the jurisdiction of the federal Mine Safety and Health Act."

Page 18, line 18, delete "or"

Page 18, delete lines 19 and 20

Page 18, line 21, delete everything before the semicolon

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 914, A bill for an act relating to state lands; authorizing Otter Tail county to return donated state land to the donor's heir.

Reported the same back with the following amendments:

Page 2, after line 25, insert:

"Sec. 2. Minnesota Statutes 1990, section 282.018, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY ON OR ADJACENT TO PUBLIC WATERS.] (a) All land which is the property of the state as a result of forfeiture to the state for nonpayment of taxes, regardless of whether the land is held in trust for taxing districts, and which borders on or is adjacent to meandered lakes and other public waters and watercourses, and the live timber growing or being thereon, is hereby withdrawn from sale except as hereinafter provided. The authority having jurisdiction over the timber on any such lands may sell the timber as otherwise provided by law for cutting and removal

under such conditions as the authority may prescribe in accordance with approved, sustained yield forestry practices. The authority having jurisdiction over the timber shall reserve such timber and impose such conditions as the authority deems necessary for the protection of watersheds, wildlife habitat, shorelines, and scenic features. Within the area in Cook, Lake, and St. Louis counties described in the Act of Congress approved July 10, 1930 (46 Stat. 1020), the timber on tax-forfeited lands shall be subject to like restrictions as are now imposed by that act on federal lands.

(b) Of all tax-forfeited land bordering on or adjacent to meandered lakes and other public waters and watercourses and so withdrawn from sale, a strip two rods in width, the ordinary high-water mark being the waterside boundary thereof, and the land side boundary thereof being a line drawn parallel to the ordinary high-water mark and two rods distant landward therefrom, hereby is reserved for public travel thereon, and whatever the conformation of the shore line or conditions require, the authority having jurisdiction over such lands shall reserve a wider strip for such purposes.

(c) Any tract or parcel of land which has 50 feet or less of waterfront may be sold by the authority having jurisdiction over the land, in the manner otherwise provided by law for the sale of such lands, if the authority determines that it is in the public interest to do so. If the authority having jurisdiction over the land is not the commissioner of natural resources, the land may not be offered for sale without the prior approval of the commissioner of natural resources.

(d) Any tract or parcel of land which has 51 feet or more of waterfront, and for which the authority having jurisdiction over the land proposes legislation to permit its sale, must be submitted per description by the authority to the commissioner of natural resources by November 1 of each year. The commissioner must evaluate the land and its public benefits, and recommend the appropriate disposition of the land to the chairs of the house and senate environment and natural resources committees within two years after the November 1 notification. Upon mutual consent between the authority having jurisdiction over the land and the commissioner, a tract or parcel of land may be sold or otherwise disposed of according to this section before the commissioner's recommendation if an emergency situation exists. The commissioner's recommended disposition of the land may include sale to a private party, acquisition by the department of natural resources for public purposes, and cooperative management agreements with, or transfer to, another unit of government."

Amend the title as follows:

Page 1, line 3, before the period insert “; requiring that description

of certain tax-forfeited land bordering public water be submitted to commissioner of natural resources before proposing legislation to permit conveyance of the land; amending Minnesota Statutes 1990, section 282.018, subdivision 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

McEachern from the Committee on Education to which was referred:

H. F. No. 921, A bill for an act relating to education; permitting school district employees to be reimbursed for the costs of defending against criminal charges; amending Minnesota Statutes 1990, section 123.35, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 18, after "approved" insert "or disapproved"

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. 931, A bill for an act relating to commerce; restraint of trade; providing an evidentiary presumption in resale price maintenance cases; proposing coding for new law in Minnesota Statutes, chapter 325D.

Reported the same back with the following amendments:

Page 1, line 20, delete "APPLICATION;"

Page 1, delete lines 21 and 22 and insert "Section 1 is effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Segal from the Committee on Economic Development to which was referred:

H. F. No. 958, A bill for an act relating to agriculture; providing for development of aquaculture; amending Minnesota Statutes 1990, section 17.49; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, sections 17.491; and 17.492.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [17.46] [SHORT TITLE.]

Sections 1 to 10 may be cited as the “aquaculture development act.”

Sec. 2. [17.47] [FINDINGS; POLICY.]

The legislature finds that aquaculture provides a consistent source of quality food, employment opportunities, enhanced commercial and recreational fishing, agricultural diversification, and an improved balance of trade.

The legislature finds that many areas of the state of Minnesota are environmentally and economically suitable for aquaculture development.

The legislature finds that aquaculture should be considered a branch of the agricultural industry of the state for purposes of any laws that apply to or provide for the advancement, benefit, or protection of the agricultural industry within the state, and therefore the legislature encourages the promotion of aquacultural activities, programs, and development with the same status as other agricultural activities, programs, and development within the state.

It is the policy of this state to encourage environmentally sound development and expansion of the state's aquaculture industry.

Sec. 3. [17.48] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 10.

Subd. 2. [AQUACULTURE] “Aquaculture” means the culture of private aquatic life for consumption or sale.

Subd. 3. [AQUATIC FARM.] "Aquatic farm" means a facility used for the purpose of culturing private aquatic life in waters, including but not limited to, human-made ponds, vats, tanks, raceways, and other indoor or outdoor facilities for which the aquatic farmer owns or otherwise has complete control of trespass over the surrounding land.

Subd. 4. [AQUATIC FARMER.] "Aquatic farmer" means an individual who practices aquaculture.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 6. [DEPARTMENT.] "Department" means the department of agriculture.

Subd. 7. [PRIVATE AQUATIC LIFE.] "Private aquatic life" means fish, shellfish, mollusks, crustaceans, and any other aquatic animals cultured within an aquatic farm.

Sec. 4. Minnesota Statutes 1990, section 17.49, is amended to read:

#### 17.49 [AQUACULTURE PROGRAM AND PROMOTION.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish and promote a program ~~for the commercial raising of fish in fish farms~~ of aquaculture in consultation with an advisory committee consisting of the University of Minnesota, the commissioner of natural resources, the commissioner of agriculture, the commissioner of trade and economic development, the commissioner of the state planning agency, representatives of the private ~~fish raising~~ aquaculture industry, and the chairs of the environment and natural resources committees of the house of representatives and senate.

Subd. 2. [COORDINATION.] Aquaculture programs in the state must be coordinated through the commissioner of agriculture. The commissioner of agriculture shall direct the development of aquaculture in the state. Aquaculture research, projects, and demonstrations must be reported to the commissioner before state appropriations for the research, projects, and demonstrations are encumbered. The commissioner shall maintain a data base of aquaculture research, demonstrations, and other related information pertaining to aquaculture in the state.

Subd. 2a. [DEVELOPMENT PROGRAM.] The commissioner may establish a Minnesota aquaculture development and aid program that may include support for applied research, demonstration,

financing, marketing, promotion, broodstock development, and other services.

Subd. 3. [REPORT.] The commissioner shall prepare an annual report on the amount of fish and aquaculture products consumed produced in the state, where the products were produced, the opportunities in the state for aquaculture development, and impediments to Minnesota development of aquaculture.

Sec. 5. [17.493] [PRIVATE AQUATIC LIFE.]

Notwithstanding sections 97A.015 and 97A.025, private aquatic life is private property and is considered "property of another" as that term is defined in section 609.52, subdivision 1, paragraph (8). The unpermitted taking of private aquatic life is considered "theft" as that term is defined in section 609.52, subdivision 2, and is subject to the penalties of section 609.52, subdivision 3.

Sec. 6. [17.494] [AQUACULTURE PERMITS; RULES.]

The department of agriculture shall act as permit or license coordinator for aquatic farmers and shall assist aquatic farmers in obtaining licenses or permits.

By July 1, 1992, any state agency issuing multiple permits or licenses for aquaculture shall consolidate those permits or licenses required for each aquatic farm location to expedite the permitting process. The department of natural resources' transportation permits are exempted from this requirement. State agencies shall adopt rules or commissioner's orders which set forth permit and license requirements, approval timelines, and establish standards for compliance with permit or licensing requirements.

Nothing in this section shall be interpreted to modify any agency's regulatory authority over aquaculture production.

Sec. 7. [17.495] [APPEAL PROCEDURES.]

If a state agency refuses to grant a license or permit to an aquatic farmer, it shall provide the aquatic farmer with a written notice specifying the reasons for refusal.

An aquatic farmer may contest a state agency's adverse determination of the license or permit application to an administrative law judge as provided in sections 14.57 to 14.69. Notwithstanding section 14.61, the decision of the administrative law judge is appealable to the court of appeals under the provisions of sections 14.63 to 14.69.

Sec. 8. [17.496] [QUARANTINE FACILITY; RULES.]

The commissioner of natural resources shall establish rules, in consultation with the commissioner of agriculture and the aquaculture advisory committee established under section 17.49, subdivision 1, for the construction and operation of a quarantine station for fish eggs presently requiring quarantine, as well as disposition of fish from such facility by July 1, 1992. Fish held in a quarantine station that are determined to be disease free under the procedures developed by the commissioner of natural resources may be bought, sold, or transported.

Sec. 9. [17.497] [EXOTIC SPECIES IMPORTATION; RULES.]

The commissioner of natural resources shall establish rules, in consultation with the commissioner of agriculture and the aquaculture advisory committee established under section 17.49, subdivision 1, for approving or rejecting importation of "exotic" or genetically altered aquatic species, to protect the integrity of the natural ecosystem and provide aquatic farmers with information that may affect business decisions.

Sec. 10. [17.498] [BEST AVAILABLE TECHNOLOGY; BEST MANAGEMENT PRACTICES.]

After consultation with the commissioners of agriculture and natural resources, the pollution control agency shall initiate rulemaking by October 1, 1991, to develop water quality permit requirements for aquaculture facilities under Minnesota Rules, chapter 7050. The requirements shall be based upon a consideration of best available technology and best management practices that are capable of preventing and minimizing degradation of waters of the state, considering economic factors, availability, technical feasibility, effectiveness, and environmental effects. The rulemaking shall consider, among other things, classes, types, sizes, and categories of aquaculture facilities as water quality requirements are established.

Sec. 11. Minnesota Statutes 1990, section 500.24, subdivision 3, is amended to read:

Subd. 3. [FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED.] No corporation, pension or investment fund, or limited partnership shall engage in farming; nor shall any corporation, pension or investment fund, or limited partnership, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Provided, however, that the restrictions in this subdivision do not apply to corporations or partnerships in clause (b) and do not apply to corporations, limited partnerships, and pension or investment funds that record its name and the particular exception under clauses (a) to (r) under which the agricultural land is

owned or farmed, have a conservation plan prepared for the agricultural land, report as required under subdivision 4, and satisfy one of the following conditions under clauses (a) to (r):

(a) A bona fide encumbrance taken for purposes of security;

(b) A family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership as defined in subdivision 2 or a general partnership;

(c) Agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973, or a pension or investment fund as of May 12, 1981, including the normal expansion of such ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, or, in the case of a pension or investment fund, as of May 12, 1981, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(d) Agricultural land operated for research or experimental purposes with the approval of the commissioner of agriculture, provided that any commercial sales from the operation must be incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, or pension or investment fund seeking to operate agricultural land for research or experimental purposes must submit to the commissioner a prospectus or proposal of the intended method of operation, containing information required by the commissioner including a copy of any operational contract with individual participants, prior to initial approval of an operation. A corporation, limited partnership, or pension or investment fund operating agricultural land for research or experimental purposes prior to May 1, 1988, must comply with all requirements of this clause except the requirement for initial approval of the project;

(e) Agricultural land operated by a corporation or limited partnership for the purpose of raising breeding stock, including embryos, for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod;

(f) Agricultural land and land capable of being used for farming leased by a corporation or limited partnership in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of May 20, 1973, or to the limited partnership as of May 1, 1988, and the additional acreage required for normal expansion at a rate not to exceed 20 percent of the amount of land leased as of May 20, 1973, for a corporation or May 1, 1988, for a limited partnership in any five-year period, and the additional acreage reasonably necessary to meet the requirements of pollution control rules;

(g) Agricultural land when acquired as a gift (either by grant or a

devise) by an educational, religious, or charitable nonprofit corporation or by a pension or investment fund or limited partnership; provided that all lands so acquired by a pension or investment fund, and all lands so acquired by a corporation or limited partnership which are not operated for research or experimental purposes, or are not operated for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod must be disposed of within ten years after acquiring title thereto;

(h) Agricultural land acquired by a pension or investment fund or a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 2, or a limited partnership other than a family farm partnership or authorized farm partnership as defined in subdivision 2, for which the corporation or limited partnership has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A pension or investment fund or a corporation or limited partnership may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation;

(i) Agricultural lands acquired by a pension or investment fund or a corporation or limited partnership by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten years after acquiring the title if acquired before May 1, 1988, and five years after acquiring the title if acquired on or after May 1, 1988, acquiring the title thereto, and further provided that the land so acquired shall not be used for farming during the ten-year or five-year period except under a lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership. The aforementioned ten-year or five-year limitation period shall be deemed a covenant running with the title to the land against any pension or investment fund or corporate or limited partnership grantee or assignee or the successor of such pension or investment fund or corporation or limited partnership. Notwithstanding the five-year divestiture requirement under this clause, a financial institution may continue to

own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must divest of the agricultural land within the ten-year period;

(j) Agricultural land acquired by a corporation regulated under the provisions of Minnesota Statutes 1974, chapter 216B, for purposes described in that chapter or by an electric generation or transmission cooperative for use in its business, provided, however, that such land may not be used for farming except under lease to a family farm unit, a family farm corporation, or a family farm partnership;

(k) Agricultural land, either leased or owned, totaling no more than 2,700 acres, acquired after May 20, 1973, for the purpose of replacing or expanding asparagus growing operations, provided that such corporation had established 2,000 acres of asparagus production;

(l) All agricultural land or land capable of being used for farming which was owned or leased by an authorized farm corporation as defined in Minnesota Statutes 1974, section 500.24, subdivision 1, clause (d), but which does not qualify as an authorized farm corporation as defined in subdivision 2, clause (d);

(m) A corporation formed primarily for religious purposes whose sole income is derived from agriculture;

(n) Agricultural land owned or leased by a corporation prior to August 1, 1975, which was exempted from the restriction of this subdivision under the provisions of Laws 1973, chapter 427, including normal expansion of such ownership or leasehold interest to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1975, in any five-year period and the additional ownership reasonably necessary to meet requirements of pollution control rules;

(o) Agricultural land owned or leased by a corporation prior to August 1, 1978, including normal expansion of such ownership or leasehold interest, to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1978, and the additional ownership reasonably necessary to meet requirements of pollution control rules, provided that nothing herein shall reduce any exemption contained under the provisions of Laws 1975, chapter 324, section 1, subdivision 2;

(p) An interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d);

(q) Agricultural land owned by a nursing home located in a city with a population, according to the state demographer's 1985 estimate, between 900 and 1,000, in a county with a population, according to the state demographer's 1985 estimate, between 18,000 and 19,000, if the land was given to the nursing home as a gift with the expectation that it would not be sold during the donor's lifetime. This exemption is available until July 1, 1995;

(r) The acreage of agricultural land and land capable of being used for farming owned and recorded by an authorized farm corporation as defined in Minnesota Statutes 1986, section 500.24, subdivision 2, paragraph (d), or a limited partnership as of May 1, 1988, including the normal expansion of the ownership at a rate not to exceed 20 percent of the land owned and recorded as of May 1, 1988, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(s) Agricultural land owned or leased as a necessary part of an "aquatic farm" as that term is defined by section 3, subdivision 3.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; providing for development of aquaculture; amending Minnesota Statutes 1990, sections 17.49; and 500.24, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 17."

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

The report was adopted.

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

H. F. No. 980, A bill for an act relating to the legislature; authorizing joint legislative commissions to issue subpoenas; amending Minnesota Statutes 1990, section 3.153.

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

The report was adopted.

Segal from the Committee on Economic Development to which was referred:

H. F. No. 1004, A bill for an act relating to economic development; increasing the limit on issuance of certain bonds; amending Minnesota Statutes 1990, section 446A.12, subdivision 1.

Reported the same back with the recommendation that 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. 1006, A bill for an act relating to state lands; transferring state land to the city of Moose Lake.

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

The report was adopted.

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

H. F. No. 1020, A bill for an act relating to state parks; authorizing handicapped permits for display on handicapped vehicle identifying certificates; amending Minnesota Statutes 1990, section 85.053, subdivisions 2 and 7.

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. 1044, A bill for an act relating to retirement; authorizing

purchase of military service credit by a certain teachers retirement association member.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [TEACHER'S MILITARY SERVICE CREDIT.]

Subdivision 1. Notwithstanding the provisions of Minnesota Statutes, section 354.094, a member of the teachers retirement association who was born May 23, 1936, and who is employed by independent school district No. 833 may purchase allowable service credit for a one-year period of involuntary extension of military active duty performed after June 30, 1984, and before July 1, 1985, and not previously credited to the member.

Subd. 2. [PURCHASE PAYMENT AMOUNT.] To purchase service credit under subdivision 1, there must be paid to the teachers retirement association an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity that would be obtained by the purchase. Present value shall be calculated using the preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the fund and assuming continuous future service as a member of the association until retirement at the minimum age for normal retirement or retirement with an annuity unreduced for early retirement, are met with the additional service credit purchased. The calculation shall also assume future salary history that includes annual salary increases at the rate specified in Minnesota Statutes, section 356.315, subdivision 4d. The member must establish proof of the service for which the purchase of service credit is requested in the manner prescribed by the executive director of the teachers retirement association.

Subd. 3. [PAYMENT; CREDITING SERVICE.] Payment must be made in one lump sum. Allowable service may be credited only after receipt of full payment by the executive director.

Subd. 4. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment must be made by the member. However, the current or former employer of the member, may in its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect or required during the period of military service, applied to the actual salary rates in effect after the period of military service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

## Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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. 1050, A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; amending Minnesota Statutes 1990, section 16B.37, subdivision 2.

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. 1055, A bill for an act relating to jobs and training; requiring the commissioner of jobs and training to contract for the provision of comprehensive adjustment-to-blindness training services; amending Minnesota Statutes 1990, section 248.07, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 14, after "Services" insert "available"

Page 1, line 20, delete "fully" and after "available" insert ", when in the best interest of the client,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Murphy from the Committee on Energy to which was referred:

H. F. No. 1072, A bill for an act relating to energy; removing requirement for foundation insulation; providing for energy audits of rental property; providing less favorable tax treatment of rental

property that is in substantial noncompliance with energy code standards; providing a credit for energy conservation expenditures on rental property; requiring landlords to disclose certain energy information to prospective tenants; amending Minnesota Statutes 1990, sections 216C.27, subdivision 3; 216C.31; 273.1316, subdivisions 2, 5, and 8; 290.06, by adding a subdivision; and 504.22, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 24, delete "two" and insert "three"

Page 2, line 27, before the period insert "if the rental unit is individually metered for heating utility purposes and the occupant is directly responsible for paying the heating utility bill"

Page 2, line 35, delete "must be treated as current operating"

Page 2, delete line 36

Page 3, line 1, delete everything before the period and insert "shall be considered conservation improvement program expenses under section 216B.241. The commission shall allow a utility to recover energy audit expenses under this section"

Page 3, line 24, after "housing" insert "if the rental unit is individually metered for heating utility purposes and the occupant is directly responsible for paying the heating utility bill"

Page 6, line 26, after "a" insert "high efficiency" and delete "burner"

Page 6, line 28, after the semicolon insert "a high efficiency water heater,"

Page 9, line 1, after "tenant" insert "if the rental unit is individually metered for heating utility purposes and the occupant is directly responsible for paying the heating utility bill"

Page 9, line 6, delete "two" and insert "three"

With the recommendation that when so amended 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. 1081, A bill for an act relating to natural resources; modifying the uses of state parks working capital account funds; amending Minnesota Statutes 1990, section 85.22, subdivisions 1 and 2a.

Reported the same back with the recommendation that 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. 1082, A bill for an act relating to natural resources; modifying certain provisions regarding special receipts of the department of natural resources; amending Minnesota Statutes 1990, section 84.0855.

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

The report was adopted.

Segal from the Committee on Economic Development to which was referred:

H. F. No. 1109, A bill for an act relating to economic development; creating Advantage Minnesota, Inc.; requiring a study; appropriating money for matching funds; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [116J.693] [ADVANTAGE MINNESOTA, INC.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] Advantage Minnesota, Inc. is established as a nonprofit public corporation under chapter 317A and is subject to the provisions of that chapter. The corporation is not a state agency. The purpose of the corporation is to market the economic development potential of the state in order to enhance the state's economic growth. Advantage Minnesota, Inc. objectives are to encourage businesses to remain in the state and

promote in-state expansion of current and new Minnesota employers and businesses.

Subd. 2. [BOARD OF DIRECTORS.] Advantage Minnesota, Inc. shall be governed by a board of directors consisting of members of organizations that have been certified by the commissioner under section 2, clause 1, including Minnesota business and industry and labor organizations; the governor or a designee; the commissioner; and the majority and minority leaders of the senate and the speaker of the house of representatives and the minority leader or their designees. Meetings of the board are subject to section 471.705.

Subd. 3. [EXECUTIVE COMMITTEE; EMPLOYEES.] (a) The board of directors, by resolution adopted by the affirmative vote of a majority of the directors, shall create an executive committee of ten members of the board including the commissioner, the vice-chair of the board of directors, and two members of the legislature. The executive director of the corporation shall be appointed by the board. The executive committee shall oversee the daily operations of the corporation.

(b) The executive committee is subject to section 471.705 except when security, trade secret, potential client lists, pending proposals, negotiations, employee matters, or labor relations information are discussed.

(c) The employees of the corporation are not state employees.

Subd. 4. [BYLAWS.] Bylaws of Advantage Minnesota, Inc. shall provide, at a minimum, for staggered terms of not less than four years for directors, for the removal of directors, and for vacancies on the board.

Subd. 5. [OTHER COMMITTEES.] The board of directors may, by resolution, create one or more committees, each consisting of five directors designated by the board of directors. The duties, responsibilities, and limitations of each committee shall be outlined in the resolution creating such committees.

Subd. 6. [ARTICLES OF INCORPORATION.] The articles of incorporation of Advantage Minnesota, Inc. must be filed with the secretary of state under chapter 317A and must be consistent with this section.

Subd. 7. [AUDIT.] Advantage Minnesota, Inc. shall contract with a certified public accounting firm to perform a financial and compliance audit of the corporation in accordance with generally accepted accounting standards.

Subd. 8. [REPORT.] The commissioner shall submit an annual

report on the activities of Advantage Minnesota, Inc. by January 15 of each year to the appropriations, finance, and economic development committees of the legislature and to the governor. The report must include a description of the corporation's activities for the past year, a list of all contracts entered into by the corporation, and a financial report of revenues and expenditures of the corporation.

Sec. 2. [APPROPRIATION.]

\$..... is appropriated from the general fund in fiscal year 1992 and \$..... in fiscal year 1993 to the commissioner of economic development for grants to Advantage Minnesota, Inc. The funds are available only if matched on at least a one-to-one basis from other sources. The commissioner may release the funds only upon:

(1) certification that matching funds from each participating organization are available;

(2) review and approval of the bylaws and articles of incorporation of Advantage Minnesota, Inc. by the commissioner;

(3) appointment of the board of directors of Advantage Minnesota, Inc.; and

(4) review and approval by the commissioner of the proposed operations plan of Advantage Minnesota, Inc. for the biennium. The commissioner shall release money to the project after reviewing and determining it does not duplicate any other state programs."

Amend the title as follows:

Page 1, line 3, delete "study" and insert "report to the legislature"

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

The report was adopted.

Murphy from the Committee on Energy to which was referred:

H. F. No. 1112, A bill for an act relating to energy; allowing loans to be made to churches and community-based nonprofit organizations for energy conservation improvements; amending Minnesota Statutes 1990, sections 216B.241, subdivision 1; and 216C.37, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 12, after "including" insert "religious organizations,"

Page 2, delete line 13

Page 2, line 14, delete "organization,"

Page 2, line 18, delete "an" and insert "religious organizations,"

Page 2, delete line 19

Page 3, line 11, delete "churches" and insert "religious organizations"

Page 3, line 12, delete everything before the period

Amend the title as follows:

Page 1, delete line 3 and insert "religious organizations"

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

The report was adopted.

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

H. F. No. 1120, A bill for an act relating to natural resources; exotic species management; establishing an interagency committee on exotic species management; requiring a plan; providing for emergency rulemaking; amending Minnesota Statutes 1990, section 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 84.

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

The report was adopted.

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

H. F. No. 1149, A bill for an act relating to state government; administrative procedures; requiring agencies to notify members of the legislature of rulemaking proceedings; specifying the contents of the notice; amending Minnesota Statutes 1990, sections 14.14,

subdivision 1a; 14.16, subdivision 1; 14.22; 14.26; 14.30; 14.32, subdivision 1; and 14.365; proposing coding for new law in Minnesota Statutes, chapter 14.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 14.14, subdivision 1a, is amended to read:

Subd. 1a. [NOTICE OF RULE HEARING.] Each agency shall maintain a list of all persons who have registered with the agency for the purpose of receiving notice of rule hearings. The agency may inquire as to whether those persons on the list wish to maintain their names thereon and may remove names for which there is a negative reply or no reply within 60 days. The agency shall, at least 30 days prior to the date set for the hearing, give notice of its intention to adopt rules by United States mail to all persons on its list, and by publication in the State Register. The agency shall also send a notice to members of the legislature which must include a citation to the statutory authority for the rule, a brief explanation of the purpose of the rule and how it carries out the intent of the legislature, and the name of the agency person to contact for a copy of the rule. If the rule amends existing rules, the explanation must describe the amendments. The mailed notice to persons on its list shall include either a copy of the proposed rule or a description of the nature and effect of the proposed rule and an announcement that a free copy of the proposed rule is available on request from the agency. Each agency may, at its own discretion, also contact persons not on its list and may give notice of its intention in newsletters, newspapers or other publications or through other means of communication. The notice in the State Register must include the proposed rule or an amended rule in the form required by the revisor under section 14.07, together with a citation to the most specific statutory authority for the proposed rule, a statement of the place, date, and time of the public hearing, and other information as required by law or rule. When an entire rule is proposed to be repealed, the agency need only publish that fact, giving the citation to the rule to be repealed in the notice.

Sec. 2. Minnesota Statutes 1990, section 14.16, subdivision 1, is amended to read:

Subdivision 1. [REVIEW OF MODIFICATIONS.] If the report of the administrative law judge finds no defects, the agency may proceed to adopt the rule. After receipt of the administrative law judge's report, if the agency makes any modifications to the rule other than those recommended by the administrative law judge, it must return the rule to the chief administrative law judge for a

review on the issue of substantial change. If the chief administrative law judge determines that the modified rule is substantially different from that which was originally proposed, the chief administrative law judge shall advise the agency of actions which will correct the defects. The agency shall not adopt the modified rule until the chief administrative law judge determines that the defects have been corrected.

The agency shall give notice to all persons who requested to be informed and to all members of the legislature that the rule has been adopted and filed with the secretary of state. This notice shall be given on the same day that the rule is filed.

Sec. 3. Minnesota Statutes 1990, section 14.22, is amended to read:

#### 14.22 [NOTICE OF PROPOSED ADOPTION OF RULES.]

Unless an agency proceeds directly to a public hearing on a proposed rule and gives the notice prescribed in section 14.14, subdivision 1a, the agency shall give notice of its intention to adopt a rule without public hearing. The notice shall be given by publication in the State Register and by United States mail to persons who have registered their names with the agency pursuant to section 14.14, subdivision 1a. The agency shall also send a notice to members of the legislature which must include a citation to the statutory authority for the rule, a brief explanation of the purpose of the rule and how it carries out the intent of the legislature, and the name of the agency person to contact for a copy of the rules. If the rule amends existing rules, the explanation must describe the amendments. The mailed notice to persons on the agency's list shall include either a copy of the proposed rule or a description of the nature and effect of the proposed rule and an announcement that a free copy of the proposed rule is available on request from the agency. The notice in the State Register shall include the proposed rule or the amended rule in the form required by the revisor under section 14.07, and a citation to the most specific statutory authority for the proposed rule. When an entire rule is proposed to be repealed, the notice need only state that fact, giving the citation to the rule to be repealed in the notice. The notice shall include a statement advising the public:

(1) that they have 30 days in which to submit comment in support of or in opposition to the proposed rule and that comment is encouraged;

(2) that each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed;

(3) that if 25 or more persons submit a written request for a public

hearing within the 30-day comment period, a public hearing will be held;

(4) of the manner in which persons shall request a public hearing on the proposed rule;

(5) that the name and address of the person requesting a public hearing shall be stated, and that the requester is encouraged to identify the portion of the proposed rule addressed, the reason for the request, and any change proposed;

(6) that the proposed rule may be modified if the modifications are supported by the data and views submitted; and

(7) that if a hearing is not required, notice of the date of submission of the proposed rule to the attorney general for review will be mailed to any person requesting to receive the notice.

Sec. 4. Minnesota Statutes 1990, section 14.30, is amended to read:

#### 14.30 [NOTICE OF PROPOSED ADOPTION OF EMERGENCY RULE.]

The proposed emergency rule shall be published with a notice of intent to adopt emergency rules in the State Register, and the same notice shall be mailed to all persons registered with the agency to receive notice of any rulemaking proceedings. The agency shall also send a notice to members of the legislature which must include a copy of the proposed rule, a citation to the authority for the rule, and a brief explanation of the purpose of the rule and how it carries out the intent of the legislature, and, if adopted pursuant to section 14.29, subdivision 1, why the adoption of the rule does not allow for compliance with sections 14.14 to 14.28. If the rule amends existing rules, the explanation must describe the amendments. The notice to persons on the agency's list shall include a statement advising the public that a free copy of the proposed rule is available on request from the agency and that notice of the date of submission of the proposed emergency rule to the attorney general will be mailed to any person requesting to receive the notice. For at least 25 days after publication the agency shall afford all interested persons an opportunity to submit data and views on the proposed emergency rule in writing.

Sec. 5. Minnesota Statutes 1990, section 14.365, is amended to read:

#### 14.365 [OFFICIAL RULEMAKING RECORD.]

The agency shall maintain the official rulemaking record for every

rule adopted pursuant to sections 14.05 to 14.36. The record shall be available for public inspection. The record required by this section constitutes the official and exclusive agency rulemaking record with respect to agency action on or judicial review of the rule. The record shall contain:

- (1) a copy of the notice given to all members of the legislature;
- (2) copies of all publications in the State Register pertaining to the rule;
- (2) (3) all written petitions, requests, submissions, or comments received by the agency, the administrative law judge, or the attorney general pertaining to the rule;
- (3) (4) the statement of need and reasonableness for the rule, if any;
- (4) (5) the official transcript of the hearing if one was held, or the tape recording of the hearing if a transcript was not prepared;
- (5) (6) the report of the administrative law judge, if any;
- (6) (7) the rule in the form last submitted to the administrative law judge or first submitted to the attorney general;
- (7) (8) the attorney general's written statement of required modifications and of approval or disapproval, if any;
- (8) (9) any documents required by applicable rules of the office of administrative hearings or of the attorney general;
- (9) (10) the agency's order adopting the rule;
- (10) (11) the revisor's certificate approving the form of the rule;  
and
- (11) (12) a copy of the adopted rule as filed with the secretary of state.

Sec. 6. [14.367] [NOTICE TO LEGISLATURE; ADEQUACY.]

The adequacy of the notice to members of the legislature under sections 14.14, subdivision 1a; 14.16, subdivision 1; 14.22; and 14.30; is not grounds for invalidation of a rule that is otherwise adopted in compliance with the rulemaking provisions of this chapter, nor is it grounds for disapproval under section 14.16, 14.26, or 14.32."

Delete the title and insert:

"A bill for an act relating to state government; administrative procedures; requiring agencies to notify members of the legislature of rulemaking proceedings; specifying the contents of the notice; amending Minnesota Statutes 1990, sections 14.14, subdivision 1a; 14.16, subdivision 1; 14.22; 14.30; and 14.365; proposing coding for new law in Minnesota Statutes, chapter 14."

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. 1176, A bill for an act relating to waste; extending the date for incinerator ash to be considered special waste; amending Minnesota Statutes 1990, section 115A.97, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 16, delete "1993" and insert "1992"

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. 1182, A bill for an act relating to waters; acceptance of funds or property and acquisition of real property by the state board of water and soil resources; amending Minnesota Statutes 1990, section 103C.401, subdivision 1.

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

The report was adopted.

Murphy from the Committee on Energy to which was referred:

H. F. No. 1246, A bill for an act relating to energy; expanding conservation improvement programs; extending protection against

disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; transferring the office of pipeline safety to the department of public service; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.095; 216B.16, subdivision 6b; 216B.241; 216B.243, by adding a subdivision; 216C.02, subdivision 1; 299F.011, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 216E; repealing Minnesota Statutes 1990, sections 16B.32, subdivision 2; and 299J.01 to 299J.18.

Reported the same back with the following amendments:

Page 7, line 4, before "needs" insert "conservation"

Page 10, after line 17, insert:

"Sec. 4. [REPORT; "CIP" PROGRAMS FOR STORED FUELS PROVIDERS.]

Not later than February 1, 1992, the commissioner of public service shall report to the energy policy committees of the senate and the house of representatives on proposals to include in conservation improvement programs providers of liquefied petroleum gas (LPG or "propane") and fuel oil for residential heating.

Sec. 5. [216C.195] [ENERGY CODE AMENDMENTS; COMMERCIAL BUILDINGS.]

Subdivision 1. [COMMISSIONER TO ADOPT.] Not later than September 1, 1992, the commissioner of public service shall adopt amendments to the energy code portion of the Minnesota building code to implement energy efficient standards for new commercial buildings.

Subd. 2. [ADOPTION OF ASHRAE/IES 90.1 STANDARD.] The standards adopted under subdivision 1 must require energy efficiency at least as stringent as:

(1) the "minimum performance" standards for opaque building envelopes; and

(2) the January 1, 1992 standards for heating, ventilating and air

conditioning, and water heating as proposed in ASHRAE/IES standard 90.1.

Subd. 3. [LIGHTING STANDARDS.] The standards adopted under subdivision 1 must be at least as stringent as lighting standards for new federal buildings (for 1993) in Code of Federal Regulations, title 10, section 435.103."

Page 10, delete lines 20 to 36

Page 11, delete lines 1 to 23 and insert:

"Section 1. [216B.097] [COLD WEATHER RULE, COOPERATIVE AND MUNICIPAL UTILITIES.]

Subdivision 1. [APPLICATION; NOTICE TO RESIDENTIAL CUSTOMERS.] (a) A municipal utility or a cooperative electric association must not disconnect the utility service of a residential customer if the disconnection affects the primary heat source for the residential unit when the following conditions are met:

(1) the disconnection would occur during the period between October 15 and April 15;

(2) the customer has declared inability to pay on forms provided by the utility;

(3) the household income of the customer is less than 185 percent of the federal poverty level, as documented by the customer to the utility; and

(4) the customer's account is current for the billing period immediately prior to October 15 or the customer has entered into a payment schedule and is reasonably current with payments under the schedule.

(b) A municipal utility or a cooperative electric association must, between August 15 and October 15 of each year, notify all residential customers of the provisions of this section.

Subd. 2. [NOTICE TO RESIDENTIAL CUSTOMER FACING DISCONNECTION.] Before disconnecting service to a residential customer during the period between October 15 and April 15, a municipal utility or cooperative electric association must provide the following information to a customer:

(1) a notice of proposed disconnection;

(2) a statement explaining the customer's rights and responsibilities;

(3) a list of local energy assistance providers;

(4) forms on which to declare inability to pay; and

(5) a statement explaining available time payment plans and other opportunities to secure continued utility service.

Subd. 3. [RESTRICTIONS IF DISCONNECTION NECESSARY.]

(a) If a residential customer must be involuntarily disconnected between October 15 and April 15 for failure to comply with the provisions of subdivision 1, the disconnection must not occur on a Friday or on the day before a holiday. Further, the disconnection must not occur until at least 20 days after the notice required in subdivision 2 has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

(b) If a customer does not respond to a disconnection notice, the customer must not be disconnected until the utility investigates whether the residential unit is actually occupied. If the unit is found to be occupied, the utility must immediately inform the occupant of the provisions of this section. If the unit is unoccupied, the utility must give seven days written notice of the proposed disconnection to the local energy assistance provider before making a disconnection.

(c) If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by the utility's established appeal procedure, the utility must not disconnect until the appeal is resolved."

Page 16, delete lines 18 to 36

Delete pages 17 to 27

Delete the title and insert:

"A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b; 216B.241; 216B.243, by adding a subdivision; 216C.02, subdivision 1; 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B

and 216C; repealing Minnesota Statutes 1990, section 16B.32, subdivision 2."

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

The report was adopted.

Segal from the Committee on Economic Development to which was referred:

H. F. No. 1249, A bill for an act relating to the city of St. Paul; providing certain economic development authority.

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1294, A bill for an act relating to agriculture; changing the commercial cannery assessment; amending Minnesota Statutes 1990, section 31.39.

Reported the same back with the recommendation that 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. 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.

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

The report was adopted.

Segal from the Committee on Economic Development to which was referred:

H. F. No. 1353, A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

The report was adopted.

Segal from the Committee on Economic Development to which was referred:

S. F. No. 286, A bill for an act relating to cities of the first class; providing for the organization and powers of neighborhood revitalization policy boards; amending Minnesota Statutes 1990, section 469.1831, subdivision 6.

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

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 248, 354, 390, 478, 525, 527, 556, 578, 609, 620, 722, 744, 756, 767, 843, 870, 871, 914, 921, 931, 980, 1006, 1020, 1044, 1050, 1055, 1112, 1149, 1176, 1182 and 1249 were read for the second time.

## **SECOND READING OF SENATE BILLS**

S. F. No. 286 was read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Knickerbocker and Rodosovich introduced:

H. F. No. 1423, A bill for an act relating to local government; providing for the legislature to redistrict county commissioner

districts; amending Minnesota Statutes 1990, sections 375.025; and 375.056; repealing Minnesota Statutes 1990, section 375.025, subdivision 3.

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

Stanisus; Johnson, V.; Krinkie and Morrison introduced:

H. F. No. 1424, A bill for an act relating to game and fish; limiting moose licenses issued to any individual; amending Minnesota Statutes 1990, section 97B.501.

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

Bertram introduced:

H. F. No. 1425, A bill for an act relating to crimes; requiring *county attorneys to prosecute traffic violations in towns and cities with populations of 500 people or less*; amending Minnesota Statutes 1990, section 487.25, subdivision 10.

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

Jefferson introduced:

H. F. No. 1426, A bill for an act relating to higher education; creating a minority community service career grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

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

Winter, Lourey, Welle and Farrell introduced:

H. F. No. 1427, A bill for an act relating to insurance; accident and health; regulating the payment of hospital claims; amending Minnesota Statutes 1990, section 72A.201, subdivision 3, and by adding a subdivision.

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

McGuire; Battaglia; Johnson, V.; Munger and Lynch introduced:

H. F. No. 1428, A bill for an act relating to the environment; conforming permit fee requirements to the federal Clean Air Act; amending Minnesota Statutes 1990, section 116.07, subdivision 4d.

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

Simoneau, Rukavina, Vellenga, Jacobs and Jaros introduced:

H. F. No. 1429, A bill for an act relating to taxation; updating references to the Internal Revenue Code; modifying the computation of taxable income; increasing individual income tax rates; imposing the sales tax on services; amending Minnesota Statutes 1990, sections 290.01, subdivisions 19 and 19a; 290.06, subdivisions 2c and 2d, and by adding a subdivision; 290.067, subdivision 1; 290.92, subdivision 1; 297A.01, subdivision 3; 297A.14, by adding a subdivision; 297A.25, by adding a subdivision; and 297A.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 297A.

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

Brown introduced:

H. F. No. 1430, A bill for an act relating to motor vehicles; requiring proof of appropriate endorsement or driver's license with motorcycle and motorized bicycle registrations; amending Minnesota Statutes 1990, section 168.09, by adding a subdivision.

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

Brown, Steensma, Winter and Anderson, R., introduced:

H. F. No. 1431, A bill for an act relating to agriculture; prohibiting certain farming operations by corporations and limited partnerships; amending Minnesota Statutes 1990, section 500.24, subdivision 3.

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

Hasskamp, Kinkel, Valento, Dempsey and Begich introduced:

H. F. No. 1432, A bill for an act relating to taxation; property; changing the commercial use requirements of certain seasonal recreational property; amending Minnesota Statutes 1990, section 273.13, subdivisions 22 and 25.

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

Begich introduced:

H. F. No. 1433, A bill for an act relating to employment; modifying the family leave law; amending Minnesota Statutes 1990, sections 181.940, subdivision 2; and 181.9413.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Carruthers, Pugh and Macklin introduced:

H. F. No. 1434, A bill for an act relating to courts; providing for the adoption of rules governing the right of access to court records; providing for rules prohibiting certain activities that restrict attorneys from representing claimants; proposing coding for new law in Minnesota Statutes, chapters 480 and 481.

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

Orenstein, McEachern, Vanasek, Long and Haukoos introduced:

H. F. No. 1435, A bill for an act relating to higher education; creating the Minnesota board for higher education; merging the state university, community college, and technical college systems; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 136E.

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

Winter, Skoglund, Lourey, Welle and Blatz introduced:

H. F. No. 1436, A bill for an act relating to insurance; auto; requiring prompt billing for medical expenses; amending Minnesota Statutes 1990, section 65B.44, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 65B.

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

Stanius, Greenfield, Jennings, Blatz and Lynch introduced:

H. F. No. 1437, A bill for an act relating to human services; clarifying and establishing requirements for implementing the Minnesota family investment plan; amending Minnesota Statutes 1990, sections 256.031; 256.032; 256.033; 256.034; 256.035; and 256.036, subdivisions 1, 2, 4, and 5; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1990, sections 256.032, subdivisions 5 and 9; 256.035, subdivisions 6 and 7; 256.036, subdivision 10; Laws 1989, chapter 282, article 5, section 130.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Greenfield and Stanius introduced:

H. F. No. 1438, A bill for an act relating to the provision of mental health services and the regulation of unlicensed mental health practitioners; eliminating the office of social work and mental health boards; sunsetting the board of unlicensed mental health service providers; providing for an autonomous board of social work; providing for an autonomous board of marriage and family therapy; establishing the office of mental health practice; providing additional disciplinary remedies to the board of social work and the board of marriage and family therapy; appropriating money; amending Minnesota Statutes 1990, sections 144.335, subdivision 1; 148B.01, subdivision 7; 148B.03; 148B.04, subdivisions 3 and 4; 148B.05; 148B.06; 148B.07; 148B.08; 148B.09; 148B.11; 148B.12; 148B.13; 148B.15; 148B.17; 148B.18, subdivision 10; 148B.33, subdivision 1; 148B.38, subdivision 3; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148B; repealing Minnesota Statutes 1990, sections 148B.01, subdivisions 2, 5, and 6; 148B.02; 148B.16; 148B.171; 148B.40; 148B.41; 148B.42; 148B.43; 148B.44; 148B.45; 148B.46; 148B.47; and 148B.48.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Greenfield introduced:

H. F. No. 1439, A bill for an act relating to waste; clarifying the requirement that low-level radioactive waste be managed at licensed facilities; exempting certain operations from this requirement; amending Minnesota Statutes 1990, section 116C.852.

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

Ozment and Macklin introduced:

H. F. No. 1440, A bill for an act relating to metropolitan government; requiring metropolitan council to conduct feasibility study on expanding present major metropolitan airport before designating final search area for a new major airport; amending Minnesota Statutes 1990, sections 473.155, subdivision 3; and 473.1551, subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Milbert introduced:

H. F. No. 1441, A bill for an act relating to the practice of law; allowing the sole shareholder of a corporation to appear on behalf of the corporation in court; amending Minnesota Statutes 1990, section 481.02, subdivision 3.

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

Anderson, I., and Carruthers introduced:

H. F. No. 1442, A bill for an act relating to transportation; creating a paratransit advisory council; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Murphy, by request, introduced:

H. F. No. 1443, A bill for an act relating to lawful gambling; allowing lessees to continue to conduct lawful gambling on premises on which gambling violations by others have occurred; amending Minnesota Statutes 1990, sections 299L.05; and 349.18, subdivision 1.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Wagenius; Johnson, R.; Peterson and Blatz introduced:

H. F. No. 1444, A bill for an act relating to waste; prohibiting placement of rechargeable batteries and appliances in mixed municipal waste; imposing requirements on retailers and manufacturers of these products; requiring pilot programs for collection and proper management of used rechargeable batteries and appliances; amending Minnesota Statutes 1990, section 325E.125, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Runbeck introduced:

H. F. No. 1445, A bill for an act relating to taxation; exempting the city of Circle Pines from certain tax increment financing provisions.

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

McPherson, Gutknecht and Haukoos introduced:

H. F. No. 1446, A resolution memorializing the President and Congress to propose a constitutional amendment giving the Congress and the states specific power to prohibit the physical desecration of the American flag.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Thompson introduced:

H. F. No. 1447, A bill for an act relating to state building projects; requiring the commissioner of finance to issue bonds for a project authorized by the 1990 legislature.

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

Wenzel introduced:

H. F. No. 1448, A bill for an act relating to elections; requiring that petitions to the supreme court be heard in person; amending Minnesota Statutes 1990, section 204B.44.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Seaberg, Swenson, Macklin and Vellenga introduced:

H. F. No. 1449, A bill for an act relating to criminal justice; requiring the commissioner of state planning to coordinate preparation of a criminal justice system impact statement and fiscal note for certain bills creating new crimes or enhancing penalties for existing crimes; requiring the sentencing guidelines commission to project increases in criminal justice system resource utilization due to new crimes or enhanced penalties; requiring the peace officer standards and training board, attorney general, state public defender, state court administrator, and commissioner of corrections to prepare resource impact statements; *proposing coding for new law in Minnesota Statutes, chapter 3.*

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

Kalis and Dille introduced:

H. F. No. 1450, A bill for an act relating to agriculture; changing certain deadlines of the agricultural chemical response compensation board; amending Minnesota Statutes 1990, sections 18E.04, subdivision 5; and 18E.05, subdivision 3.

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

Anderson, R., and Ogren introduced:

H. F. No. 1451, A bill for an act relating to taxation; property; providing a discount for earlier payment of property taxes; amending Minnesota Statutes 1990, sections 276.04, subdivision 2; and 290A.03, subdivision 13; *proposing coding for new law in Minnesota Statutes, chapter 276.*

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

Wenzel and Steensma introduced:

H. F. No. 1452, A bill for an act relating to agriculture; providing compensation for damage to farm crops or livestock by protected wild animals; 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.

Trimble introduced:

H. F. No. 1453, A bill for an act relating to waste; establishing priorities for municipal wastewater treatment funding under the state independent grants program; amending Minnesota Statutes 1990, sections 116.16, subdivisions 2, 5, and 9a; 116.162, subdivision 7; 116.18, subdivision 3a; 116.181, subdivisions 1 and 2; and 446A.06, subdivision 1.

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

Sparby, Jennings, McEachern and Scheid introduced:

H. F. No. 1454, 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.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Jefferson and Rice introduced:

H. F. No. 1455, A bill for an act relating to the Minneapolis park and recreation board; providing for two members appointed by the Minneapolis park and recreation board on the Minneapolis reapportionment commission; establishing standards for park board restricting.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Clark and Greenfield introduced:

H. F. No. 1456, A bill for an act relating to retirement; authorizing special school district No. 1, Minneapolis, to pay health insurance costs for certain retired teachers; amending Minnesota Statutes 1990, section 275.125, subdivision 6h.

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

Janezich, Begich, Battaglia, Rukavina and Solberg introduced:

H. F. No. 1457, A bill for an act relating to local government; permitting the city of Biwabik and the town of White to establish a joint east range economic development authority.

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

Clark, Greenfield, Kinkel, Trimble and Tunheim introduced:

H. F. No. 1458, A bill for an act relating to aging; establishing an advisory task force to study issues of concern to Indian elders; 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.

Milbert and Bishop introduced:

H. F. No. 1459, A bill for an act relating to motor vehicles; providing for certain indemnities in lease agreements; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Segal and Garcia introduced:

H. F. No. 1460, A bill for an act relating to taxation; sales; exempting purchases by the department of jobs and training to provide services for the blind; amending Minnesota Statutes 1990, section 297A.25, subdivision 11.

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

Pugh and Morrison introduced:

H. F. No. 1461, A bill for an act relating to public finance; allocating authority to issue certain public debt; amending Minnesota Statutes 1990, section 474A.03.

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

Greenfield introduced:

H. F. No. 1462, A bill for an act relating to health; providing clarification of various laws relating to public health issues; providing penalties; amending Minnesota Statutes 1990, sections 115.71, subdivision 9, and by adding a subdivision; 145.43, subdivision 1a; 153A.15, by adding a subdivision; 153A.16; 153A.17; and 268.12, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 144; 147; and 176; repealing Minnesota Statutes 1990, sections 115.71, subdivision 7; 145.34; and 145.35.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Simoneau introduced:

H. F. No. 1463, A bill for an act relating to education; establishing the Minnesota board for community and technical colleges; merging the community college and technical college systems; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 136E.

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

Carlson, Orenstein, Dorn, Morrison and Limmer introduced:

H. F. No. 1464, A bill for an act relating to education; clarifying post-secondary systems' mission statements; requiring joint administrative appointments for certain technical and community colleges; establishing a post-secondary funding task force; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Pugh and Macklin introduced:

H. F. No. 1465, A bill for an act relating to government data practices; providing for the issuance of commissioner's opinions under the data practices act; proposing coding for new law in Minnesota Statutes, chapter 13.

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

Hufnagle, Morrison and Skoglund introduced:

H. F. No. 1466, A bill for an act relating to taxation; repealing the fiscal disparities law; amending Minnesota Statutes 1990, sections 270.11, subdivision 2; 273.1398, subdivisions 1, 2, and 6; 275.011, subdivision 1; 275.07, subdivision 3; 415.16, subdivision 2; 428A.03, subdivision 1; 428A.05; 469.059, subdivision 13; 469.175, subdivision 3; 469.177, subdivision 3; 469.179; 473.167, subdivision 3; 473.249, subdivision 1; 473.446, subdivision 1; 473.711, subdivision 2; 477A.011, subdivisions 20, 25, 26, and 27; and 477A.013, subdivision 5; repealing Minnesota Statutes 1990, sections 273.1398, subdivision 2b; 473F.01 to 473F.03; and 473F.05 to 473F.13.

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

Carruthers introduced:

H. F. No. 1467, A bill for an act relating to insurance; prohibiting certain agreements; amending Minnesota Statutes 1990, section 60A.08, by adding a subdivision.

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

Knickerbocker and Rodosovich introduced:

H. F. No. 1468, A bill for an act relating to elections; establishing additional standards for county and city redistricting plans regarding population equality, protection of minority populations, and preservation of communities of interest; amending Minnesota Statutes 1990, sections 205.84, subdivision 1; and 375.025, subdivision 1.

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

Winter, Steensma and Olson, K., introduced:

H. F. No. 1469, A bill for an act relating to game and fish; providing an experimental open season for angling two weeks earlier in certain designated areas; amending Minnesota Statutes 1990, section 97C.395, subdivision 1, and by adding a subdivision.

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

Trimble and Farrell introduced:

H. F. No. 1470, A bill for an act relating to taxation; providing an increased class rate for substandard commercial and industrial property; amending Minnesota Statutes 1990, section 273.13, subdivision 24; proposing coding for new law in Minnesota Statutes, chapter 273.

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

Dorn; Pelowski; Johnson, R.; Goodno and Girard introduced:

H. F. No. 1471, A bill for an act relating to funds; authorizing the state university board to maintain a fund; clarifying the scope of university activity funds; amending Minnesota Statutes 1990, section 136.11, subdivisions 3, 5, and by adding a subdivision.

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

Limmer, Leppik, Abrams, Osthoff and Scheid introduced:

H. F. No. 1472, A bill for an act relating to municipal elections; changing the effective date of municipal ordinances affecting the year of an election; authorizing a referendum on the ordinance; amending Minnesota Statutes 1990, section 205.07, subdivision 1, and by adding a subdivision.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Pugh, Wejman and Macklin introduced:

H. F. No. 1473, A bill for an act relating to probate; authorizing the court to set aside certain transactions made prior to establish-

ment of a guardianship or conservatorship; amending Minnesota Statutes 1990, section 525.56, by adding a subdivision.

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

Stanisus; Johnson, V.; Kahn; Munger and Omann introduced:

H. F. No. 1474, A bill for an act relating to natural resources; amending certain provisions concerned with the management of fish and wildlife; increasing certain license fees; appropriating money; amending Minnesota Statutes 1990, sections 84.944, subdivision 2; 84.96, subdivision 5; 97A.075, subdivision 2; 97A.325, subdivision 2; 97A.435, subdivision 2; 97A.475, subdivisions 2, 3, and 7; 97A.485, subdivision 7; and 97B.801; repealing Minnesota Statutes 1990, section 97B.721.

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

Mariani, Jefferson, Jaros, Peterson and Goodno introduced:

H. F. No. 1475, A bill for an act relating to education; requiring post-secondary governing boards to report on cultural diversity.

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

Segal and Dawkins introduced:

H. F. No. 1476, A bill for an act relating to taxation; individual and corporate income; allowing a targeted jobs tax credit; amending Minnesota Statutes 1990, section 290.06, by adding a subdivision.

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

Janezich, O'Connor and Rukavina introduced:

H. F. No. 1477, A bill for an act relating to retirement; teachers retirement association; permitting members to purchase credit for a period of military service more than five years after the date of discharge under certain conditions.

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

Pugh, Blatz, Carruthers and Macklin introduced:

H. F. No. 1478, A bill for an act relating to courts; conciliation court; permitting collection of conciliation court judgments under the revenue recapture act; amending Minnesota Statutes 1990, sections 270A.03, subdivisions 2, 4, and 5; 270A.04, subdivision 3; 270A.07, subdivision 2; and 270A.11.

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

Murphy, by request, and Battaglia introduced:

H. F. No. 1479, A bill for an act relating to local government; describing relations between counties and towns for planning and zoning; amending Minnesota Statutes 1990, section 394.33, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Bettermann, Dauner, Lynch, Reding and Stanius introduced:

H. F. No. 1480, A bill for an act relating to counties; providing an alternate method for financial examinations; proposing coding for new law in Minnesota Statutes, chapter 6.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Heir, Jacobs, Stanius, Davids and Schreiber introduced:

H. F. No. 1481, A bill for an act relating to emergency telephone service; establishing a grant program for counties to initiate and improve emergency telephone services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 403.

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

Bertram and Wenzel introduced:

H. F. No. 1482, A bill for an act relating to the environment; petrofund; amending Minnesota Statutes 1990, sections 115C.09, subdivisions 1, 2, 3, and 5; 116.46, subdivision 7; 116.491, subdivision 1; and 116.50; proposing coding for new law in Minnesota Statutes, chapter 115C.

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

Smith introduced:

H. F. No. 1483, A resolution memorializing Congress to increase funding for the Women, Infants, and Children (WIC) Program.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Newinski, Stanius, Bettermann, Erhardt and Frederick introduced:

H. F. No. 1484, 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.

Carlson, Kelso, Segal, Scheid and Leppik introduced:

H. F. No. 1485, A bill for an act relating to education; establishing a grant program to demonstrate effective mechanisms for coordinating and enhancing social services and education for children experiencing or likely to experience mental health problems; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124C.

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

Reding introduced:

H. F. No. 1486, A bill for an act relating to retirement; inclusion of technical college teachers in the law governing individual retirement accounts; amending Minnesota Statutes 1990, sections 354.05, subdivision 2a; 354B.01, subdivision 1, and by adding subdivisions; 354B.015; 354B.02; 354B.03, subdivisions 1 and 3; 354B.05; and 356.24; proposing coding for new law in Minnesota Statutes, chapter 354B.

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

Welker introduced:

H. F. No. 1487, A bill for an act relating to the environment; requiring a local permit for the burning of PCBs; amending Minnesota Statutes 1990, section 116.38, by adding a subdivision.

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

Dawkins introduced:

H. F. No. 1488, A bill for an act relating to cooperatives; providing for equal representation on the board from districts or units of certain cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

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

Dawkins introduced:

H. F. No. 1489, A bill for an act relating to cooperatives; applying the open meeting law to certain electric cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

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

Dawkins introduced:

H. F. No. 1490, A bill for an act relating to utilities; providing for incentive plans for energy conservation improvements; requiring showing when applying for certificate to construct a large energy facility that demand for electricity cannot be met more cost effectively through energy conservation or load-management measures; amending Minnesota Statutes 1990, sections 216B.16, subdivision 6b, and by adding a subdivision; and 216B.243, subdivision 3.

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

Murphy, Boo, Rodosovich, Welle and Anderson, R., introduced:

H. F. No. 1491, A bill for an act relating to human services; allowing medical assistance recipients who are eligible on a one-month spend-down basis to pay the amount of their spend-down to

the local agency in order to maintain continuous eligibility; amending Minnesota Statutes 1990, section 256B.056, subdivision 5.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Morrison, Bertram, Sarna and Pellow introduced:

H. F. No. 1492, A bill for an act relating to commerce; real estate appraisers; amending Minnesota Statutes 1990, sections 82B.02, subdivisions 8 and 12; 82B.05, subdivision 1; 82B.11; 82B.13, subdivision 1, and by adding subdivisions; 82B.14; 82B.15, subdivision 3; 82B.17; 82B.18; and 82B.19, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 82B; repealing Minnesota Statutes 1990, sections 82B.05, subdivision 2; 82B.13, subdivision 2; and 82B.225.

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

Simoneau introduced:

H. F. No. 1493, A bill for an act relating to human services; establishing a prescription drug discount program for eligible senior citizens; appropriating money; 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.

Mariani introduced:

H. F. No. 1494, A bill for an act relating to human services; requiring grants for demonstration programs to promote the self-sufficiency of public assistance recipients; appropriating money; 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.

Olson, E., and Orenstein introduced:

H. F. No. 1495, 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.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Goodno, Carruthers and Anderson, I., introduced:

H. F. No. 1496, A bill for an act relating to local government; transferring authority for incorporations, detachments, and annexations to the office of administrative hearings and the state planning agency; providing a single annexation procedure; amending Minnesota Statutes 1990, sections 414.01, subdivisions 1, 14, 15, 16, and by adding subdivisions; 414.011, subdivisions 7 and 8; 414.012; 414.02; 414.031; 414.035; 414.041; 414.051; 414.06; 414.061; 414.063; 414.067; 414.07; 414.08; and 414.09; repealing Minnesota Statutes 1990, section 414.01, subdivisions 2, 3, 3a, 4, 5, 6a, 7a, 8, 10, 11, and 12; 414.0325; 414.033; and 414.036.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Rest introduced:

H. F. No. 1497, A bill for an act relating to tax increment financing; clarifying and modifying provisions relating to administration and enforcement of the tax increment financing law; clarifying effective dates; extending the application of provisions of the tax increment financing law for the city of Moorhead; providing for the computation of original net tax capacity of a district in the city of Fergus Falls; amending Minnesota Statutes 1990, sections 273.1399, subdivisions 1 and 3; 469.012, subdivision 8; 469.174, subdivision 10; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, and 4; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; and 469.1831, subdivision 4; Laws 1989, First Special Session chapter 1, article 14, section 16; and Laws 1990, chapter 604, article 7, section 31.

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

Boo, Pauly, Battaglia, Stanius and Reding introduced:

H. F. No. 1498, A bill for an act relating to the environment; clarifying and distinguishing organizational duties of the board of the pollution control agency; amending Minnesota Statutes 1990, sections 116.02, subdivisions 1, 2, 3, 4, and by adding a subdivision.

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

Carruthers and Scheid introduced:

H. F. No. 1499, A bill for an act relating to retirement; Brooklyn Center volunteer firefighters relief association; specifying alternative flexible service pension maximums.

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

Jacobs introduced:

H. F. No. 1500, A bill for an act relating to powers of attorney; providing notice of prohibition of spousal power of attorney for real estate conveyances; amending Minnesota Statutes 1990, sections 523.01; and 523.23, subdivision 1.

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

Heir, Pugh, Lynch and Milbert introduced:

H. F. No. 1501, A bill for an act relating to public employment; modifying the definition of an essential employee; amending Minnesota Statutes 1990, section 179A.03, subdivision 7.

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

Pugh and Macklin introduced:

H. F. No. 1502, A bill for an act relating to the secretary of state; requiring that certain information be provided without a fee; amending Minnesota Statutes 1990, section 336.9-411.

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

Smith introduced:

H. F. No. 1503, A bill for an act relating to taxation; corporate franchise; disallowing a deduction for certain legal expenses; amending Minnesota Statutes 1990, section 290.01, subdivision 19c.

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

Janezich, Rodosovich, Greenfield, Murphy and Anderson, R., introduced:

H. F. No. 1504, A bill for an act relating to taxation; providing income and corporate franchise tax checkoffs for health care programs; amending Minnesota Statutes 1990, sections 290.431; and 290.432.

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

Heir, Trimble, Kahn, Bishop and Jacobs introduced:

H. F. No. 1505, A bill for an act relating to waters; dispute committee jurisdiction; authorizing exemption of certain water use permits from mandatory termination; amending Minnesota Statutes 1990, sections 103B.101, subdivision 10; and 103G.271, subdivision 5.

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

Stanius introduced:

H. F. No. 1506, A bill for an act relating to health; providing podiatrists with equal access to hospitals and outpatient surgical centers; allowing podiatrists and dentists to use the designations "physician" and "surgeon"; amending Minnesota Statutes 1990, section 147.081, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Stanius; Jennings; Gruenes; Anderson, R. H., and Davids introduced:

H. F. No. 1507, A bill for an act relating to human services; aid to

families with dependent children; specifying school participation requirements for recipients of assistance; requiring the commissioner of human services to seek a federal waiver; authorizing counties, at their option, to require participation in community work experience programs; amending Minnesota Statutes 1990, sections 256.73, by adding subdivisions; and 256.737, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

O'Connor, Mariani, Jaros and Dawkins introduced:

H. F. No. 1508, A bill for an act relating to housing; providing for a neighborhood rehabilitation program for the cities of Saint Paul and Duluth; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

### MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 539.

PATRICK E. FLAHAVEN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 539, A bill for an act relating to commerce; restraint of trade; providing an evidentiary presumption in resale price maintenance cases; proposing coding for new law in Minnesota Statutes, chapter 325D.

The bill was read for the first time.

O'Connor moved that S. F. No. 539 and H. F. No. 931, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

**CONSENT CALENDAR**

H. F. No. 614, A bill for an act relating to state finance; permitting investments in all federally insured savings accounts; amending Minnesota Statutes 1990, section 11A.24, subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 924, A bill for an act relating to utilities; authorizing the public utilities commission to allow recovery of expenses associated with economic and community development; amending Minnesota Statutes 1990, section 216B.16, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 934 was reported to the House.

Johnson, A., moved that H. F. No. 934 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 957, A bill for an act relating to state government; permitting the commissioner of administration to make certain leases; amending Minnesota Statutes 1990, section 16B.24, subdivision 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Bodahl	Cooper	Dorn
Anderson, I.	Begich	Boo	Dauner	Erhardt
Anderson, R.	Bertram	Brown	Davids	Farrell
Anderson, R. H.	Bettermann	Carlson	Dawkins	Frederick
Battaglia	Bishop	Carruthers	Dempsey	Frerichs
Bauerly	Blatz	Clark	Dille	Garcia

Girard	Johnson, V.	McPherson	Pelowski	Steensma
Goodno	Kahn	Milbert	Peterson	Sviggum
Greenfield	Kalis	Morrison	Pugh	Swenson
Gruenes	Kelso	Munger	Reding	Thompson
Gutknecht	Kinkel	Murphy	Rest	Tompkins
Hanson	Knickerbocker	Nelson, K.	Rice	Trimble
Hartle	Koppendrayner	Nelson, S.	Rodosovich	Tunheim
Hasskamp	Krinkie	Newinski	Rukavina	Uphus
Haukoos	Krueger	O'Connor	Runbeck	Valento
Hausman	Lasley	Ogren	Sarna	Vellenga
Heir	Leppik	Olsen, S.	Schafer	Wagenius
Henry	Lieder	Olson, E.	Scheid	Waltman
Hufnagle	Limmer	Olson, K.	Schreiber	Weaver
Hugoson	Long	Omann	Seaberg	Wejcman
Jacobs	Lourey	Onnen	Segal	Welker
Janezich	Lynch	Orenstein	Simoneau	Welle
Jaros	Macklin	Orfield	Skoglund	Wenzel
Jefferson	Mariani	Osthoff	Smith	Winter
Jennings	Marsh	Ostrom	Solberg	Spk. Vanasek
Johnson, A.	McEachern	Ozment	Sparby	
Johnson, R.	McGuire	Pauly	Stanius	

The bill was passed and its title agreed to.

H. F. No. 1042, A bill for an act relating to economic development; changing the organization of the department of trade and economic development; amending Minnesota Statutes 1990, section 116J.01, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Tunheim  
Uphus  
Valento

Vellenga  
Wagenius  
Waltman

Weaver  
Wejcman  
Welker

Welle  
Wenzel  
Winter

Spk. Vanasek

The bill was passed and its title agreed to.

## CALENDAR

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

The bill was passed and its title agreed to.

H. F. No. 137, A bill for an act relating to elections; authorizing a party state executive committee to fill certain vacancies and make certain decisions; changing time for examination by judges of

certain return envelopes; changing the form of an affidavit; clarifying procedures for nominating certain candidates by petition; providing for withdrawal from the general election ballot; clarifying procedures for filling certain vacancies; providing for counting write-in votes for a candidate team; amending Minnesota Statutes 1990, sections 202A.12, subdivision 3; 203B.12, subdivision 2; 203B.21, subdivision 3; 204B.12; 204B.13; 204B.41; and 204C.22, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 77 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Krueger	Orfield	Sparby
Anderson, R.	Greenfield	Lasley	Osthoff	Steensma
Battaglia	Hanson	Lieder	Pelowski	Thompson
Bauerly	Hasskamp	Long	Peterson	Tompkins
Beard	Hausman	Lourey	Pugh	Trimble
Begich	Jacobs	Mariani	Reding	Tunheim
Bertram	Janezich	McEachern	Rest	Vellenga
Bodahl	Jaros	McGuire	Rice	Wagenius
Brown	Jefferson	Milbert	Rodosovich	Wejcman
Carlson	Jennings	Munger	Rukavina	Welle
Carruthers	Johnson, A.	Nelson, K.	Sarna	Wenzel
Clark	Johnson, R.	Nelson, S.	Scheid	Winter
Cooper	Kahn	O'Connor	Segal	Spk. Vanasek
Dauner	Kalis	Ogren	Simoneau	
Dawkins	Kelso	Olson, E.	Skoglund	
Farrell	Kinkel	Orenstein	Solberg	

Those who voted in the negative were:

Abrams	Frerichs	Knickerbocker	Olsen, S.	Stanius
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Svigum
Bettermann	Goodno	Krinkie	Omann	Swenson
Bishop	Gruenes	Leppik	Onnen	Uphus
Blatz	Gutknecht	Limmer	Ostrom	Valento
Boo	Hartle	Lynch	Ozment	Waltman
Davids	Haukoos	Macklin	Pauly	Weaver
Dempsey	Heir	Marsh	Runbeck	Welker
Dille	Henry	McPherson	Schafer	
Dorn	Hufnagle	Morrison	Schreiber	
Erhardt	Hugoson	Murphy	Seaberg	
Frederick	Johnson, V.	Newinski	Smith	

The bill was passed and its title agreed to.

S. F. No. 148, A bill for an act relating to human services; case management of persons with mental retardation or related conditions; authorizing alternative methods for delivery of services; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

The bill was passed and its title agreed to.

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 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	Battaglia	Bertram	Bodahl	Carruthers
Anderson, I.	Bauerly	Bettermann	Boo	Clark
Anderson, R.	Beard	Bishop	Brown	Cooper
Anderson, R. H.	Begich	Blatz	Carlson	Dauner

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

The bill was passed and its title agreed to.

H. F. No. 41, A bill for an act relating to retirement; providing certain widow benefits for the Virginia firefighters relief association; providing for disposition of assets of the Virginia firefighters relief association under certain conditions; amending Laws 1974, chapter 183, section 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Heir	Lasley	O'Connor
Anderson, I.	Dawkins	Henry	Leppik	Ogren
Anderson, R.	Dempsey	Hufnagle	Lieder	Olsen, S.
Anderson, R. H.	Dille	Hugoson	Limmer	Olson, E.
Battaglia	Dorn	Jacobs	Long	Olson, K.
Bauerly	Erhardt	Janezich	Lourey	Omann
Beard	Farrell	Jaros	Lynch	Onnen
Begich	Frederick	Jefferson	Macklin	Orenstein
Bertram	Frerichs	Jennings	Mariani	Orfield
Bettermann	Garcia	Johnson, A.	Marsh	Osthoff
Bishop	Girard	Johnson, R.	McEachern	Ostrom
Blatz	Goodno	Johnson, V.	McGuire	Ozment
Bodahl	Greenfield	Kahn	McPherson	Pauly
Boo	Gruenes	Kalis	Milbert	Pelowski
Brown	Gutknecht	Kelso	Morrison	Peterson
Carlson	Hanson	Kinkel	Munger	Pugh
Carruthers	Hartle	Knickerbocker	Murphy	Reding
Clark	Hasskamp	Koppendrayner	Nelson, K.	Rest
Cooper	Haukoos	Krinkie	Nelson, S.	Rice
Dauner	Hausman	Krueger	Newinski	Rodosovich

Rukavina	Segal	Steensma	Uphus	Welker
Runbeck	Simoneau	Sviggum	Valento	Welle
Sarna	Skoglund	Swenson	Vellenga	Wenzel
Schafer	Smith	Thompson	Wagenius	Winter
Scheid	Solberg	Tompkins	Waltman	Spk. Vanasek
Schreiber	Sparby	Trimble	Weaver	
Seaberg	Stanis	Tunheim	Wejzman	

The bill was passed and its title agreed to.

S. F. No. 5, A bill for an act relating to retirement; authorizing a benefit increase for certain retired police officers, firefighters, and surviving spouses in the city of Eveleth.

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

The bill was passed and its title agreed to.

H. F. No. 71, A bill for an act relating to marriage dissolution; requiring information; providing for the content and uses of a certificate of dissolution; amending Minnesota Statutes 1990, sections 259.10; and 518.10; proposing coding for new law in Minnesota Statutes, chapter 518.

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

The bill was passed and its title agreed to.

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 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	Begich	Brown	Dawkins	Frerichs
Anderson, I.	Bertram	Carlson	Dempsey	Garcia
Anderson, R.	Bettermann	Carruthers	Dille	Girard
Anderson, R. H.	Bishop	Clark	Dorn	Goodno
Battaglia	Blatz	Cooper	Erhardt	Greenfield
Bauerly	Bodahl	Dauner	Farrell	Gruenes
Beard	Boo	Davids	Frederick	Gutknecht

Hanson	Kinkel	Munger	Pugh	Sviggum
Hartle	Knickerbocker	Murphy	Reding	Swenson
Hasskamp	Koppendrayner	Nelson, K.	Rest	Thompson
Haukoos	Krinkie	Nelson, S.	Rice	Tompkins
Hausman	Krueger	Newinski	Rodosovich	Trimble
Heir	Lasley	O'Connor	Rukavina	Tunheim
Henry	Leppik	Ogren	Runbeck	Uphus
Hufnagle	Lieder	Olsen, S.	Sarna	Valento
Hugoson	Limmer	Olson, E.	Schafer	Vellenga
Jacobs	Long	Olson, K.	Scheid	Wagenius
Janezich	Lourey	Omann	Schreiber	Waltman
Jaros	Lynch	Onnen	Seaberg	Weaver
Jefferson	Macklin	Orenstein	Segal	Wejzman
Jennings	Mariani	Orfield	Simoneau	Welker
Johnson, A.	Marsh	Osthoff	Skoglund	Welle
Johnson, R.	McEachern	Ostrom	Smith	Wenzel
Johnson, V.	McGuire	Ozment	Solberg	Winter
Kahn	McPherson	Pauly	Sparby	Spk. Vanasek
Kalis	Milbert	Pelowski	Stanius	
Kelso	Morrison	Peterson	Steensma	

The bill was passed and its title agreed to.

H. F. No. 230, A bill for an act relating to education; permitting a referendum on combining certain school districts before formal cooperation begins.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Weaver  
Wejman

Welker  
Welle

Wenzel  
Winter

Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 381, A bill for an act relating to education; authorizing construction at Dakota County Technical College.

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

The bill was passed and its title agreed to.

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

The bill was passed and its title agreed to.

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 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	Brown	Frerichs	Hufnagle	Knickerbocker
Anderson, I.	Carlson	Garcia	Hugoson	Koppendrayner
Anderson, R.	Carruthers	Girard	Jacobs	Krinkie
Anderson, R. H.	Clark	Goodno	Janezich	Krueger
Battaglia	Cooper	Greenfield	Jaros	Lasley
Bauerly	Dauner	Gruenes	Jefferson	Leppik
Beard	Dauids	Gutknecht	Jennings	Lieder
Begich	Dawkins	Hanson	Johnson, A.	Limmer
Bertram	Dempsey	Hartle	Johnson, R.	Long
Bettermann	Dille	Hasskamp	Johnson, V.	Lourey
Bishop	Dorn	Haukoos	Kahn	Lynch
Blatz	Erhardt	Hausman	Kalis	Macklin
Bodahl	Farrell	Heir	Kelso	Mariani
Boo	Frederick	Henry	Kinkel	Marsh

McEachern	Olson, E.	Reding	Skoglund	Valento
McGuire	Olson, K.	Rest	Smith	Vellenga
McPherson	Omann	Rice	Solberg	Wagenius
Milbert	Onnen	Rodosovich	Sparby	Waltman
Morrison	Orenstein	Rukavina	Stanius	Weaver
Munger	Orfield	Runbeck	Steensma	Wejcman
Murphy	Osthoff	Sarna	Sviggum	Welker
Nelson, K.	Ostrom	Schafer	Swenson	Welle
Nelson, S.	Ozment	Scheid	Thompson	Wenzel
Newinski	Pauly	Schreiber	Tompkins	Winter
O'Connor	Pelowski	Seaberg	Trimble	Spk. Vanasek
Ogren	Peterson	Segal	Tunheim	
Olsen, S.	Pugh	Simoneau	Uphus	

The bill was passed and its title agreed to.

H. F. No. 910, A bill for an act relating to energy; requiring low-income housing to be built according to energy efficiency standards; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Davids	Krinkie	Sviggum
Frerichs	Limmer	Welker

The bill was passed and its title agreed to.

H. F. No. 106, A bill for an act relating to towns; providing for money from town road account to be distributed to towns by March 1, annually; amending Minnesota Statutes 1990, section 162.081, subdivisions 3 and 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Osthoff

The bill was passed and its title agreed to.

H. F. No. 415, A bill for an act relating to commerce; regulating farm equipment dealerships; amending Minnesota Statutes 1990, sections 325E.061, subdivisions 2, 4, and 5; 325E.063; 325E.064; 325E.068, subdivisions 2, 4, and 5; 325E.0682; and 325E.0683.

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

The bill was passed and its title agreed to.

H. F. No. 424, A bill for an act relating to interscholastic athletics; providing that persons who assault a sports official may be excluded from certain events; proposing coding for new law in Minnesota Statutes, chapter 128C.

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	Begich	Brown	Dawkins	Frerichs
Anderson, I.	Bertram	Carlson	Dempsey	Garcia
Anderson, R.	Bettermann	Carruthers	Dille	Girard
Anderson, R. H.	Bishop	Clark	Dorn	Goodno
Battaglia	Blatz	Cooper	Erhardt	Greenfield
Bauerly	Bodahl	Dauner	Farrell	Gruenes
Beard	Boo	Davids	Frederick	Gutknecht

Hanson	Kinkel	Munger	Pugh	Sviggum
Hartle	Knickerbocker	Murphy	Reding	Swenson
Hasskamp	Koppendrayner	Nelson, K.	Rest	Thompson
Haukoos	Krinkie	Nelson, S.	Rice	Tompkins
Hausman	Krueger	Newinski	Rodosovich	Trimble
Heir	Lasley	O'Connor	Rukavina	Tunheim
Henry	Leppik	Ogren	Runbeck	Uphus
Hufnagle	Lieder	Olsen, S.	Sarna	Valento
Hugoson	Limmer	Olson, E.	Schafer	Vellenga
Jacobs	Long	Olson, K.	Scheid	Wagenius
Janezich	Lourey	Omann	Schreiber	Waltman
Jaros	Lynch	Onnen	Seaberg	Weaver
Jefferson	Macklin	Orenstein	Segal	Wejzman
Jennings	Mariani	Orfield	Simoneau	Welker
Johnson, A.	Marsh	Osthoff	Skoglund	Welle
Johnson, R.	McEachern	Ostrom	Smith	Wenzel
Johnson, V.	McGuire	Ozment	Solberg	Winter
Kahn	McPherson	Pauly	Sparby	Spk. Vanasek
Kalis	Milbert	Pelowski	Stanius	
Kelso	Morrison	Peterson	Stensma	

The bill was passed and its title agreed to.

H. F. No. 466, A bill for an act relating to traffic regulations; defining "wrecker" to include new variations of tower vehicles; requiring the use of amber lights on wreckers after January 1, 1992; allowing use of red lights on vehicles of certain emergency response personnel; exempting wreckers from weight requirements under certain circumstances; amending Minnesota Statutes 1990, sections 169.01, subdivision 52; 169.58, subdivision 2; 169.64, subdivision 5; and 169.825, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Haukoos	Koppendrayner	Murphy
Anderson, I.	Davids	Hausman	Krinkie	Nelson, K.
Anderson, R.	Dawkins	Heir	Krueger	Nelson, S.
Anderson, R. H.	Dempsey	Henry	Lasley	Newinski
Battaglia	Dille	Hufnagle	Leppik	O'Connor
Bauerly	Dorn	Hugoson	Lieder	Ogren
Beard	Erhardt	Jacobs	Limmer	Olsen, S.
Begich	Farrell	Janezich	Long	Olson, E.
Bertram	Frederick	Jaros	Lourey	Olson, K.
Bettermann	Frerichs	Jefferson	Lynch	Omann
Bishop	Garcia	Jennings	Macklin	Onnen
Blatz	Girard	Johnson, A.	Mariani	Orenstein
Bodahl	Goodno	Johnson, R.	Marsh	Orfield
Boo	Greenfield	Johnson, V.	McEachern	Osthoff
Brown	Gruenes	Kahn	McGuire	Ostrom
Carlson	Gutknecht	Kalis	McPherson	Ozment
Carruthers	Hanson	Kelso	Milbert	Pauly
Clark	Hartle	Kinkel	Morrison	Pelowski
Cooper	Hasskamp	Knickerbocker	Munger	Peterson

Pugh	Schafer	Solberg	Trimble	Wejzman
Reding	Scheid	Sparby	Tunheim	Welker
Rest	Schreiber	Stanisus	Uphus	Welle
Rice	Seaberg	Steensma	Valento	Wenzel
Rodosovich	Segal	Sviggum	Vellenga	Winter
Rukavina	Simoneau	Swenson	Wagenius	Spk. Vanasek
Runbeck	Skoglund	Thompson	Waltman	
Sarna	Smith	Tompkins	Weaver	

The bill was passed and its title agreed to.

H. F. No. 471 was reported to the House.

Ogren moved that H. F. No. 471 be continued on the Calendar. The motion prevailed.

H. F. No. 606, A bill for an act relating to transportation; authorizing state departments to cancel uncollectible debts up to \$200 in certain cases; allowing department of transportation to employ debt collection services; allowing department of transportation to make direct expenditures from state aid funds for administrative expenses; providing penalty for failure to pay fee for sign permit more than 30 days after fee is due; providing when estimates of certain construction projects are nonpublic data; directing the commissioner of transportation to adopt rules governing the location and break-away standards for mailbox installations; allowing white strobe lamps to be used on highway maintenance vehicles; authorizing exchange of lands with Grand Portage Band of Chippewa Indians; abolishing conflicting requirements related to market artery highways; adding a route and changing the description of a route in the state highway system; providing a penalty; amending Minnesota Statutes 1990, sections 10.12; 13.72, subdivision 1; 161.20, subdivision 4; 162.06, subdivision 2; 162.12, subdivision 2; 169.64, by adding a subdivision; and 173.13, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.833.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Begich	Brown	Dawkins	Frerichs
Anderson, I.	Bertram	Carlson	Dempsey	Garcia
Anderson, R.	Bettermann	Carruthers	Dille	Girard
Anderson, R. H.	Bishop	Clark	Dorn	Goodno
Battaglia	Blatz	Cooper	Erhardt	Greenfield
Bauerly	Bodahl	Dauner	Farrell	Gruenes
Beard	Boo	Davids	Frederick	Gutknecht

Hanson	Kinkel	Munger	Reding	Swenson
Hartle	Knickerbocker	Murphy	Rest	Thompson
Hasskamp	Koppendrayner	Nelson, K.	Rice	Tompkins
Haukoos	Krinkie	Nelson, S.	Rodosovich	Trimble
Hausman	Krueger	Newinski	Rukavina	Tunheim
Heir	Lasley	O'Connor	Runbeck	Uphus
Henry	Leppik	Ogren	Sarna	Valento
Hufnagle	Lieder	Olsen, S.	Schafer	Vellenga
Hugoson	Limmer	Olson, E.	Scheid	Wagenius
Jacobs	Long	Olson, K.	Schreiber	Waltman
Janezich	Lourey	Omann	Seaberg	Weaver
Jaros	Lynch	Onnen	Segal	Wejcman
Jefferson	Macklin	Orenstein	Simoneau	Welker
Jennings	Mariani	Orfield	Skoglund	Welle
Johnson, A.	Marsh	Ostrom	Smith	Wenzel
Johnson, R.	McEachern	Ozment	Solberg	Winter
Johnson, V.	McGuire	Pauly	Sparby	Spk. Vanasek
Kahn	McPherson	Pelowski	Stanisus	
Kalis	Milbert	Peterson	Steensma	
Kelso	Morrison	Pugh	Svigum	

Those who voted in the negative were:

Osthoff

The bill was passed and its title agreed to.

## GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

## MOTIONS AND RESOLUTIONS

Svigum moved that the name of Frederick be added as an author on H. F. No. 33. The motion prevailed.

Uphus moved that the name of Erhardt be added as an author on H. F. No. 903. The motion prevailed.

Wagenius moved that the name of Erhardt be added as an author on H. F. No. 988. The motion prevailed.

Jennings moved that the name of Frederick be added as an author on H. F. No. 999. The motion prevailed.

Mariani moved that the name of Wejcman be added as an author on H. F. No. 1157. The motion prevailed.

Bertram moved that the name of Wenzel be added as an author on H. F. No. 1333. The motion prevailed.

Leppik moved that the name of Clark be added as an author on H. F. No. 1357. The motion prevailed.

Smith moved that the name of Goodno be added as an author on H. F. No. 1363. The motion prevailed.

Brown moved that the name of Dauner be added as an author on H. F. No. 1371. The motion prevailed.

Begich moved that his name be stricken and the name of Lourey be added as chief author on H. F. No. 1382. The motion prevailed.

Gruenes moved that the name of Uphus be stricken and the name of Sparby be added as an author on H. F. No. 1404. The motion prevailed.

Begich moved that H. F. No. 1382 be recalled from the Committee on Judiciary and be re-referred to the Committee on Labor-Management Relations. The motion prevailed.

Trimble moved that H. F. No. 1270 be recalled from the Committee on Commerce and be re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Garcia moved that H. F. No. 1153 be recalled from the Committee on Taxes and be re-referred to the Committee on Energy. The motion prevailed.

Bodahl moved that H. F. No. 941 be returned to its author. The motion prevailed.

#### ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 2:30 p.m., Wednesday, April 10, 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., Wednesday, April 10, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives