STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION-1991

FIFTIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 9, 1991

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

Prayer was offered by the Very Reverend John Khoury, St. George Antiochian Orthodox Church, West St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Wenzel was excused until 1:30 p.m. Krueger was excused until 1:35 p.m. Simoneau was excused until 2:20 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Welker moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 634 and H. F. No. 675, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Brown moved that the rules be so far suspended that S. F. No. 634 be substituted for H. F. No. 675 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 809 and H. F. No. 867, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Orenstein moved that the rules be so far suspended that S. F. No. 809 be substituted for H. F. No. 867 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 906 and H. F. No. 1044, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Beard moved that the rules be so far suspended that S. F. No. 906 be substituted for H. F. No. 1044 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1316 and H. F. No. 1392, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Osthoff moved that S. F. No. 1316 be substituted for H. F. No. 1392 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1411 and H. F. No. 1359, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Thompson moved that the rules be so far suspended that S. F. No. 1411 be substituted for H. F. No. 1359 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA OFFICE OF THE GOVERNOR SAINT PAUL 55155

May 6, 1991

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

Dear Representative Vanasek:

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

- H. F. No. 614, relating to state finance; permitting investments in all federally insured savings accounts.
- H. F. No. 324, relating to employment; regulating an employee's lien for wages.
- H. F. No. 526, relating to corporations; clarifying and modifying provisions governing divisions and combinations of shares and rights of shareholders; clarifying meeting notice requirements; authorizing electronic communications by shareholders; modifying access to corporate records; clarifying and modifying provisions governing mergers and dissolutions.
- H. F. No. 1105, relating to Ramsey county; providing for additional civil service certification of underrepresented groups.

- H. F. No. 983, relating to Ramsey county; changing Ramsey county special laws to make them consistent with the county home rule charter.
- H. F. No. 422, relating to cities; providing for distribution of public notices in cities of the fourth class in the metropolitan area.
- H. F. No. 1418, relating to human services; Minnesota comprehensive health association; clarifying the calculation of contributing members' share of expenses; excluding medical assistance and general assistance medical care payments from the calculation.
- H. F. No. 843, relating to waste; Western Lake Superior sanitary district; amending the definition of solid waste; changing the date for adoption of a budget.
- H. F. No. 230, relating to education; authorizing the Elgin-Mill-ville and Plainview school districts to combine according to the cooperation and combination program without a time period of cooperation; authorizing the districts to conduct the referendum on the combination and to issue bonds; providing a schedule for cooperation and combination revenue.

Warmest regards, ARNE H. CARLSON Governor

STATE OF MINNESOTA OFFICE OF THE GOVERNOR SAINT PAUL 55155

May 7, 1991

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

Dear Representative Vanasek:

I am writing to inform you that I have received and deposited in the Office of the Secretary of State the following House File:

H. F. No. 1017, relating to agriculture; regulating certain sales

and services offered by grocery stores; limiting applicability of certain licensing and regulatory provisions.

Warmest regards, Arne H. Carlson Governor

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

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

The Honorable Jerome M. Hughes President of the Senate

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

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	614	47	11:08 a.m. May 6	May 6
	324	48	11:12 a.m. May 6	May 6
	526	49	3:29 p.m. May 6	May 6
	1105	50	3:26 p.m. May 6	May 6
	983	51	11:15 a.m. May 6	May 6
	1017	52	-	May 7
	422	53	11:28 a.m. May 6	May 6
	1418	54	2:27 p.m. May 6	May 6
	843	55	3:30 p.m. May 6	May 6
368		56	3:07 p.m. May 6	May 6
	230	57	2:30 p.m. May 6	May 6
286		59	3:34 p.m. May 6	May 6
550		60	3:18 p.m. May 6	May 6
732		61	3:33 p.m. May 6	May 6

Sincerely,

Joan Anderson Growe Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 634, 809, 906, 1316 and 1411 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Smith introduced:

H. F. No. 1688, A bill for an act relating to commerce; real estate brokers; creating a lien for unpaid commissions and providing for its enforcement; proposing coding for new law in Minnesota Statutes, chapter 514.

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

Kahn, Greenfield, Reding, Boo and Swenson introduced:

H. F. No. 1689, A bill for an act relating to drivers' licenses; increasing driver's license suspension periods and restricting issuance of limited licenses to persons convicted of driving while under the influence of alcohol or a controlled substance to comply with federal standards; amending Minnesota Statutes 1990, sections 169.121, subdivision 4; 169.123, subdivisions 2 and 4; and 171.30, by adding a subdivision.

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

Orfield, Segal, Wejcman, Leppik and Orenstein introduced:

H. F. No. 1690, A bill for an act relating to health; codifying case law regarding abortion; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Limmer, Heir, Newinski, Goodno and Pellow introduced:

H. F. No. 1691, A bill for an act relating to human services; authorizing a grant program to establish two pilot children's safety centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256F.

The bill was read for the first time and referred to the Committee on Health and Human Services.

HOUSE ADVISORIES

The following House Advisories were introduced:

Segal; Kalis; Anderson, I., and Leppik introduced:

H. A. No. 27, A proposal to study inter-suburban transportation services.

The advisory was referred to the Committee on Transportation.

Bishop, Vellenga, Solberg, Blatz and Leppik introduced:

H. A. No. 28, A proposal to study the board of pardon's actions in pardoning sex offenders.

The advisory was referred to the Committee on Judiciary.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 36, A bill for an act relating to occupations and professions; changing requirements for reciprocal licensing of physicians from other states and foreign medical school graduates; authorizing physicians to cancel licenses in good standing; requiring the cancellation of physicians' licenses for nonrenewal; changing licensing requirements for midwifery; changing the name of the board of medical examiners; amending Minnesota Statutes 1990, sections 147.03; 147.037, subdivision 1; and 148.31; proposing coding for new law in Minnesota Statutes, chapter 147.

H. F. No. 456, A bill for an act relating to adoption; clarifying the requirements for consents; amending Minnesota Statutes 1990, section 259.24, subdivision 5. 309.501, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

- H. F. No. 90, A bill for an act relating to health; requiring geographic representation on the board of medical examiners; amending Minnesota Statutes 1990, section 147.01, subdivision 1.
- H. F. No. 192, A bill for an act relating to the Duluth transit authority; providing for the transportation of students; repealing Laws 1988, chapter 573, section 2.
- H. F. No. 239, A bill for an act relating to crime; clarifying the application of felony penalties to the act of intentionally disarming a peace officer; amending Minnesota Statutes 1990, section 609.50, subdivision 2.
- H. F. No. 671, A bill for an act relating to human services; child care providers; allowing an extension for installing interior vertical access in child care facilities in churches; amending Minnesota Statutes 1990, section 16B.61, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

- H. F. No. 178, A bill for an act relating to occupations and professions; increasing minimum insurance coverage required for abstracters; abolishing requirement of seals by impression; repealing an obsolete provision; amending Minnesota Statutes 1990, sections 386.66 and 386.67; repealing Minnesota Statutes 1990, section 386.65, subdivision 3.
- H. F. No. 276, A bill for an act relating to insurance; accident and health; prohibiting the nondiagnostic use of X-rays; proposing coding for new law in Minnesota Statutes, chapter 62A.
- H. F. No. 357, A bill for an act relating to highways; authorizing political subdivisions to require notice before constructing or repairing utility structures or equipment in, along, over, or under a road,

street, or highway right-of-way; requiring subsequent restoration to a town road; amending Minnesota Statutes 1990, sections 164.36; and 222.37, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1422, A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 9, and 11; 176.111, subdivision 18; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.155, subdivision 1; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 175 and 176; repealing Minnesota Statutes 1990, sections 175.007; and 176.136, subdivision 5; and chapters 79, 175A, and 176.

The Senate has appointed as such committee:

Messrs. Chmielewski, Finn, Halberg and Riveness and Ms. Flynn.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

House Concurrent Resolution No. 1, A house concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

The Senate has appointed as such committee:

Messrs. Pogemiller, Luther and Storm.

Said House Concurrent Resolution is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

House Concurrent Resolution No. 2, A house concurrent resolution relating to legislative redistricting; establishing standards for redistricting plans.

The Senate has appointed as such committee:

Messrs. Pogemiller, Luther and Storm.

Said House Concurrent Resolution is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 800, A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3.

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

Messrs. Price, Merriam and Lessard.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Stanius moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate

on the disagreeing votes of the two houses on S. F. No. 800. The motion prevailed.

Mr. Speaker:

- I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:
- H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Winter moved that the House refuse to concur in the Senate amendments to H. F. No. 1042, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

- I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:
- H. F. No. 1006, A bill for an act relating to state lands; transferring state land to the city of Moose Lake.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lourey moved that the House concur in the Senate amendments to H. F. No. 1006 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1006, A bill for an act relating to state lands; transferring state land to the city of Moose Lake.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 year and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 87, A bill for an act relating to highways; allowing county board of and appropriate town boards in Itasca county to establish and record certain public roads less than four rods in width until December 31, 1995.

Patrick E. Flahaven, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Solberg moved that the House concur in the Senate amendments to H. F. No. 87 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 87, A bill for an act relating to highways; allowing county board of and appropriate town boards in Itasca county to establish and record certain public roads less than four rods in width until December 31, 1995.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 year and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bauerly moved that the House concur in the Senate amendments to H. F. No. 466 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 466, A bill for an act relating to traffic regulations; defining "tow truck or towing vehicle" to include new variations of tower vehicles; requiring the use of amber lights on tow trucks or towing vehicles after January 1, 1992; allowing use of red lights on vehicles of certain emergency response personnel; exempting tow trucks or towing vehicles 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, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 year and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 146, A bill for an act relating to commerce; regulating real estate closings; prohibiting persons from requiring the use of particular closing agents; requiring the commissioner to adopt rules; amending Minnesota Statutes 1990, section 507.45, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

O'Connor moved that the House concur in the Senate amendments to H. F. No. 146 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 146, A bill for an act relating to commerce; regulating real estate closings; prohibiting persons from requiring the use of particular closing agents; authorizing the commissioner to adopt rules; amending Minnesota Statutes 1990, section 507.45, subdivision 4.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Schreiber Sparby Tompkins Wagenius Waltman Winter Seaberg Stanius Trimble Spk. Vanasek Segal Steensma Tunheim Weaver Skoglund Sviggum Uphus Wejcman Smith Welker Swenson Valento Solberg Thompson Vellenga Welle

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 121, A bill for an act relating to education; encouraging a Minnesota international volunteer corps; amending Minnesota Statutes 1990, section 16B.88, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jaros moved that the House concur in the Senate amendments to H. F. No. 121 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 121, A bill for an act relating to education; encouraging a Minnesota international volunteer corps; amending Minnesota Statutes 1990, section 16B.88, by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Abrams Anderson, I. Anderson, R. Anderson, R. H. Battaglia Bauerly Beard Begich Bertram Bettermann Bishop Blatz Bodahl	Brown Carlson Carruthers Clark Cooper Dauner Davids Dawkins Dempsey Dille Dorn Erhardt Farrell	Frerichs Garcia Girard Goodno Greenfield Gruenes Gutknecht Hanson Hartle Hasskamp Haukoos Hausman	Hufnagle Hugoson Jacobs Janezich Jaros Jefferson Jennings Johnson, A. Johnson, R. Johnson, V. Kahn Kalis Kelso	Knickerbocker Koppendrayer Krinkie Lasley Leppik Lieder Limmer Long Lourey Lynch Macklin Mariani Marsh
Boo	Frederick	Henry	Keiso Kinkel	Marsh McEachern

McGuire McPherson Milbert	Olson, K. Omann Onnen	Reding Rest Rice	Smith Solberg Sparby	Vellenga Wagenius Waltman
Morrison	Orenstein	Rodosovich	Stanius	Weaver
Munger	Orfield	Rukavina	Steensma	Wejcman
Murphy	Osthoff	Runbeck	Sviggum	Welker
Nelson, K.	Ostrom	Sarna	Swenson	Welle
Nelson, S.	Ozment	Schafer	Thompson	Winter
Newinski	Pauly	Scheid	Tompkins	Spk. Vanasek
O'Connor	Pellow	Schreiber	Trimble	-
Ogren	Pelowski	Seaberg	Tunheim	
Olsen, S.	Peterson	Segal	Uphus	
Olson, E.	Pugh	Skoglund	Valento	

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

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kalis moved that the House concur in the Senate amendments to H. F. No. 525 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, and by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

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

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

Mr. Speaker:

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

S. F. Nos. 621, 782, 1091, 269, 520, 525, 753 and 156.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 621, A bill for an act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; amending Minnesota Statutes 1990, sections 116P.04, subdivision 5; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7.

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

S. F. No. 782, 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 ser-

vices; amending Minnesota Statutes 1990, section 248.07, by adding a subdivision.

The bill was read for the first time.

Greenfield moved that S. F. No. 782 and H. F. No. 1055, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1091, 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.

The bill was read for the first time.

Hanson moved that S. F. No. 1091 and H. F. No. 1176, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 269, A bill for an act relating to liquor; requiring posting of certain signs in licensed premises; amending Minnesota Statutes 1990, section 340A.410, by adding a subdivision.

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

S. F. No. 520, A bill for an act relating to legal services; requesting the supreme court to study the feasibility of adopting rules governing the delivery of legal services by specialized legal assistants; amending Minnesota Statutes 1990, section 481.02, subdivision 3.

The bill was read for the first time.

Dawkins moved that S. F. No. 520 and H. F. No. 1295, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 525, A bill for an act relating to crimes; expanding the definition of drug free zones to include public housing property; increasing the area affected from within 300 feet to within 1,000 feet of a school or park boundary for purposes of increasing penalties for sale or possession of controlled substances; increasing penalties for sale or possession of methamphetamine ("ice"), amphetamine, and sale of marijuana, within a school zone, park zone, or public housing zone; changing the name and duties of the drug abuse prevention resource council; requiring chemical use assessments of persons convicted of felonies; amending Minnesota Statutes 1990, sections

152.01, subdivisions 12a, 14a, and by adding a subdivision; 152.021, subdivision 1; 152.022, subdivision 1; 152.023, subdivision 2; 152.024, subdivision 1; 152.029; 299A.29, subdivisions 3, 5, and by adding subdivisions; 299A.30; 299A.31, subdivision 1; 299A.32; 299A.34, subdivision 2; 299A.35; 299A.36; and 609.115, by adding a subdivision; repealing Minnesota Statutes 1990, sections 244.095; and 299A.29, subdivisions 2 and 4.

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

S. F. No. 753, A bill for an act relating to traffic safety; permitting evidence of DWI convictions to be admitted as evidence in certain civil proceedings; amending Minnesota Statutes 1990, sections 169.121, subdivision 6, and by adding a subdivision; and 169.94.

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

S. F. No. 156, A bill for an act relating to the public defender; providing for appointment of a chief administrator by the state public defender; changing the composition of the ad hoc board of the state board of public defense that appoints chief district public defenders; requiring affirmative action in appointing members of the state board of public defense and chief district public defenders; limiting the number of members of the state board of public defense from certain judicial districts; providing for supervision of the state public defender system by the state public defender; describing the duties of the state board of public defense, the state public defender, and chief district public defenders; transferring positions from the state board of public defense to the office of the state public defender; amending Minnesota Statutes 1990, sections 611.215, subdivisions 1, 1a, and 2; 611.23; 611.24; 611.25, by adding a subdivision; 611.26, subdivisions 2, 3, 4, 7, and by adding a subdivision; repealing Minnesota Statutes 1990, sections 383B.63, subdivision 1; 611.215, subdivision 4; 611.26, subdivision 1; 611.261; and Laws 1989, chapter 335, article 3, section 38.

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. Nos. 99, 118, 691, 694, 702, 860, 961, 1000, 1353 and 1657.

H. F. No. 99, A bill for an act relating to transportation; designating trunk highway No. 61 and the Lake City rest area as disabled American veterans highway and rest area; authorizing special license plates for certain military personnel; amending Minnesota Statutes 1990, sections 161.14, by adding a subdivision; 168.12, subdivision 2c, and by adding a subdivision; and 168.123, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Olsen, S.	Skoglund
Anderson, I.	Frerichs	Kinkel	Olson, E.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, K.	Solberg
Anderson, R. H.	Girard	Koppendrayer	Omann	Sparby
Battaglia	Goodno	Krinkie	Onnen	Stanius
Bauerly	Greenfield	Lasley	Orenstein	Steensma
Beard	Gruenes	Leppik	Orfield	Sviggum
Begich	Gutknecht	Lieder	Osthoff	Swenson
Bertram	Hanson	Limmer	Ostrom	Thompson
Bettermann	Hartle	Long	Ozment	Tompkins
Bishop	Hasskamp	Lourey	Pauly	Trimble
Blatz	Haukoos	Lynch	Pellow	Tunheim
Bodahl	Hausman	Macklin	Pelowski	Uphus
Boo	Heir	Mariani	Peterson	Valento
Brown	Henry	Marsh	Pugh	Vellenga
Carlson	Hufnagle	McEachern	Reding	Wagenius
Carruthers	Hugoson	McGuire	Rest	Waltman
Clark	Jacobs	McPherson	Rice	Weaver
Cooper	Janezich	Milbert	Rodosovich	Wejcman
Dauner	Jaros	Morrison	Rukavina	Welker
Davids	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	

The bill was passed and its title agreed to.

H. F. No. 118, A bill for an act relating to occupational safety and health; honoring workers fatally injured while working on public projects; proposing coding for new law in Minnesota Statutes, chapter 182.

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

The bill was passed and its title agreed to.

The Speaker called Bauerly to the Chair.

H. F. No. 691, A bill for an act relating to health; increasing funding for the nutritional supplement program known as WIC to expand services; appropriating money.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Abrams Anderson, I. Anderson, R. Anderson, R. H. Battaglia Bauerly Beard Begich Bertram Bettermann	Bodahl Boo Brown Carlson Carruthers Clark Cooper Dauner Davids Dawkins	Dille Dorn Erhardt Farrell Frederick Frerichs Garcia Girard Goodno Greenfield	Gutknecht Hanson Hartle Hasskamp Haukoos Hausman Heir Henry Hufnagle Hugoson	Janezich Jaros Jefferson Jennings Johnson, A. Johnson, V. Kahn Kalis Kinkel
Bettermann	Dawkins	Greenfield	Hugoson	Kinkel
Blatz	Dempsey	Gruenes	Jacobs	Knickerbocker

Koppendrayer Krinkie Krueger Lasley Leppik Lieder Limmer Long Lourey Lynch Macklin Mariani Marsh	McPherson Milbert Morrison Munger Murphy Nelson, K. Nelson, S. Newinski O'Connor Ogren Olsen, S. Olson, E. Olson, K.	Orenstein Orfield Osthoff Ostrom Ozment Pauly Pellow Pelowski Peterson Pugh Reding Rest Rice	Runbeck Sarna Schafer Scheid Schreiber Seaberg Segal Skoglund Smith Solberg Sparby Stanius Steensma	Thompson Tompkins Trimble Tunheim Uphus Valento Vellenga Wagenius Waltman Weaver Wejcman Welker Wenzel
Marsh McEachern McGuire	Olson, K. Omann Onnen	Rice Rodosovich Rukavina	Steensma Sviggum Swenson	Wenzel Winter Spk. Vanasek

The bill was passed and its title agreed to.

H. F. No. 694, A bill for an act relating to the environment; establishing an environmental enforcement account; establishing a field citation pilot project for unauthorized disposal of solid waste: authorizing background investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations: imposing criminal penalties for knowing violations of standards related to hazardous air pollutants and toxic pollutants in water; providing that certain property is subject to forfeiture in connection with convictions for water pollution and air pollution violations; imposing criminal penalties for unauthorized disposal of solid waste; authorizing prosecution of environmental crimes by the attorney general; providing for environmental restitution as part of a sentence; increasing criminal penalties for false statements on documents related to permits and record keeping; requiring reports; appropriating money; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 115.071, by adding a subdivision; 115.072; 115C.05; 116.07, subdivision 4d; 116.072, subdivisions 1, 2, 6, 10, and 11; 609.531, subdivision 1; and 609.671; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

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:

Abrams Anderson, I. Anderson, R. Anderson, R. H. Battaglia Bauerly	Boo Brown	Clark Cooper Dauner Davids Dawkins Dempsey	Erhardt Farrell Frederick Frerichs Garcia Girard	Gruenes Gutknecht Hanson Hartle Hasskamp Haukoos
Beard	Carlson	Dille	Goodno	Hausman
Begich	Carruthers	Dorn	Greenfield	Heir

Lasley Henry Newinski Rest Thompson Leppik Lieder Hufnagle O'Connor Rice Tompkins Rodosovich Hugoson Ogren Trimble Jacobs Limmer Olsen, S. Rukavina Tunbeim Janezich Olson, E. Runbeck Long Uphus Jaros Lourev Olson, K. Valento Sarna Jefferson Schafer Lynch Omann Vellenga **Jennings** Macklin Onnen Scheid Wagenius Waltman Schreiber Johnson, A. Mariani Orenstein Johnson, R. Johnson, V. Marsh Orfield Seaberg Weaver Wejcman Welker McEachern Osthoff Segal McGuire Skoglund Kahn Ostrom Kalis Welle McPherson Ozment Smith Kelso Milbert Solberg Wenzel Paulv Kinkel Sparby Morrison Pellow Winter Knickerbocker Munger Pelowski Stanius Spk. Vanasek Murphy Peterson Steensma Koppendrayer Krinkie Nelson, K. Pugh Reding Sviggum Nelson, S. Krueger Swenson

The bill was passed and its title agreed to.

H. F. No. 702, A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; changing the makeup and certain duties and procedures of the authority; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; establishing a dairy upgrading program; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, 5, and 6; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapter 41B; proposing coding for new law as Minnesota Statutes, chapter 41C.

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:

Abrams Anderson, I. Anderson, R. Anderson, R. H. Battaglia Bauerly Beard Begich Bertram Bettermann Bishop Blatz Bodahl Boo Brown Carlson	Carruthers Clark Cooper Dauner Davids Dawkins Dempsey Dille Dorn Erhardt Farrell Frederick Frerichs Garcia Girard Goodno	Greenfield Gruenes Gutknecht Hanson Hartle Hasskamp Haukoos Hausman Heir Henry Hufnagle Hugoson Jacobs Janezich Jaros	Jennings Johnson, A. Johnson, R. Johnson, V. Kahn Kalis Kelso Kinkel Knickerbocker Koppendrayer Krinkie Krueger Lasley Leppik Lieder	Long Lourey Lynch Macklin Mariani Marsh McEachern McGuire McPherson Milbert Morrison Munger Murphy Nelson, K. Nelson, S. Newincki
Carlson	Goodno	Jefferson	Limmer	Newinski

O'Connor	Ozment	Runbeck	Stanius	Wagenius
Ogren	Pauly	Sarna	Steensma	Waltman
Olsen, S.	Pellow	Schafer	Sviggum	Weaver
Olson, E.	Pelowski	Scheid	Swenson	Wejcman
Olson, K.	Peterson	Schreiber	Thompson	Welker
Omann	Pugh	Seaberg	Tompkins	Welle
Onnen	Reding	Segal	Trimble	Wenzel
Orenstein	Rest	Skoglund	Tunheim	Winter
Orfield	Rice	Smith	Uphus	Spk. Vanasek
Osthoff	Rodosovich	Solberg	Valento	•
Ostrom	Rukavina	Sparby	Vellenga	

The bill was passed and its title agreed to.

H. F. No. 860, A bill for an act relating to economic development; providing funding for the Red River trade corridor project; appropriating money.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kelso	Ogren	Segal
Anderson, I.	Frerichs	Kinkel	Olsen, S.	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	Laslev	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	Pellow	Tunheim
Boo	Heir	Macklin	Pelowski	Uphus
Brown	Henry	Mariani	Peterson	Valento
Carlson	Hufnagle	Marsh	Pugh	Vellenga
Carruthers	Hugoson	McEachern	Reding	Wagenius
Clark	Jacobs	McGuire	Rest	Waltman
Соорет	Janezich	McPherson	Rice	Weaver
Dauner	Jaros	Milbert	Rodosovich	Wejcman
Davids	Jefferson	Morrison	Rukavina	Welker
Dawkins	Jennings	Munger	Runbeck	Welle
Dempsey	Johnson, A.	Murphy	Sarna	Wenzel
Dille	Johnson, R.	Nelson, K.	Schafer	Winter
Dorn	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Erhardt	Kahn	Newinski	Schreiber	
Farrell	Kalis	O'Connor	Seaberg	

The bill was passed and its title agreed to.

H. F. No. 961, A bill for an act relating to agriculture; appropriating money for the farmer-lender mediation program.

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:

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

The bill was passed and its title agreed to.

H. F. No. 1000, A bill for an act relating to farm safety; authorizing a program for training youth in the safe operation of farm equipment; requiring a farm safety specialist; providing for a pilot project of comprehensive farm safety audits; requiring certain safety equipment on farm tractors at time of sale; establishing a research center for agricultural health and safety; requiring certain studies and reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 17; 137; and 325F.

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:

Skoglund Frederick Kinkel Olsen, S. Abrams Olson, E. Frerichs Knickerbocker Smith Anderson, 1. Olson, K. Solberg Anderson, R. Garcia Koppendrayer Oman'n Anderson, R. H. Girard Krinkie Sparby Stanius Battaglia Goodno Krueger Onnen Bauerly Greenfield Lasley Orenstein Steensma Leppik Orfield Beard Gruenes Sviggum Begich Gutknecht. Lieder Osthoff Swenson Thompson Tompkins Bertram Hanson Limmer Ostrom Hartle Ozment Bettermann Long Bishop Hasskamp Lourey Pauly Trimble Haukoos Pellow Tunheim Blatz Lynch Macklin Pelowski Uphus Bodahl Hausman Peterson Heir Valento Roo Mariani **Brown** Henry Marsh Pugh Vellenga Wagenius Carlson Hufnagle McEachern Reding McGuire Rest Waltman Carruthers Hugoson McPherson Rice Weaver Clark Jacobs Wejcman Cooper Janezich Milbert Rodosovich Dauner Morrison Rukavina Welker Jaros Jennings Welle Davids Munger Runbeck Johnson, A. Wenzel Dawkins Murphy Sarna Nelson, K. Dempsey Johnson, R. Schafer Winter Spk. Vanasek Dille Johnson, V. Nelson, S. Scheid Dorn Kahn Newinski Schreiber Erhardt Kalis O'Connor Seaberg Farrell Kelso Ogren Segal

The bill was passed and its title agreed to.

H. F. No. 1353 was reported to the House.

Segal moved to amend H. F. No. 1353, the first engrossment, as follows:

Page 1, line 17, delete "must" and insert "may"

Page 3, line 7, delete "1993" and insert "1992"

The motion prevailed and the amendment was adopted.

H. F. No. 1353, A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; authorizing a partnership program project; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 5 nays as follows:

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

Those who voted in the negative were:

Gutknecht

Heir

Schreiber

Sviggum

Welker

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

H. F. No. 1657, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Long Abrams Carlson Goodpo Jennings Anderson, I. Carruthers Greenfield Johnson, A. Lourey Clark Johnson, R. Anderson, R. Gruenes Lynch Cooper Anderson, R. H. Gutknecht Johnson, V. Macklin Battaglia Dauner Hanson Kahn Mariani Bauerly Davids Hartle Kalis Marsh Beard **Dawkins** Hasskamp Kelso McEachern Begich Dempsey Haukoos Kinkel McGuire Knickerbocker Bertram Dille Hausman McPherson Milbert Bettermann Dorn Hufnagle Koppendrayer Bishop Erhardt Krinkie Munger Hugoson Blatz Farrell Jacobs Murphy Krueger Nelson, K. Bodahl Frederick Janezich Lasley Jaros Garcia Leppik Nelson, S. Ron Brown Girard Jefferson Lieder Newinski

		_		
O'Connor	Ostrom	Rukavina	Solberg	Vellenga
Ogren	Özment	Runbeck	Sparby	Wagenius
Olsen, S.	Pellow	Sarna	Stanius	Waltman
Olson, E.	Pelowski	Schafer	Steensma	Weaver
Olson, K.	Peterson	Scheid	Swenson	Wejcman
Omann	Pugh	Schreiber	Thompson	Welle
Onnen	Reding	Seaberg	Tompkins	Wenzel
Orenstein	Rest	Segal	Trimble	Winter
Orfield	Rice	Simoneau	Tunheim	Spk. Vanasek
Osthoff	Rodosovich	Skoglund	Unhus	•

Those who voted in the negative were:

Frerichs Henry Morrison Smith Valento Heir Limmer Pauly Sviggum Welker

The bill was passed and its title agreed to.

SPECIAL ORDERS

S. F. No. 417 was reported to the House.

Nelson, K., moved to amend S. F. No. 417, as follows:

Page 4, line 9, strike "of the receipt of the" and insert "that the"

Page 4, line 10, strike "assigned identification number"

Page 4, line 11, after "13" insert "was issued"

Page 24, delete section 28

Pages 29 to 31, delete section 35

Page 33, after line 9, insert:

"Sec. 36. [MECC SALES OR USE TAXES.]

Any sales or use taxes collected by the commissioner of revenue from the Minnesota Educational Computing Consortium with respect to transactions occurring prior to January 5, 1991 shall be deposited in the permanent school fund."

Page 34, line 4, after "10," insert "11,"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 417, A bill for an act relating to education; making noncontroversial clarifications and modifications to certain school district and department of education provisions; amending Minnesota Statutes 1990, sections 120.062, subdivisions 4 and 6; 120.0752, subdivision 2: 121.612, subdivisions 2 and 5: 122.23, subdivision 18: 123.932, subdivision 3; 124.14, subdivision 1; 124.155, subdivision 2; 124.195, subdivisions 2, 3, 3a, 10, and 11; 124.2139; 124.214, subdivisions 2 and 3; 124.244, subdivision 3; 124.83, subdivisions 1 and 5; 124A.036, subdivision 5; 124A.24; 124B.03, subdivision 2; 124C.03, subdivision 14; 124C.49; 125.12, subdivision 6b; 125.60, subdivision 3; 126.22, subdivision 4; 275.065, subdivision 6; 275.125, subdivisions 4, 11d, 18, and 20; 275.16; 297A.256; and 354.094, subdivision 1; and Laws 1991, chapter 2, article 2, section 2; repealing Minnesota Statutes 1990, sections 119.01; 119.02; 119.03; 119.04, subdivisions 1, 2, and 3; 119.05; 119.06; 119.07; 119.08; 119.09; 121.933, subdivision 2; 122.23, subdivision 17; 123.932, subdivision 4; 124A.02, subdivision 19; 124C.21; 275.125, subdivisions 1, 4a, and 8d; and 354.094, subdivisions 1a and 1b.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

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

Steensma	Tompkins	Valento	Weaver	Wenzel
Sviggum	Trimble	Vellenga	Wejcman	Winter
Swenson	Tunheim	Wagenius	Welker	Spk. Vanasek
Thompson	I Inhus	Waltman	Welle	opk. vanasek

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

S. F. No. 302 was reported to the House.

Janezich moved that S. F. No. 302 be continued on Special Orders. The motion prevailed.

H. F. No. 202 was reported to the House.

Hasskamp moved that H. F. No. 202 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1190 was reported to the House.

There being no objection, H. F. No. 1190 was temporarily laid over on Special Orders.

H. F. No. 1593 was reported to the House.

Bertram moved that H. F. No. 1593 be returned to General Orders. The motion prevailed.

S. F. No. 437, A bill for an act relating to agriculture; changing the shade tree disease and wood use programs; amending Minnesota Statutes 1990, sections 18.023, subdivisions 10a and 11; and 18.024, subdivision 1.

The bill was read for the 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:

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 Hartle Hasskamp Haukoos Hausman Heir Henry Hufnagle Hugoson Jacobs Janezich Jaros Jefferson Jennings Johnson, A. Johnson, R. Johnson, V. Kahn Kalis	Kinkel Knickerbocker Koppendrayer Krinkie Krueger Lasley Leppik Lieder Limmer Long Lourey Lynch Macklin Mariani Marsh McEachern McGuire McPherson Milbert	Munger Murphy Nelson, K. Nelson, S. Newinski O'Connor Ogren Olsen, S. Olson, E. Olson, K. Omann Onnen Orenstein Orfield Osthoff Ostrom Ozment Pauly Pellow	Peterson Pugh Reding Rest Rice Rodosovich Rukavina Runbeck Sarna Schafer Scheid Schreiber Seaberg Segal Simoneau Skoglund Smith Solberg Sparby	Steensma Sviggum Swenson Thompson Tompkins Trimble Tunheim Uphus Valento Vellenga Wagenius Waltman Weaver Wejcman Welker Wenzel Winter Spk. Vanasek
Kelso	Morrison	Pelowski	Stanius	

The bill was passed and its title agreed to.

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.

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:

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

Tunheim Vellenga Weaver Welle Spk. Vanasek Uphus Wagenius Wejcman Wenzel Valento Waltman Welker Winter

The bill was passed and its title agreed to.

H. F. No. 1142 was reported to the House.

Carruthers moved that H. F. No. 1142 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 531, A bill for an act relating to waste; authorizing a water or sewer commission to issue bonds; amending Minnesota Statutes 1990, section 116A.24, subdivisions 2 and 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 953 was reported to the House.

Olsen, S., moved that S. F. No. 953 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 691, A bill for an act relating to probate; authorizing the court to set aside certain transactions made prior to establishment of a guardianship or conservatorship; amending Minnesota Statutes 1990, section 525.56, 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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 880 was reported to the House.

Sparby moved to amend S. F. No. 880, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 48.512, subdivision 3, is amended to read:

Subd. 3. [CONFIRM NO INVOLUNTARY CLOSING.] Before opening or authorizing signatory power over a transaction account, the financial intermediary shall attempt to verify the information disclosed for subdivision 2, clause (i). Inquiries made to verify this information through persons in the business or providing such information shall include an inquiry based on the applicant's identification number provided under subdivision 2, clause (g). The financial intermediary may not open or authorize signatory power over a transaction account if (i) the applicant had a transaction account closed by a financial intermediary without consent because of issuance by the applicant of dishonored checks within 12 months immediately preceding the application, or (ii) the applicant has been convicted of a criminal offense because of the use of a check or other similar item within 24 months immediately preceding the application.

If the transaction account is refused pursuant to this subdivision, the reasons for the refusal shall be given to the applicant in writing and the applicant shall be allowed to provide additional information.

- Sec. 2. Minnesota Statutes 1990, section 48.512, subdivision 4, is amended to read:
- Subd. 4. [IDENTIFICATION IS REQUIRED.] A financial intermediary shall not open or authorize signatory power over a transaction account if none of the applicants provides a driver's license. identification card, or identification document as required by subdivision 2. If the applicant provides a driver's license or identification card issued under section 171.07, the financial intermediary must confirm the identification number and name on that card through the records of the department of public safety. The financial intermediary need not confirm this information if an employee of the financial intermediary has known the identity of the applicant for at least one year prior to the time of the application, and the employee provides a signed statement confirming that fact. When a minor is the applicant and the minor does not have a driver's license or identification card issued pursuant to section 171.07, the identification requirements of subdivision 2, clause (g), and this subdivision are satisfied if the minor's parent or guardian provides identification of that person's own that meets the identification requirement. The financial intermediary may waive the identification requirement if the applicant has had another type of account with the financial intermediary for at least one year immediately preceding the time of application.
- Sec. 3. Minnesota Statutes 1990, section 48.512, subdivision 5, is amended to read:
- Subd. 5. [NO LIABILITY.] The requirements of this section do not impose any liability on financial intermediaries offering transaction accounts or, except as provided in subdivisions 3 and 4, limit a

financial intermediary's discretion as to whether to grant or deny an application subject to this section. This subdivision does not exempt a financial intermediary from civil penalties imposed under section 45.027.

- Sec. 4. Minnesota Statutes 1990, section 48.512, is amended by adding a subdivision to read:
- Subd. 8. [CHECK LABELING.] A person providing printed checks for a transaction account shall print the month and year that the original order was received or the month and year that appears on the facsimile of the check from which the new checks are produced, unless the applicant has an existing account in good standing or a previous account in good standing within the past five years that was voluntarily closed. This subdivision no longer applies after the account has been open and in good standing for one year.
- Sec. 5. Minnesota Statutes 1990, section 48.512, is amended by adding a subdivision to read:
- Subd. 9. [RULES AFFECTING CHECKING ACCOUNTS; OTHER FINANCIAL INFORMATION.] The commissioner of commerce may exercise the powers authorized under section 45.027 if the commissioner has reason to believe that a financial intermediary or drawer has failed to:
- (1) comply with the verification requirements of subdivision 2, 3, or 4; or

Sec. 6. [48.513] [FINANCIAL INTERMEDIARY FEES.]

A financial intermediary may charge a fee for the assembly, production, and copying of records requested under chapter 13A or section 609.535, subdivision 6 or 7. The fee may not exceed a reasonable standard charge for document search and duplication. For purposes of this section, "financial intermediary" has the meaning given in section 48.512, subdivision 1.

Sec. 7. Minnesota Statutes 1990, section 332.50, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] "Check" means a check, draft, order of withdrawal, or similar negotiable or nonnegotiable instrument.

"Credit" means an arrangement or understanding with the drawee for the payment of the check.

"Dishonor" has the meaning given in section 336.3-507, but does not include dishonor due to a stop payment order requested by an issuer who has a good faith defense to payment on the check.

- Sec. 8. Minnesota Statutes 1990, section 332.50, subdivision 2, is amended to read:
- Subd. 2. [ACTS CONSTITUTING.] (a) Whoever issues any check that is dishonored and is not paid within 30 days after mailing a notice of dishonor that includes a citation to this section and section 609.535, and a description of the penalties contained in these sections, in compliance with subdivision 3, is liable to the holder for:

 (1) the amount of the check, plus a civil penalty of up to \$100, or up to 100 percent of the value of the check, whichever is greater; (2) interest at the rate payable on judgments pursuant to section 549.09 on the face amount of the check from the date of dishonor; and (3) reasonable attorney fees if the aggregate amount of the check is over \$1,250.
- (b) If the amount of the dishonored check plus any service charges which have been incurred under paragraphs (d) and (e) have not been paid within 30 days after having mailed a notice of dishonor in compliance with subdivision 3 but before initiating a cause of action, the holder may make a written demand for payment for the liability imposed by paragraph (a) by sending a copy of this section and a description of the liability contained in this section to the issuer's last known address.
- (c) After notice has been sent but before an action under this section is heard by the court, the plaintiff shall settle the claim if the defendant gives the plaintiff the amount of the check plus court costs, any service charge owed under paragraph (d), and attorney fees if the amount of the check was over \$1,250.
- (d) A service charge not exceeding \$15 may be imposed immediately on any dishonored check, regardless of mailing a notice of dishonor, if written notice of the service charge was conspicuously displayed on the premises when the check was issued. The service charge may not exceed \$20, except that if the payee uses the services of a law enforcement agency to obtain payment of a dishonored check, a service charge of up to \$25 may be imposed if the service charge is used to reimburse the law enforcement agency for its expenses. A payee may impose only one service charge under this paragraph for each dishonored check.
- (e) This subdivision prevails over any provision of law limiting, prohibiting, or otherwise regulating service charges authorized by this subdivision, but does not nullify charges for dishonored checks, which do not exceed \$15 the charges in paragraph (d) or the actual cost of collection, but in no case more than \$30, or terms or

conditions for imposing the charges which have been agreed to by the parties to an express contract.

- Sec. 9. Minnesota Statutes 1990, section 609.535, subdivision 2a, is amended to read:
- Subd. 2a. [PENALTIES.] (a) A person who is convicted of issuing a dishonored check under subdivision 2 may be sentenced as follows:
- (1) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the dishonored check, or checks aggregated under paragraph (b), is more than \$250; or
- (2) to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, if the value of the dishonored check, or checks aggregated under paragraph (b), is not more than \$250.
- (b) In a prosecution under this subdivision, the value of dishonored checks issued by the defendant in violation of this subdivision within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the dishonored checks was issued for all of the offenses aggregated under this paragraph.
- Sec. 10. Minnesota Statutes 1990, section 609.535, subdivision 6, is amended to read:
- Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall release the information specified below to any state, county, or local law enforcement or prosecuting authority which certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of dishonor required by subdivisions 3 and 8. This subdivision applies to the following information relating to the drawer's account:
- (1) Documents relating to the opening of the account by the drawer:
- (2) Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;
- (3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issu-

ance of any check which is the subject of the investigation or prosecution; or

(4) The last known home and business addresses and telephone numbers of the drawer.

The drawee shall release all of the information described in clauses (1) to (4) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may impose a reasonable fee for the cost for furnishing this information to law enforcement or prosecuting authorities, not to exceed 15 cents per page.

A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision.

Sec. 11. Minnesota Statutes 1990, section 609.535, subdivision 7, is amended to read:

Subd. 7. [RELEASE OF ACCOUNT INFORMATION TO PAYEE OR HOLDER.] (a) A drawee shall release the information specified in paragraph (b), clauses (1) and (2) to (3) to the payee or holder of a check that has been dishonored who makes a written request for this information and states in writing that the check has been dishonored and that 30 days have elapsed since the mailing of the notice described in subdivision 8 and who accompanies this request with a copy of the dishonored check and a copy of the notice of dishonor.

The requesting payee or holder shall notify the drawee immediately to cancel this request if payment is made before the drawee has released this information.

- (b) This subdivision applies to the following information relating to the drawer's account:
- (1) Whether at the time the check was issued or presented for payment the drawer had sufficient funds or credit with the drawer, and whether at that time the account was open, closed, or restricted for any reason and the date it was closed or restricted; and
- (2) The last known home address and telephone number of the drawer. The drawee may not release the address or telephone number of the place of employment of the drawer unless the drawer is a business entity or the place of employment is the home; and
- (3) A statement as to whether the aggregated value of dishonored checks attributable to the drawer within six months before or after the date of the dishonored check exceeds \$250; for purposes of this

<u>clause, a check is not dishonored if payment was not made pursuant to a stop payment order.</u>

The drawee shall release all of the information described in clauses (1) and (2) to (3) that it possesses within ten days after receipt of a request conforming to all of the provisions of this subdivision. The drawee may require the person requesting the information to pay the reasonable costs, not to exceed 15 cents per page, of reproducing and mailing the requested information.

(c) A drawee is not liable in a criminal or civil proceeding for releasing information in accordance with this subdivision."

The motion prevailed and the amendment was adopted.

Johnson, R., moved to amend S. F. No. 880, as amended, as follows:

Page 5, after line 22, insert:

"Sec. 9. Minnesota Statutes 1990, section 349.2127, subdivision 7, is amended to read:

Subd. 7. [CHECKS FOR GAMBLING PURCHASES.] An organization may not accept checks in payment for the purchase of any gambling equipment or for the chance to participate in any form of lawful gambling. This subdivision does not apply to gaming activities conducted pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Scheid raised a point of order pursuant to rule 3.09 that the Johnson, R., amendment was not in order. Speaker pro tempore Bauerly ruled the point of order not well taken and the amendment in order.

The question was taken on the Johnson, R., amendment and the roll was called. There were 85 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Greenfield	Koppendrayer	Olson, E.	Sparby
Anderson, R.	Gruenes	Krinkie	Olson, K.	Steensma
Battaglia	Gutknecht	Lasley	Orenstein	Sviggum
Bauerly	Hanson	Lieder	Ostrom	Swenson
Beard	Hartle	Long	Ozment	Thompson
Begich	Hasskamp	Lourey	Pelowski	Trimble
Brown	Jacobs	Mariani	Peterson	Tunheim
Carlson	Janezich	McEachern	Pugh	Uphus
Clark	Jefferson	McPherson	Reding	Vellenga
Dauner	Jennings	Milbert	Rest	Wagenius
Dawkins	Johnson, A.	Munger	Rice	Weaver
Dempsey	Johnson, R.	Murphy	Rodosovich	Wejcman
Dille	Johnson, V.	Nelson, K.	Sarna	Welker
Dorn	Kahn	Nelson, S.	Schafer	Welle
Farrell	Kalis	O'Connor	Segal	Wenzel
Garcia	Kelso	Ogren	Simoneau	Winter
Girard	Kinkel	Olsen, S.	Solberg	Spk. Vanasek

Those who voted in the negative were:

Abrams	Erhardt	Hugoson	Omann	Skoglund
Anderson, R. H.	Frederick	Knickerbocker	Onnen	Smith
Bertram	Frerichs	Krueger	Orfield	Stanius
Bettermann	Goodno	Leppik	Pauly	Tompkins
Bishop	Haukoos	Limmer	Pellow	Valento
Bodahl	Hausman	Macklin	Runbeck	Waltman
Boo	Heir	Marsh	Scheid	
Carruthers	Henry	Morrison	Schreiber	
Davids	Hufnagle	Newinski	Seaberg	

The motion prevailed and the amendment was adopted.

S. F. No. 880, A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 3, 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a and 7.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Scheid

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

H. F. No. 1142 which was temporarily laid over earlier today was again reported to the House.

Seaberg moved to amend H. F. No. 1142, the first engrossment, as follows:

Page 4, line 27, restore the stricken language and after the restored "action" insert "or arbitration proceeding"

Page 4, line 28, restore the stricken language and strike the restored "60" and insert "120"

Page 4, line 29, restore the stricken language

The motion prevailed and the amendment was adopted.

Carruthers moved to amend H. F. No. 1142, the first engrossment, as amended, as follows:

Page 6, line 30, after "arbitrations" insert "between the state of

Minnesota and its employees" and after the period, insert "This section does not prohibit an arbitrator from awarding interest under chapter 179 or 179A."

Page 8, line 33, after "arbitration" insert "between the state of Minnesota and its employees"

Page 8, line 34, after the period, insert "This section does not prohibit an arbitrator from awarding interest under chapter 179 or 179A."

The motion prevailed and the amendment was adopted.

H. F. No. 1142, A bill for an act relating to courts; regulating the use of certain tests; permitting certain punitive damages; directing the supreme court to establish an alternative dispute resolution program and adopt rules; setting conditions for alternative dispute resolution guidelines; providing for interest on arbitration awards; allowing an arbitrator or the court to modify an award based on an error of law; providing arbitration procedures; amending Minnesota Statutes 1990, sections 169.121, subdivision 6, and by adding a subdivision; 494.015; 494.03; 549.09; 572.10; 572.15; and 572.16; proposing coding for new law in Minnesota Statutes, chapter 484; repealing Minnesota Statutes 1990, sections 484.73; 484.74; and 494.01, subdivisions 3 and 5.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Hausman	Krinkie	Nelson, S.
Anderson, I.	Davids	Heir	Krueger	Newinski
Anderson, R.	Dawkins	Henry	Lasley	O'Connor
Anderson, R. H.	Dempsey	Hufnagle	Leppik	Ogren
Battaglia	Dille	Hugoson	Lieder	Olsen, S.
Bauerly	Dorn	Jacobs	Limmer	Olson, E.
Beard	Erhardt	Janezich	Long	Omann
Begich	Farrell	Jaros	Lourey	Onnen
Bertram	Frederick	Jefferson	Lynch	Orenstein
Bettermann	Frerichs	Jennings	Macklin	Orfield
Bishop	Garcia	Johnson, A.	Mariani	Osthoff
Blatz	Girard	Johnson, R.	Marsh	Ostrom
Bodahl	Goodno	Johnson, V.	McEachern	Ozment
Boo	Greenfield	Kahn	McPherson	Pauly
Brown	Gruenes	Kalis	Milbert	Pellow
Carlson	Gutknecht	Kelso	Morrison	Pelowski
Carruthers	Hanson	Kinkel	Munger	Peterson
Clark	Hartle	Knickerbocker	Murphy	Pugh
Cooper	Haukoos	Koppendrayer	Nelson, K	Reding

Welle Wenzel Winter Spk. Vanasek

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

H. F. No. 202 which was temporarily laid over earlier today was again reported to the House.

Sviggum and Garcia moved to amend H. F. No. 202, the first engrossment, as follows:

Page 1, reinstate the stricken language

Page 2, lines 6, 11, 13, 17, 20 and 24 reinstate the stricken language and delete the inserted language

Page 2, line 36, delete "(e)" and insert "(f)"

Page 3, line 2, delete "(e)" and insert "(f)"

Amend the title accordingly

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

Girard and Rukavina moved to amend H. F. No. 202, the first engrossment, as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1990, section 3.088, subdivision 1, is amended to read:

Subdivision 1. [LEAVE OF ABSENCE WITHOUT PAY.] Subject to this section, any appointed officer or employee of a political subdivision, municipal corporation, or school district of the state or an institution of learning maintained by the state who serves as a legislator during a session or is elected to a full-time city or county office in Minnesota is entitled to a leave of absence from the public office or to employment without pay during any part or all of the service when on the business of the office, with right of reinstatement as provided in this section."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 202, A bill for an act relating to public employees; defining the term "employee" for the purpose of the public employees labor relations act; providing for a leave of absence from public office or to employment without pay for certain elected officials; amending Minnesota Statutes 1990, sections 3.088, subdivision 1; 179A.03, subdivision 14.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 99 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Abrams	Farrell	Knickerbocker	Olson, E.	Segal
Anderson, I.	Girard	Krueger	Olson, K.	Simoneau
Anderson, R.	Goodno	Lasley	Omann	Skoglund
Battaglia	Greenfield	Lieder	Orenstein	Solberg
Bauerly	Hanson	Long	Orfield	Sparby
Beard	Hartle	Lourey	Osthoff	Steensma
Begich	Hasskamp	Mariani	Ostrom	Thompson
Bertram	Hausman	Marsh	Ozment	Tompkins
Bishop	Henry	McEachern	Pelowski	Trimble
Bodahl	Jacobs	McGuire	Peterson	Tunheim
Brown	Janezich	Milbert	Pugh	Uphus
Carlson	Jaros	Morrison .	Reding	Vellenga
Carruthers	Jefferson	Munger	Rest	Wagenius
Clark	Jennings	Murphy	Rice	Weaver
Cooper	Johnson, A.	Nelson, K.	Rodosovich	Wejcman
Dauner	Johnson, R.	Nelson, S.	Rukavina	Welle
Dawkins	Kahn	Newinski	Runbeck	Wenzel
Dille	Kalis	O'Connor	Sarna	Winter
Dorn	Kelso	Ogren	Scheid	Spk. Vanasek
Erhardt	Kinkel	Olsen, S.	Schreiber	-

Those who voted in the negative were:

Anderson, R. H. Bettermann Blatz Boo Davids Dempsey Frederick	Frerichs Garcia Gruenes Gutknecht Haukoos Heir Hufnagle	Hugoson Johnson, V. Koppendrayer Krinkie Leppik Lynch Macklin	McPherson Onnen Pauly Pellow Schafer Seaberg Smith	Stanius Sviggum Swenson Valento Waltman Welker
Frederick	Hufnagle	Macklin	Smith	

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

Anderson, R., was excused while in conference.

Trimble moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 1655, A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair facilities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing establishment of tax increment financing districts in the cities of Duluth and Hibbing; authorizing the metropolitan airports commission to operate outside the metropolitan area; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; and 473.608, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 297A; proposing coding for new law as Minnesota Statutes, chapter 116R.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

AIRCRAFT MAINTENANCE AND ENGINE REPAIR FACILITIES: STATE FINANCING

Section 1. [116R.01] [DEFINITIONS.]

- <u>Subdivision</u> <u>1.</u> [APPLICATION.] <u>The</u> <u>definitions</u> <u>in</u> <u>this</u> <u>section</u> apply to sections 1 to 16.
- Subd. 2. [BONDS.] "Bonds" means the bonds authorized under section 2, subdivision 1, or bonds issued to refund these bonds, except for deficiency bonds.
- $\underline{Subd.\ 3.\ [COMMISSIONER.]\ \underline{"Commissioner"}\ means}\ \underline{the}\ \underline{commissioner\ of\ finance.}$
- Subd. 4. [DEFICIENCY BONDS.] "Deficiency bonds" means the bonds authorized under section 13, subdivision 3, or bonds issued to refund these bonds.
 - Sec. 2. [116R.02] [BOND ISSUE; SALE AUTHORIZATION.]
- Subdivision 1. [SALE AUTHORIZATION.] The commissioner of finance, upon the request of the commissioner of trade and economic development, may issue and sell revenue bonds as provided under sections 1 to 15 in one or more series or issues for the purposes provided in this section in the aggregate principal amount of up to \$350,000,000. Proceeds of the bonds and investment income on the proceeds are appropriated in the amounts and for the purposes specified in subdivisions 5 and 6 and section 4.
- Subd. 2. [LOAN, LEASE, AND REVENUE AGREEMENTS.] (a) The commissioner may make loans or enter into lease agreements or other revenue agreements for the facilities described in subdivisions 5 and 6. The commissioner may provide for servicing of the loans and agreements, the times they are payable and the amounts of payments, the amount of the loans and agreements, their security, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The commissioner shall seek to obtain the best available security for the loans or agreements. The facilities described in subdivisions 5 and 6 may be pledged as collateral for the loans made and bonds issued under sections 1 to 15.
- (b) In addition to the covenants and agreements otherwise required or negotiated by the commissioner, the leases and revenue agreements for the properties must contain covenants and agreements by the airline corporation, and if the user is not the airline corporation, also by the airline corporation, satisfactory to the commissioner providing security for payment of rents so that the net unencumbered value of the leased property described in subdivisions 5 and 6, and other collateral pledged to the commissioner from time to time by the airline corporation, as independently appraised at the time of issuance and periodically to the satisfaction of the commissioner during the term of the general obligation revenue bonds, is at least 125 percent of the present value of the net lease

payments as determined by the commissioner. The leased property may be appraised at original cost less depreciation upon approval of the commissioner.

- Subd. 3. [APPLICATION; DATA PRACTICES.] (a) An applicant may file a written application with the commissioner of trade and economic development for a loan or lease agreement or other revenue agreement for the aircraft facilities described in subdivisions 5 and 6. The commissioner of trade and economic development shall exercise due diligence in the review and approval of each application. In general, an application must provide information similar to that required by an investment banking or other financial institution considering a project for debt financing. The applicant shall submit a report prepared by a nationally recognized consultant familiar with the airline industry and its financing to the commissioner of trade and economic development and the commissioner of finance with the written application. The report must project the available revenues of the lessees of the facilities described in subdivisions 5 and 6 that are at least sufficient during each year of the term of the proposed applicable bonds to pay when due all financial obligations of the lessees under the leases. The report must include the factors on which the projection is based.
- (b) Except as otherwise provided in this subdivision, the following data required under sections 1 to 15 or submitted in connection with the application or any agreement authorized under this act is nonpublic data: business plans, financial statements, customer lists, and market and feasibility studies paid for with nonpublic money. The commissioner or the commissioner of trade and economic development may make the data accessible to any person, agency, or public entity if the commissioner or the commissioner of trade and economic development determines that access is required under state or federal securities law or is necessary for the person, agency, or public entity to perform due diligence in connection with the provision of financial assistance to the facilities described in subdivisions 5 and 6.
- Subd. 4. [SECURITY.] (a) If so provided in the commissioner's order or any indenture authorizing the applicable series of bonds, up to \$125,000,000 principal amount of bonds for the facility described in subdivision 5 and up to \$50,000,000 principal amount of bonds for the facility described in subdivision 6 may be secured by either of the following methods:
- (1) upon the occurrence of any deficiency in a debt service reserve fund for a series of bonds as provided in section 13, subdivision 3, the commissioner shall issue and sell deficiency bonds in a principal amount not to exceed (i) the lesser of \$125,000,000 or the outstanding principal amount of the bonds secured by the debt service reserve fund for facilities described in subdivision 5 and (ii) the lesser of \$50,000,000 or the outstanding principal amount of the

bonds secured by the debt service fund for the facilities described in subdivision 6; or

(2) the bonds may be directly secured by a pledge of the full faith, credit, and taxing power of the state and issued as general obligation revenue bonds of the state in accordance with the Minnesota Constitution, article XI, sections 4 to 7.

Deficiency bonds and bonds issued under clause (2) must be issued in accordance with and subject to sections 16A.641, 16A.66, 16A.672, and 16A.675, except for section 16A.641, subdivision 5, and except that the bonds may be sold at public or private sale at a price or prices determined by the commissioner as provided in section 13, subdivision 3.

- (b) At the request of the commissioner, St. Louis county shall by resolution of its county board, unconditionally and irrevocably pledge as a general obligation, its full faith, credit, and taxing power to pay or secure payment of principal and interest due on up to \$12,600,000 principal amount of revenue bonds for the facility described in subdivision 5 and principal and interest due on up to \$15,000,000 principal amount of revenue bonds for the facility described in subdivision 6. The general obligation and pledge of St. Louis county are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the St. Louis county general obligation is not subject to and shall not be taken into account for purposes of any levy limitations. The general obligation and the bonds secured by the general obligation may be issued without an election. Except for sections 475.61 and 475.64, chapter 475 does not apply to the general obligation.
- (c) Bonds and deficiency bonds issued under sections 1 to 15 and any indenture entered into in connection with the issuance of the bonds are not subject to section 16B.06.
- Subd. 5. [USE OF PROCEEDS; AIRCRAFT MAINTENANCE FACILITY.] The proceeds of the bonds issued in a principal amount not to exceed \$250,000,000 must be used to finance the costs related to the planning, construction, improvement, or equipping of a heavy maintenance facility for aircraft and facilities subordinate and related to the facility to be located at the Duluth international airport and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The facility must be owned by the metropolitan airports commission and leased for the benefit of an airline company for use as a heavy maintenance base. With the approval of the commissioner, the owner of the facility may place a mortgage or security interest lien on the facility or any interest in or part of the facility. The mortgage is exempt from the mortgage registry tax imposed under chapter 287. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility, or any part of

the facility, may be leased to another person for any lawful purpose or sold, subject to the approval of the commissioner.

Subd. 6. [USE OF PROCEEDS: AIRCRAFT ENGINE REPAIR FACILITY. The proceeds of the bonds issued in a principal amount not to exceed \$100,000,000 must be used to finance the costs related to the planning, construction, improvement, or equipping of an aircraft engine repair facility and facilities subordinate and related to the facility to be located at the Chisholm-Hibbing municipal airport in the city of Hibbing and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The facility must be owned by the owner of the Chisholm-Hibbing municipal airport, but may be leased, with or without a purchase option exercisable at any price, to any person for the primary purpose of repairing aircraft engines or components. With the approval of the commissioner, the owner of the facility may place a mortgage or security interest lien on the facility. The mortgage is exempt from the mortgage registry tax imposed under chapter 287. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility may be leased to another person for any lawful purpose or sold, subject to the approval of the commissioner.

Subd. 7. [ENVIRONMENTAL ASSESSMENT.] Notwithstanding any other law or rule, no environmental review must be completed prior to the approval of an application and the issuance of a conditional commitment for the loan, or the taking of any other action permitted by sections 1 to 15, including the issuance of bonds, which is considered necessary or desirable by the commissioner to prepare for a final commitment and to make it effective. Environmental review, to the extent required by law, shall be made in conjunction with the issuance by state agencies of environmental permits for the project. Permits may be applied for prior to the issuance of a conditional commitment. Action shall be taken as expeditiously as possible on environmental review and all permits required.

Sec. 3. [116R.03] [GENERAL POWERS.]

For the purpose of exercising the specific powers authorized under sections 1 to 15 and effectuating the other purposes of sections 1 to 15, the commissioner may:

- (1) acquire, hold, pledge, assign, or dispose of real or personal property or any interest in property, including a mortgage or security interest in a facility described in section 2, subdivision 5 or 6;
- (2) enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including

 $\frac{contracts}{all\ or\ part\ of\ sections\ 1\ to\ 15;} \underbrace{\frac{for\ administration}{administration}}_{} \underbrace{\frac{and}{implementation}}_{} \underbrace{\frac{of}{implementation}}_{} \underbrace{\frac{of}{impl$

- (3) acquire real property, or an interest therein, by purchase or foreclosure, where the acquisition is necessary or appropriate;
- (4) enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of any facility financed in whole or in part by the proceeds of bonds or loans;
- (5) enter into agreements with other appropriate federal, state, or local governmental units; and
- (6) contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms the commissioner considers necessary or desirable, to assist in the exercise of any of the powers authorized under sections 1 to 15 and to carry out the objectives of sections 1 to 15 and may pay for the services from bond proceeds or otherwise available department money.

Sec. 4. [116R.04] [REVENUE BONDS; PURPOSES, TERMS, APPROVAL.]

Subdivision 1. [BONDS.] The commissioner from time to time may issue negotiable bonds in one or more series or issues in a principal amount which, in the opinion of the commissioner of trade and economic development, is necessary to provide sufficient funds for achieving the purposes of sections 1 to 15, including the construction of a heavy maintenance facility for aircraft to be located at the Duluth international airport, the financing of an aircraft engine repair facility in the city of Hibbing, the payment of interest on bonds of the commissioner, the establishment of reserves to secure the bonds, and the payment of all other expenditures of the commissioner and the owner of a financed facility incident to and necessary or convenient to carry out the purposes and powers of sections 1 to 15. The bonds may be issued as bonds or notes or in any other form authorized by law. Except as provided in section 2, subdivision 4, paragraph (a), sections 16A.31 to 16A.675 do not apply to the bonds authorized under section 2.

Subd. 2. [REFUNDING OF BONDS.] The commissioner from time to time may issue bonds for the purpose of refunding any bonds then outstanding, including the payment of any redemption premiums thereon, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the bonds to be refunded, to the redemption of such outstanding bonds on any redemption date, or to pay interest on the refunding bonds and may,

pending such application, be placed in escrow to be applied to such purchase, payment, retirement, or redemption. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations that are permitted investments under section 11A.24. The income earned or realized on any such investment may also be applied to the payment of the bonds to be refunded, interest or premiums on the refunded bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of such proceeds and any investment income may be returned to the general fund or, if applicable, the state bond fund, for use in any lawful manner. All refunding bonds issued under the provisions of this subdivision must be issued and secured in the manner provided by order of the commissioner, provided that any refunding bonds may be secured in any manner by which the refunded bonds were secured and payable from any source from which the refunded bonds were secured.

- Subd. 3. [KIND OF BONDS.] All bonds issued under this section must be issued in the form and manner provided in section 16A.672.
- Subd. 4. [COMPLIANCE WITH FEDERAL LAW.] The commissioner may covenant and agree with the holders of the bonds issued under this section that the state will comply, insofar as possible, with the provisions of the United States Internal Revenue Code now or hereafter enacted that are applicable to the bonds and that establish conditions under which the interest to be paid on the bonds will not be includable in gross income for federal tax purposes.
- Subd. 5. [TAXABILITY OF INTEREST.] Interest on the bonds authorized by this section may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes.
- Sec. 5. [116R.05] [BONDS; ORDERS AUTHORIZING, ADDITIONAL TERMS, SALE.]

Subdivision 1. [TERMS.] The bonds must be authorized by an order or orders of the commissioner, bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations, be in such form, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States, at such place or places within or without the state, and be subject to such terms of redemption or purchase prior to maturity as the order or orders may provide, or as may be provided in any indenture or indentures of trust. If, for any reason, whether existing at the date of issue of any bonds or at the date of making or purchasing any loan or securities from the proceeds or after that date, the interest on any bonds is or becomes subject to federal income taxation, this shall not impair or affect the validity or the provisions made for the security of the bonds. The bonds may be sold at public or private sale at a price or prices determined by the

commissioner. The underwriting discount, spread, or commission paid or allowed to the underwriters of the bonds, however, must be an amount not in excess of the amount determined by the commissioner to be reasonable in the light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters or prevailing market conditions and practices.

- Subd. 2. [SOURCES OF PAYMENT.] Except as otherwise provided for bonds issued under section 4, subdivision 2, the bonds are payable solely from the following sources and only to the extent provided in the order or indenture authorizing or securing the bonds:
- (1) revenues of any nature derived from the ownership, lease, operation, sale, foreclosure, or refinancing of a facility described in section 2, subdivision 5 or 6;
 - (2) repayments of any loans made under sections 1 to 15;
 - (3) proceeds of any bonds or deficiency bonds;
- $\frac{(4)}{12;} \underline{\text{amounts in any account or accounts authorized by section } 11 \text{ or } 12;}$
- (5) amounts paid by St. Louis county under its obligations referred to in section 2, subdivision 4;
- $\frac{(6) \text{ investment income on any of the sources specified in clauses (1)}}{\text{to } (7);}$
- (7) amounts payable under any insurance policy, guaranty, letter of credit, or other instrument securing the bonds; and
- (8) any other revenues which the commissioner may pledge or appropriate not prohibited by law or the Minnesota Constitution.
- Subd. 3. [NOT A STATE DEBT.] Except as provided in section 2, subdivision 4, paragraph (a), no bond shall constitute a debt of the state within the meaning of any statutory or constitutional limitation or pledge the full faith and credit of the state, and no holder of any bonds may compel any exercise of the taxing power of the state to pay principal, premiums, or interest for the bonds, nor to enforce payment of principal, premiums, or interest against any property of the state, except for property expressly pledged, mortgaged, encumbered, or appropriated for this purpose.
- Sec. 6. [116R.06] [BONDS; OPTIONAL ORDER AND CONTRACT PROVISIONS.]

Any order authorizing any bonds or any issue of bonds or any indenture may contain provisions, which may be a part of the contract with the holders of the bonds, as to the matters referred to in this section.

- (a) It may pledge or create a lien on money or property and any money held in trust or otherwise by others to secure the payment of the bonds or of any series or issue of bonds, subject to any agreements with bondholders which exist.
- (b) It may provide for the custody, collection, securing, investment, and payment of money.
- (c) It may set aside reserves or sinking funds and provide for their regulation and disposition and may create other special funds into which money may be deposited.
- (d) It may limit the loans and securities to which the proceeds of sale of bonds may be applied and may pledge repayments thereon to secure the payment of the notes or bonds or of any series or issue of notes or bonds.
- (e) It may limit the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds.
- (f) It may prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to the amendment or abrogation, and the manner in which that consent may be given.
- (g) It may vest in a trustee or trustees property, rights, powers, and duties in trust determined by the commissioner, which may include any or all of the rights, powers, and duties of the bondholders, or may limit the rights, powers, and duties of the trustee. It may make contracts with a trustee or trustees authorizing the trustee or trustees to invest in investments that may be invested in by the state board of investment under section 11A.24, and apply, or dispose of and use money in any account.
- (h) It may define the acts or omissions to act which constitute a default in the obligations and duties of the commissioner and may provide for the rights and remedies of the holders of bonds in the event of a default, and provide any other matters of like or different character, consistent with the general laws of the state and other provisions of sections 1 to 15, which in any way affect the security or protection of the bonds and the rights of the bondholders.

Sec. 7. [116R.07] [PLEDGES.]

Any pledge made by the commissioner is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.

Sec. 8. [116R.08] [BONDS; NONLIABILITY OF INDIVIDUALS.]

The commissioner and the commissioner's staff and any person executing the bonds are not personally liable on the bonds or subject to any personal liability or accountability by reason of their issuance.

Sec. 9. [116R.09] [BONDS; PURCHASE AND CANCELLATION.]

The commissioner, subject to agreements with bondholders which may then exist, has power out of any funds available for the purpose to purchase bonds of the commissioner at a price not exceeding (a) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Sec. 10. [116R.10] [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

The state pledges and agrees with the holders of any bonds issued under sections 1 to 15, that the state will not limit or alter the rights vested in the commissioner to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner may include this pledge and agreement of the state in any agreement with the holders of bonds issued under sections 1 to 15.

Sec. 11. [116R.11] [AIRCRAFT FACILITIES FUNDS AND DEBT SERVICE ACCOUNTS.]

Subdivision 1. [FUNDS.] The commissioner or any trustee appointed by the commissioner under sections 1 to 15 shall establish and maintain an aircraft facilities fund for each of the facilities described in section 2, subdivisions 5 and 6. Except for amounts

required by the commissioner to be deposited in a debt service account, proceeds of each issue of bonds authorized under section 2, subdivision 1, must be deposited in a separate account, debt service reserve, or other account designated by the commissioner. The owner of each facility described in section 2, subdivisions 5 and 6, may withdraw proceeds of bonds for application to the appropriated purposes in the manner provided by order of the commissioner or in any indenture authorized by order of the commissioner. The commissioner may establish whatever accounts might be necessary to carry out sections 1 to 15.

Subd. 2. [ACCOUNTS.] The state treasurer or any trustee appointed by the commissioner under sections 1 to 15 shall maintain permanently on official books and records debt service accounts separate from all other funds and accounts, to record all receipts and disbursements of money for principal and interest payments on each series of bonds authorized under section 2, subdivision 1. No later than the due date of each principal and interest payment on the bonds, the commissioner shall withdraw from the proceeds of the bonds, or from revenues on hand and available for the purpose, and shall deposit in the debt service accounts the amount, if any, required in the account by the order of the commissioner or any indenture authorized by an order of the commissioner. All amounts in any debt service account are appropriated for the payment of principal, premiums, and interest for the bonds to which the account relates.

Sec. 12. [116R.12] [POWERS AND DUTIES OF TRUSTEE.]

Subdivision 1. [GENERAL.] The trustee, if any, designated in any indenture or order securing an issue of bonds may, in the trustee's own name, if so provided in the indenture or order:

- (1) enforce all rights of the bondholders, including the right to require the commissioner to collect fees, charges, interest, and payments on leases, loans, or interests therein held by the commissioner and eligible securities purchased by it adequate to carry out any agreement as to, or pledge of, those fees, charges, and payments, and to require the commissioner to carry out any other agreements with the holders of the bonds and to perform the duties required under sections 1 to 15;
 - (2) bring suit upon the bonds;
- (3) require the commissioner to account as if it were the trustee of any express trust for the holders of the bonds;
- (4) enjoin any acts or things which may be unlawful or in violation of the rights of holders of the bonds; or

- (5) upon a default as defined in any bond, order, or indenture, declare all the bonds due and payable, enforce any remedy available under law, and if all defaults are made good, the trustee may annul the declaration and consequences.
- Subd. 2. [ADDITIONAL POWERS.] In addition to the powers in subdivision 1, the trustee has all of the powers necessary or appropriate for the exercise of any functions specifically set forth in this section or incident to the general representation of bondholders in the enforcement and protection of their rights.
- Subd. 3. [VENUE.] The venue of any action or proceedings brought by a trustee is in Ramsey county.
 - Sec. 13. [116R.13] [DEBT SERVICE RESERVE ACCOUNT.]
- Subdivision 1. [AUTHORITY.] The commissioner or a trustee appointed by the commissioner may create, maintain, and establish a special account or accounts for the security of one or more or all series of the bonds, which accounts are known as debt service reserve accounts. The commissioner may pay into each debt service reserve account:
- (2) any proceeds of sale of bonds to the extent provided in the order or indenture authorizing their issuance;
- (3) any money directed to be transferred by the commissioner to that debt service reserve account; and
- (4) any other money made available to the commissioner for the purpose of that account from any other source.
- Subd. 2. [USE OF MONEY.] The money held in or credited to each debt service reserve account, except as provided in this section, must be used solely for the payment of the principal of bonds of the commissioner as the bonds mature or otherwise become due, the purchase of the bonds, the payment of interest on the bonds, the payment of any premium required when the bonds are redeemed before maturity, or any rebate amounts owing to the United States government in accordance with any applicable covenant to comply with federal tax laws; provided, that money in a debt service reserve account may not be withdrawn at any time in an amount which would reduce the amount of the account to less than any amount which the commissioner determines to be reasonably necessary for the purposes of the account, except for the purpose of paying principal, premium, or interest due on bonds secured by the account, for the payment of which other money is not available.

- Subd. 3. [GENERAL OBLIGATION BONDS.] (a) If the amount in any debt service reserve account falls below the minimum required in an order of the commissioner or indenture for the applicable series of bonds and the order or indenture so provides, the commissioner shall issue as promptly as practicable, but in no event later than six months after the occurrence of the deficiency, general obligation bonds in accordance with the Minnesota Constitution, article XI, section 7, and section 2, subdivision 4; section 16A.641, subdivisions 1 to 4 and 6 to 13; section 16A.66, section 16A.672; and section 16A.675, except as otherwise provided in this section and unless provision is made for restoring the deficiency from other sources. Section 16A.641, subdivision 5, does not apply to the issuance of bonds authorized under this subdivision. Proceeds of the bonds not required for payment of costs related to the issuance of the bonds must be deposited in the debt service reserve account, except that accrued interest must be deposited as provided in section 16A.641, subdivision 7, paragraph (b).
- (b) The underwriting discount, spread, or commission paid or allowed to the underwriters or placement agents of deficiency bonds and bonds described in section 2, subdivision 4, paragraph (a), must be an amount not in excess of the amount determined by the commissioner to be reasonable in light of the risk assumed and the expense of issuance, if any, required to be paid by the underwriters, placement agents, or prevailing market conditions and practices.
- Subd. 4. [LIMITATION.] If the commissioner creates a debt service reserve account for the security of any series of bonds, the commissioner may not issue any additional bonds which are similarly secured if the amount of any of the debt service reserve accounts at the time of issuance does not equal or exceed the minimum amount, if any, required by the resolution creating that account, unless the commissioner deposits in each account at the time of issuance, from the proceeds of the bonds or otherwise, an amount which, together with the amount then in the account, will not be less than the minimum amount required.
- Subd. 5. [EXCESS MONEY.] To the extent consistent with the orders and indentures securing outstanding bonds, the commissioner may, at the close of any fiscal year, transfer to any other account from any debt service reserve account, any excess in that account over the amount considered by the commissioner to be reasonably necessary for the purpose of the account.
- Subd. 6. [CONSTRUCTION.] Nothing in this section may be construed to limit the right of the commissioner to create and establish by order or indenture other accounts or security in addition to debt service reserve accounts which are necessary or desirable in connection with any bonds or programs.

Sections 1 to 15 are necessary for the welfare of the state of Minnesota and its inhabitants; therefore, they shall be liberally construed to effect their purpose.

Sec. 15. [116R.15] [SEVERABILITY; ACTIONS.]

Each of the provisions of sections 1 to 15, and each application thereof to particular circumstances, is severable. If any provision or application is found to be unconstitutional and void, it is the intention that the remaining provisions and applications shall be valid and enforceable to the full extent possible under section 645.20.

Sec. 16. [116R.16] [TECHNICAL ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP.] The commissioner of trade and economic development shall establish a technical advisory committee. For the facilities described in section 2, subdivisions 5 and 6, the advisory committee shall provide project oversight to the affected jurisdictions regarding project status, effectiveness, and financial conditions. The advisory committee consists of the following members:

- (1) a representative of the department of trade and economic development appointed by the commissioner to act as chair of the advisory committee;
- (2) a representative of the metropolitan airports commission appointed by the metropolitan airports commission;
- (3) a representative of the city of Duluth appointed by the mayor of Duluth;
- (4) a representative of St. Louis county appointed by the St. Louis county board of commissioners;
- (5) a representative of the city of Hibbing appointed by the mayor of Hibbing; and
- (6) a representative of the city of Chisholm appointed by the mayor of Chisholm.
- Subd. 2. [TERMS.] The membership terms, removal, and filling of vacancies is as provided in section 15.059.
- Subd. 3. [DEPARTMENT OF TRADE AND ECONOMIC DEVEL-OPMENT DUTIES.] The commissioner of trade and economic development shall monitor, evaluate, and prepare reports on the progress and financial status of the facilities described in section 2, subdivisions 5 and 6; convene meetings of the advisory committee on

<u>a quarterly basis; and provide information and assistance to the advisory committee as is reasonably necessary.</u>

Subd. 4. [REPORTS.] The commissioner of trade and economic development shall submit an annual report to the legislature by January 1 of each year and provide other reports to the individually represented jurisdictions as appropriate.

Sec. 17. Minnesota Statutes 1990, section 290.06, is amended by adding a subdivision to read:

Subd. 24. [CREDIT FOR JOB CREATION.] A corporation that leases and operates a heavy maintenance base for aircraft that is owned by the state of Minnesota or one of its political subdivisions, or an engine repair facility described in section 2, subdivision 6, or both, may take a credit against the tax due under this chapter. For the first taxable year when the facility has been in operation for at least three consecutive months, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year. For each of the succeeding four taxable years, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year. If the credit provided under this subdivision exceeds the tax liability of the corporation for the taxable year, the excess amount of the credit may be carried over to each of the ten taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than ten years after the taxable year in which the credit was earned.

Sec. 18. [297A.2571] [AIRCRAFT FACILITY MATERIALS; EXEMPTIONS.]

Materials, equipment, and supplies used or consumed in constructing, or incorporated into the construction of, a heavy maintenance facility for aircraft that is to be owned by the state of Minnesota or one of its political subdivisions and leased by an airline company, or an aircraft engine repair facility described in section 2, subdivision 6, are exempt from the taxes imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision. Except for equipment owned or leased by a contractor, all machinery, equipment, tools, accessories, appliances, contrivances, furniture, fixtures, and all tangible personal property of any other

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nature or description necessary to the construction and equipping of that facility in order to provide those services is also exempt.

Sec. 19. Minnesota Statutes 1990, section 360.013, subdivision 5, is amended to read:

Subd. 5. "Airport" means any area, of land or water, except a restricted landing area, which is designed for the landing and takeoff of aircraft, whether or not facilities are provided for the shelter, surfacing, or repair of aircraft, or for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport buildings or other airport facilities, including facilities described in section 2, subdivision 6, and all appurtenant rights of way, whether heretofore or hereafter established.

Sec. 20. Minnesota Statutes 1990, section 360.032, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION.] Every municipality is hereby authorized, through its governing body, to acquire property, real or personal, for the purpose of establishing, constructing, and enlarging airports and other air navigation facilities and to acquire, establish, construct, enlarge, improve, maintain, equip, operate, and regulate such airports and other air navigation facilities and structures and other property incidental to their operation, either within or without the territorial limits of such municipality and within or without this state; to make, prior to any such acquisition, investigations, surveys, and plans; to construct, install, and maintain airport facilities for the servicing and repair of aircraft and facilities authorized under section 2, subdivision 6, and for the comfort and accommodation of air travelers; and to purchase and sell equipment and supplies as an incident to the operation of its airport properties. It may not acquire, or take over any airport or other air navigation facility owned or controlled by any other municipality of the state without the consent of such municipality. It may use for airport purposes any available property that is now or may at any time hereafter be owned or controlled by it. Such air navigation facilities as are established on airports shall be supplementary to and coordinated in design and operation with those established and operated by the federal and state governments. It may assist other municipalities in the construction of approach roads leading to any airport or restricted landing area owned or controlled by it.

Sec. 21. Minnesota Statutes 1990, section 360.038, subdivision 4, is amended to read:

Subd. 4. [LEASED PROPERTY.] To lease for a term not exceeding 30 years such airports or, other air navigation facilities or facilities authorized under section 2, subdivision 2, or real property acquired or set apart for airport purposes, to private parties, any municipal or state government or the national government, or any department of

either thereof, for operation: to lease or assign for a term not exceeding 99 years to private parties, any municipal or state government, or the national government, or any department of either thereof, for operation or use consistent with the purposes of sections 360.011 to 360.076, space, area, improvements, or equipment on such airports; notwithstanding any other provisions in this subdivision, to lease ground area for a term not exceeding 99 years to private persons for the construction of structures which in its opinion are essential and necessary to serve aircraft, persons and things engaged in or incidental to aeronautics, including but not limited to shops, hangars, offices, restaurants, hotels, motels, factories, storage space, and any and all other structures necessary or essential to and consistent with the purposes of sections 360.011 to 360.076, to sell any part of such airports, other air navigation facilities, or real property to any municipal or state government, or to the United States or any department or instrumentality thereof, for aeronautical purposes incidental thereto, and to confer the privileges of concessions of supplying upon its airports goods, commodities, things, services, and facilities; provided that in each case in so doing the public is not deprived of its rightful, equal, and uniform use thereof.

Sec. 22. Minnesota Statutes 1990, section 473.608, subdivision 1, is amended to read:

Subdivision 1. The corporation, subject to the conditions and limitations prescribed by law, shall possess all the powers as a body corporate necessary and convenient to accomplish the objects and perform the duties prescribed by sections 473.601 to 473.679, including but not limited to those hereinafter specified. These powers, except as limited by section 473.622, may be exercised at any place within 35 miles of the city hall of either Minneapolis or St. Paul, and in the metropolitan area, and in the city of Duluth for the purpose of owning, leasing, constructing, equipping, operating, borrowing money from the state for, or otherwise financing the facility described in section 2, subdivision 5.

A state loan to finance the facility described in section 2, subdivision 5, must be made on terms and conditions as the commissioner of finance, the commissioner of trade and economic development, and the commission determine to be appropriate. The state loan is not subject to and may not be counted against any limitation on the principal amount of revenue bonds or general obligation revenue bonds that the commission may issue under sections 473.601 to 473.679.

Sec. 23. (CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT.)

Subdivision 1. [AUTHORIZATION.] The city of Duluth may create a tax increment financing district, as provided in this

subdivision, on property located at the Duluth international airport. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 5, is proposed to be located. The city or any of its authorities or agencies listed in Minnesota Statutes, section 469.174, subdivision 2, may be the "authority" for purposes of Minnesota Statutes, sections 469.174 to 469.179.

The authority or agency being utilized for this tax increment financing district, shall be expanded by two members. The additional two members shall be elected county commissioners from the city of Duluth and appointed by the St. Louis county board for terms as designated by the county board.

- Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.
- (b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the revenue derived from tax increments from this district and money in any of the funds specified in section 54(a) of the Duluth City Charter that are pledged by the governing body of the city of Duluth for this purpose must be used to pay debt service on the obligations or debt incurred to finance any portion of the facilities described in section 2, subdivision 5, in a principal amount not to exceed \$47,600,000.
- (c) The provisions of Minnesota Statutes, section 273.1399, do not apply to the district.
- Sec. 24. [CITY OF HIBBING; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [AUTHORIZATION.] (a) The city of Hibbing may create a tax increment financing district, as provided in this subdivision, on property located in the city of Hibbing. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 6, is proposed to be located and with the approval of the St. Louis county board, any other adjoining areas into which expansion of the facility or development caused by the facility may be expected to occur. The city or any of its authorities or agencies listed in Minnesota Statutes, section 469.174, subdivision 2, may be the "authority" for purposes of Minnesota Statutes, sections 469.174 to 469.179.

The authority or agency being utilized for this tax increment

financing district, shall be expanded by two members. The additional two members shall be elected county commissioners from the taconite tax relief area as defined in Minnesota Statutes, section 273.134, and appointed by the St. Louis county board for terms as designated by the county board.

- (b) By resolution of the governing bodies of St. Louis county and the city of Chisholm and without an election, either or both St. Louis county and the city of Chisholm may treat an obligation or any portion thereof, of the city of Hibbing issued under Minnesota Statutes, section 469.178, subdivision 2, as a general obligation of St. Louis county or the city of Chisholm, by unconditionally and irrevocably pledging their full faith and credit and taxing power. Except for Minnesota Statutes, sections 475.61 and 475.64, the pledge is not subject to Minnesota Statutes, chapter 475. The obligations, the pledge of St. Louis county, and the pledge of the city of Chisholm are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the obligations is not subject to and shall not be taken into account for purposes of any levy limitations. The obligations may be sold at public or private sale.
- Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.
- (b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the revenue derived from tax increments from this district and the proceeds of obligations secured by or payable from the tax increments, after reduction for costs of issuance, reserves, and capitalized interest, must be used to pay debt service on the obligations or debt incurred to finance any portion of the facilities described in section 2, subdivision 6.
- (c) The provisions of Minnesota Statutes, section 273.1399, do not apply to the district.

Sec. 25. [PURPOSE.]

The purpose of sections 1 to 15 is to foster long-term economic growth and job creation by financing an aircraft maintenance facility and an aircraft engine repair facility, to encourage and facilitate the retention and expansion of airports and other air navigation facilities, airline corporations facilities, operations and services in the state; to prevent the loss of jobs, and encourage and promote the creation of additional jobs in the state in the airline industry and in other businesses in the state served or affected by the airline industry; to promote the continued growth, and reduce the potential for and effects of a decline of economic activity in the

state; and to ensure the preservation, growth, and diversification of the tax base of the state. State bonds are authorized to be issued and the proceeds of their sale are appropriated under the authority of the Minnesota Constitution, article XI, section 5, clauses (a) and (g). In authorizing the financing of the aircraft facilities, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of fostering economic development within the state.

Sec. 26. [EFFECTIVE DATE; LOCAL APPROVAL.]

Section 2, subdivision 4, paragraph (b), is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of St. Louis county. Section 17 is effective for taxable years beginning after December 31, 1991.

ARTICLE 2

METROPOLITAN AIRPORTS COMMISSION

Section 1. [473.6021] [PUBLIC NECESSITY AND PURPOSE FOR ISSUANCE OF BONDS.]

In order to accomplish the public purposes set forth in section 473.602; to encourage and facilitate the retention and expansion of airline corporations' facilities, operations, and services in the metropolitan area and the state; to prevent the loss of jobs and encourage and promote the creation of additional jobs in the state in the airline industry and in other businesses in the state served or affected by the airline industry; to promote the continued growth, and reduce the potential for and effects of a decline of economic activity in the metropolitan area and the state; and to ensure the preservation, growth, and diversification of the tax base of the metropolitan area and the state; it is necessary and appropriate and in the public interest to authorize the commission to take the actions described in section 473.667, subdivision 11, and section 3.

- Sec. 2. Minnesota Statutes 1990, section 473.667 is amended by adding a subdivision to read:
- Subd. 11. [ADDITIONAL BONDS.] (a) The commission may issue general obligation revenue bonds for the purposes of:
- (1) acquiring by purchase real and personal properties located within the metropolitan area that are related to airline operations to be leased to airline corporations, or to other corporations affiliated by common ownership with airline corporations, for use in connection with their airline operations, including real and personal properties for use as flight training facilities; and

(2) financing or refinancing the costs of real and personal properties owned by the commission to be leased to airline corporations and used in connection with the operations of the airline corporations at airports under the commission's jurisdiction.

Prior to the issuance of the general obligation revenue bonds, the commission shall enter into a lease with the airline corporations, or with other corporations affiliated by common ownership with airline corporations, for the use of the acquired real and personal properties referenced in clause (1), and shall enter into a revenue agreement with the airline corporation for the use of the properties financed or refinanced referenced in clause (2).

- (b) In addition to the covenants and agreements otherwise required or negotiated by the commission, the leases and revenue agreements for the properties must contain covenants and agreements by the airline corporation, and if the user is not the airline corporation, also by the airline corporation, satisfactory to the commission providing for:
- (1) the payment of rents in amounts and at times adequate to pay the principal and interest as due on the general obligation revenue bonds issued to acquire, finance, or refinance the properties and to pay the commission's costs and expenses of issuing the bonds and acquiring and owning the properties, and otherwise satisfying the requirements of section 469.155, subdivision 5;
- (2) the adequate security for payment of rents so that the net unencumbered value of the leased property described in paragraph (a), clause (1), and other collateral pledged to the commission from time to time by the airline corporation, as independently appraised at the time of issuance and periodically to the satisfaction of the commission during the term of the general obligation revenue bonds, is a percentage of the principal amount of the outstanding general obligation revenue bonds under this subdivision as determined by the commission; provided that the percentage determined by the commission is not less than 125 percent;
- (3) the retention and location of employees, operations, domestic and international, and facilities, including headquarters, of the airline corporation in the metropolitan area and the state for periods that may exceed the term of the lease and aircraft noise abatement; and
- (4) early repayment, or the establishment of a defeasance account to provide for timely repayment, of the general obligation revenue bonds upon the occurrence of events and upon terms and conditions as are satisfactory to the commission, together with financial requirements and covenants satisfactory to the commission.
 - (c) The purchase price of the acquired properties described in

paragraph (a), clause (1), must be in an amount equivalent to a percentage of its then fair market value as determined by the commission; provided that the percentage shall not exceed 85 percent. The portion of the general obligation revenue bonds attributable to the financing or refinancing of the property described in paragraph (a), clause (2), must be in an amount equivalent to a percentage of its then fair market value as determined by the commission; provided that the percentage shall not exceed 85 percent. The principal amount of the general obligation revenue bonds issued under this subdivision, including any debt service reserve account or other reserve account, is limited to \$270,000,000 in excess of the amount authorized by subdivision 2; provided that the sum of the original principal amounts of the general obligation revenue bonds issued under this subdivision, and the revenue bonds issued under section 3, shall not exceed \$390,000,000. Before the commission may issue the general obligation revenue bonds described in this subdivision, the commission shall have received, in form and substance satisfactory to the commission, reports described in section 3, subdivision 4, relating to the general obligation revenue bonds.

Sec. 3. [473.6671] [REVENUE BONDS.]

Subdivision 1. [AUTHORIZATION.] (a) The commission may issue revenue bonds for the purpose of:

- (1) acquiring by purchase real and personal properties located within the metropolitan area that are related to airline operations to be leased to airline corporations, or to other corporations affiliated by common ownership with airline corporations, for use in connection with their airline operations, including real and personal properties for use as flight training facilities; and
- (2) financing or refinancing the costs of real and personal properties owned by the commission to be leased to airline corporations and used in connection with the operations of the airline corporations at airports under the commission's jurisdiction.

Prior to the issuance of the revenue bonds, the commission shall enter into a lease with the airline corporations, or with other corporations, for the use of such acquired real and personal properties referenced in clause (1), and shall enter into a revenue agreement with the airline corporation for the use of the properties financed or refinanced referenced in clause (2).

(b) In addition to the covenants and agreements otherwise required or negotiated by the commission, the leases and revenue agreements for the properties must contain covenants and agreements by the airline corporation, and if the user is not the airline

corporation, also by the airline corporation, satisfactory to the commission providing for:

- (1) the payment of rents in amounts and at times adequate to pay the principal and interest as due on the revenue bonds issued to acquire, finance, or refinance the properties and to pay the commission's costs and expenses of issuing the bonds and acquiring and owning the properties, and otherwise satisfying the requirements of section 469.155, subdivision 5;
- (2) the retention and location of employees, operations, domestic and international, and facilities, including headquarters, of the airline corporation in the metropolitan area and the state for periods that may exceed the term of the lease and aircraft noise abatement; and
- (3) early repayment, or the establishment of a defeasance account to provide for timely repayment, of the general obligation revenue bonds upon the occurrence of events and upon terms and conditions as are satisfactory to the commission, together with financial requirements and covenants satisfactory to the commission.
- (c) The sum of the original principal amounts of the revenue bonds issued under this subdivision, and the general obligation revenue bonds issued under section 473.667, subdivision 11, shall not exceed \$390,000,000. Except as provided in this section, the revenue bonds must be issued in the manner and are subject to the requirements of chapter 475; provided that compliance with the requirements of section 475.60 is at the discretion of the commission.
- Subd. 2. [SECURITY AND SOURCE OF PAYMENT.] The revenue bonds described in subdivision 1 are payable solely from and secured by the revenues derived by the commission from the leases upon the properties described in subdivision 1, paragraph (a), clause (1), the revenue agreements upon the properties described in subdivision 1, paragraph (a), clause (2), and other revenues as the commission may designate and pledge which are derived from the ownership and operation of its airports, air navigation facilities and other facilities; provided that the pledge and application of all revenues to the payment and security of the revenue bonds are subject and subordinate to the first and prior change thereon for the payment and security of the commission's general obligation revenue bonds as provided in section 473.667. The revenue bonds shall not be payable from or charged upon any funds or assets of the commission other than the commission revenues expressly pledged to their payment. An owner of the revenue bonds may not compel any exercise of the taxing power of the commission, the state, or any other taxing jurisdiction. Each bond must state in substance the limited nature of the obligations. The revenue bonds may be further secured by an assignment of leases with respect to the properties acquired, financed, or refinanced, and (i) with respect to the prop-

erties described in subdivision 1, paragraph (a), clause (1), by a mortgage and security agreement upon the properties and by other collateral as is pledged to secure the obligations of the airline corporation or other lessee under the leases on the properties, and (ii) with respect to the properties described in subdivision 1, paragraph (a), clause (2), by other collateral as is pledged to secure the obligations of the airline corporation under the revenue agreements. In the resolution or other instrument providing for the issuance of the revenue bonds, the commission may provide for or require the creation of accounts from sources specified by the commission. The sources may include a portion of the proceeds of the revenue bonds or payment by the airline corporation, for the payment and security of the revenue bonds, including a debt service reserve account, separate from the accounts maintained for payment of the general obligation revenue bonds. The leases described in subdivision 1, paragraph (a), clause (1), and the revenue agreements described in subdivision 1, paragraph (a), clause (2), must provide that if the commission determines to pledge any of its revenues to secure the revenue bonds, including revenues deposited into a debt service reserve account for the revenue bonds, the airline corporation concurrently shall pledge assets to the commission as security for repayment of the revenues so that the net unencumbered values of the pledged assets, as independently appraised at the time of issuance and periodically to the satisfaction of the commission during the term of the revenue bonds, is a percentage of the amount of commission revenues so pledged as determined by the commission; provided that the percentage shall not be less than 125 percent.

- Subd. 3. [DUE DILIGENCE CONDITIONS.] Before the commission may issue the revenue bonds described in subdivision 1, the commission and the commissioner of finance must receive, in form and substance satisfactory to the commission:
- (1) a report of audit of the commission's financial records for the fiscal year most recently ended or, if this is not yet available, a report for the preceding year, prepared by a nationally recognized firm of certified public accountants, showing that the net revenues received that year, computed as the gross receipts less any refunds of rates, fees, charges, and rentals for airport and air navigation facilities and service, and less the aggregate amount of current expenses, paid or accrued, of operation and maintenance of property and carrying on the commission's business and activities, equaled or exceeded the maximum amount of then outstanding bonds of the commission and interest thereon to become due in any future fiscal year;
- (2) a written report prepared by a nationally recognized consultant on airport management and financing, projecting available revenues of the airline corporation at least sufficient during each year of the term of the proposed revenue bonds to pay when due all financial obligations of the airline corporation under the revenue

agreements and leases described in subdivision 1 and stating the factors on which the projection is based; and

- (3) a written report prepared by a nationally recognized consultant on airport management and financing, projecting available revenues of the commission at least sufficient during each year of the term of the proposed revenue bonds to pay all principal and interest when due on the revenue bonds, and stating the estimates of air traffic, rate increases, inflation, and other factors on which the projection is based.
- Sec. 4. Minnesota Statutes 1990, section 473.667, is amended by adding a subdivision to read:
- Subd. 12. [BONDS FOR HEAVY MAINTENANCE FACILITY.] The commission may issue general obligation revenue bonds for the purpose of constructing a heavy maintenance facility for aircraft to be located at Minneapolis-St. Paul International Airport. The heavy maintenance facility must be owned by the commission and leased to and operated by airline corporations, for use by airline corporations in connection with their airline operations. The principal amount of the general obligation revenue bonds issued under this subdivision, including any debt service reserve account or any other reserve account, is limited to \$230,000,000 in excess of the amount authorized by subdivision 2.
- Sec. 5. [473.680] [TAX INCREMENT FINANCING DISTRICT FOR HEAVY MAINTENANCE FACILITY.]

Subdivision 1. [AUTHORIZATION.] The commission may create a tax increment financing district as provided in this subdivision on property located at the Minneapolis-St. Paul International Airport. Except as otherwise provided in this section, the provisions of sections 469.174 to 469.179 apply to the district. The district shall consist of parcels on which the heavy maintenance facility described in section 473.667, subdivision 12, is proposed to be located. The commission is the "authority" for purposes of sections 469.174 to 469.179.

- (b) Notwithstanding section 469.176, subdivision 4c, the revenue derived from tax increment from the district may be used to pay debt service on general obligation revenue bonds issued by the commission under section 473.667, subdivision 12.

Sections 1 to 4 are effective the day following final enactment and shall apply to bonds issued before December 31, 1991, and bonds issued to refund the bonds. This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair facilities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing establishment of tax increment financing districts in the cities of Duluth and Hibbing; authorizing the metropolitan airports commission to operate outside the metropolitan area; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; 360.013, subdivision 5; 360.032, subdivision 1; 360.038, subdivision 4; 473.608, subdivision 1; and 473.667, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 297A; and 473; proposing coding for new law as Minnesota Statutes, chapter 116R."

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

The report was adopted.

SPECIAL ORDERS

H. F. No. 1190 which was temporarily laid over earlier today was again reported to the House.

H. F. No. 1190, A bill for an act relating to utilities; changing the time for reconciliation of assessments of utilities and telephone companies; limiting assessments against cooperative electric associations and municipal electric utilities to the maximum assessments that may be made against public utilities; adding real estate signs to the exceptions from the one call excavation notice system; amending Minnesota Statutes 1990, sections 216B.62, subdivisions 3 and 5; 216D.01, subdivision 5; and 237.295, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

- S. F. No. 953 which was temporarily laid over earlier today was again reported to the House.
- S. F. No. 953, A bill for an act relating to courts; providing for fees for law libraries; amending Minnesota Statutes 1990, section 134A.09, 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 year and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Dawkins	Goodno	Henry
Anderson, I.	Bodahl	Dempsey	Greenfield	Hufnagle
Anderson, R. H.	Boo	Dille	Gruenes	Hugoson
Battaglia	Brown	Dorn	Gutknecht	Jacobs
Bauerly	Carlson	Erhardt	Hanson	Janezich
Beard	Carruthers	Farrell	Hartle	Jaros
Begich	Clark	Frederick	Hasskamp	Jefferson
Bertram	Cooper	Frerichs	Haukoos	Jennings
Bettermann	Dauner	Garcia	Hausman	Johnson, A.
Bishop	Davids	Girard	Heir	Johnson, R.
•				

Inhuman 37	Mariani	Omann	Runbeck	Tompkins
Johnson, V.				
Kahn	Marsh	Onnen	Sarna	Trimble
Kalis	McEachern	Orenstein	Schafer	Tunheim
Kelso	McGuire	Orfield	Scheid	Uphus
Kinkel	McPherson	Osthoff	Schreiber	Valento
Knickerbocker	Milbert	Ostrom	Seaberg	Vellenga
Koppendrayer	Morrison	Ozment	Segal	Wagenius
Krinkie	Munger	Pauly	Simoneau	Waltman
Krueger	Murphy	Pellow	Skoglund	Weaver
Lasley	Nelson, K.	Pelowski	Smith	Wejcman
Leppik	Nelson, S.	Peterson	Solberg	Welker
Lieder	Newinski	Pugh	Sparby	Welle
Limmer	O'Connor	Reding	Stanius	Wenzel
Long	Ogren	Rest	Steensma	Winter
Lourey	Olsen, S.	Rice	Sviggum	Spk. Vanasek
Lynch	Olson, E	Rodosovich	Swenson	-
Macklin	Olson, K.	Rukavina	Thompson	

The bill was passed and its title agreed to.

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

Koppendrayer was excused between the hours of 4:30 p.m. and 4:45 p.m.

S. F. No. 636, A bill for an act relating to local government; enlarging authority to participate in certain federal loan programs; amending Minnesota Statutes 1990, section 465.73.

The bill was read for the 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:

Abrams Anderson, I. Anderson, R. Anderson, R. H. Battaglia Bauerly Beard Begich Bertram Bettermann Bishop Blatz Bodahl Boo Brown Carlson Carruthers Clark Cooper	Davids Dawkins Dempsey Dille Dorn Erhardt Farrell Frederick Frerichs Garcia Girard Goodno Greenfield Gruenes Gutknecht Hanson Hartle Hasskamp Haukoos	Heir Henry Hufnagle Hugoson Jacobs Janezich Jaros Jefferson Jennings Johnson, A. Johnson, V. Kahn Kalis Kelso Kinkel Knickerbocker Krinkie Krueger	Leppik Lieder Limmer Long Lourey Lynch Macklin Mariani Marsh McEachern McGuire McPherson Milbert Morrison Munger Murphy Nelson, K. Nelson, S. Newinski	Ogren Olsen, S. Olson, E. Olson, K. Onnen Orenstein Orfield Osthoff Ostrom Ozment Pauly Pellow Pelowski Peterson Pugh Reding Rest Rice Rodosovich
Dauner	Hausman	Lasley	O'Connor	Rukavina

Runbeck Sarna Schafer Scheid Schreiber Seaberg	Simoneau Skoglund Smith Solberg Sparby Stanius	Sviggum Swenson Thompson Tompkins Trimble Tunheim	Valento Vellenga Wagenius Waltman Weaver Wejcman	Weile Wenzel Winter Spk. Vanasek
Segal	Steensma	Uphus	Welker	

The bill was passed and its title agreed to.

H. F. No. 765, A bill for an act relating to certain state employees; establishing eligibility for state-paid insurance after retirement in certain circumstances.

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

The bill was passed and its title agreed to.

H. F. No. 1147, A bill for an act relating to public employment; transferring certain state employees from the unclassified to the classified service; requiring rules for evaluating the performance of arbitrators; establishing deadlines for certain steps in the arbitra-

tion process; establishing a procedure for setting the dates for meetings of arbitration panels; amending Minnesota Statutes 1990, sections 16B.88, subdivision 1; 43A.08, subdivision 1a, and by adding a subdivision; 43A.18, subdivision 4; 116K.04, subdivision 5; 144A.52, subdivision 1; 179A.05, subdivision 6; 179A.16, subdivisions 4, 6, and 7; 196.23, subdivision 1; 240A.02, subdivision 3; 241.01, subdivision 3a; 241.43, subdivisions 1 and 2; 299A.30, subdivision 1; 349A.02, subdivision 4; 446A.03, subdivision 5; Laws 1984, chapter 654, article 2, section 152, subdivision 3; and Laws 1987, chapter 386, article 1, section 11; repealing Minnesota Statutes 1990, sections 116J.615, subdivision 3; and 352D.02, subdivision 1b.

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 99 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Koppendrayer	Ogren	Simoneau
Anderson, R.	Greenfield	Krueger	Olsen, S.	Skoglund
Battaglia	Gutknecht	Lasley	Olson, E.	Solberg
Bauerly	Hanson	Leppik	Olson, K.	Sparby
Beard	Hartle	Lieder	Orenstein	Stanius
Begich	Hasskamp	Long	Orfield	Steensma
Bertram	Hausman	Lourey	Ostrom	Thompson
Bishop	Hugoson	Lynch	Ozment	Tompkins
Blatz	Jacobs	Macklin	Pelowski	Trimble
Bodahl	Janezich	Mariani	Peterson	Tunheim
Brown	Jaros	McEachern	Pugh	Uphus
Carlson	Jefferson	McGuire	Reding	Vellenga
Carruthers	Jennings	McPherson	Rest	Wagenius
Clark	Johnson, A.	Milbert	Rice	Weaver
Cooper	Johnson, R.	Munger	Rodosovich	Wejcman
Dauner	Johnson, V.	Murphy	Rukavina	Welle
Dawkins	Kahn	Nelson, K.	Runbeck	Wenzel
Dille	Kalis	Nelson, S.	Sarna	Winter
Dorn	Kelso	Newinski	Scheid	Spk. Vanasek
Farrell	Kinkel	O'Connor	Segal	•

Those who voted in the negative were:

Abrams Anderson, R. H.	Frederick Frerichs	Hufnagle Knickerbocker	Pauly Pellow	Swenson Valento
Bettermann	Girard	Krinkie	Schafer	Waltman
Boo	Goodno	Limmer	Schreiber	Welker
Davids	Gruenes	Marsh	Seaberg	
Dempsey	Heir	Morrison	Smith	
Erhardt	Henry	Onnen	Sviggum	

The bill was passed and its title agreed to.

The Speaker called Krueger to the Chair.

H. F. No. 20, A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

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. Kinkel Olsen, S. Skoglund Frerichs Knickerbocker Anderson, R. Garcia Olson, E. Smith Anderson, R. H. Girard Solberg Koppendrayer Olson, K. Battaglia Goodno Krinkie Onnen Sparby Bauerly Greenfield Stanius Krueger Orenstein Gruenes Lasley Beard Orfield Steensma Leppi k Lieder Begich Gutknecht Osthoff Sviggum Bertram Ostrom Swenson Hanson Thompson Hartle Limmer Ozment Bettermann Bishop Hasskamp Long Paulv Tompkins Blatz Haukoos Lourey Pellow Trimble Hausman Pelowski Tunheim Bodahi Lynch Uphus Boo Heir Macklin Peterson Brown Henry Mariani Pugh Valento Reding Vellenga Carlson Hufnagle Marsh Carruthers McEachern Rest Wagenius Hugoson Jacobs McGuire Rice Waltman Clark Weaver Janezich McPherson Rodosovich Cooper Rukavina Wejcman Dauner Jaros Milbert Davids Jefferson Morrison Runbeck Welker Welle Dawkins Jennings Munger Sarna Schafer Wenzel Dempsey Johnson, A. Murphy 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.

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

S. F. No. 1032, A bill for an act relating to crimes; increasing the penalty for assaulting a correctional officer; amending Minnesota Statutes 1990, section 609.2231, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 355, A bill for an act relating to animals; providing for disposition of certain animals taken into custody by public authorities; requiring bond or other security for expenses of care in certain cases; amending Minnesota Statutes 1990, sections 343.22, subdivisions 1 and 3; and 343.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 343.

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:

Blatz Bodahl Boo Brown Carlson Carruthers Clark Cooper Dauner Davids	Dempsey Dille Dorn Erhardt Farrell Frederick Frerichs Garcia Girard Goodno	Gruenes Gutknecht Hartle Hasskamp Haukoos Hausman Heir Henry Hufnagle	Janezich Jaros Jefferson Jennings Johnson, A. Johnson, V. Kahn Kalis
Davids Dawkins	Goodno Greenfield	Hugoson Jacobs	Kelso Kinkel
	Bodahl Boo Brown Carlson Carruthers Clark Cooper Dauner Davids	Bodahl Dille Boo Dorn Brown Erhardt Carlson Farrell Carruthers Frederick Clark Frerichs Cooper Garcia Dauner Girard Davids Goodno	Bodahl Dille Gutknecht Boo Dorn Hartle Brown Erhardt Hasskamp Carlson Farrell Haukoos Carruthers Frederick Hausman Clark Frerichs Heir Cooper Garcia Henry Dauner Girard Hufnagle Davids Goodno Hugoson

Knickerbocker	McPherson	Osthoff	Scheid	Tunheim
Koppendrayer	Milbert	Ostrom	Schreiber	Uphus
Krinkie	Morrison	Ozment	Seaberg	Valento
Krueger	Munger	Pauly	Segal	Vellenga
Lasley	Murphy	Pellow	Simoneau	Wagenius
Leppik .	Nelson, K.	Pelowski	Skoglund	Waltman
Lieder	Nelson, S.	Peterson	Smith	Weaver
Limmer	Newinski	Pugh	Solberg	Wejcman
Long	O'Connor	Reding	Sparby	Welker
Lourey	Ogren	Rest	Stanius	Welle
Lynch	Olsen, S.	Rice	Steensma	Wenzel
Macklin	Olson, E.	Rodosovich	Sviggum	Winter
Mariani	Olson, K.	Rukavina	Swenson	Spk. Vanasek
Marsh	Onnen	Runbeck	Thompson	•
McEachern	Orenstein	Sarna	Tompkins	
McGuire	Orfield	Schafer	Trimble	

The bill was passed and its title agreed to.

S. F. No. 998 was reported to the House.

Farrell moved that S. F. No. 998 be continued on Special Orders. The motion prevailed.

S. F. No. 1027 was reported to the House.

Johnson, R.; Munger and Johnson, V., moved to amend S. F. No. 1027, as follows:

Page 2, after line 3, insert:

"Subd. 4. [WORKER DISPLACEMENT PROHIBITED.] The commissioner may not enter into any agreement that has the purpose of or results in the displacement of public employees by volunteers. The commissioner must certify to the appropriate bargaining agent that the work performed by a volunteer will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits."

Amend the title as follows:

Page 1, line 5, after the semicolon insert "ensuring that the program does not conflict with public employee duties;"

The motion prevailed and the amendment was adopted.

Trimble moved to amend S. F. No. 1027, as amended, as follows:

Page 1, after line 7, insert:

"Section 1. [10.51] [STEPPARENTS DAY.]

The first Sunday in October is designated Stepparents Day, in recognition of the unique role assumed by stepparents, and to increase public awareness of stepparents' special needs and concerns. The governor may take any action necessary to promote and encourage the observance of Stepparents Day."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1027, A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 85.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 year and 12 nays as follows:

Anderson, I.	Dawkins	Jaros	Macklin	Ozment
Anderson, R.	Dempsey	Jefferson	Mariani	Pauly
Anderson, R. H.	Dille	Jennings	Marsh	Pellow
Battaglia	Dorn	Johnson, A.	McEachern	Pelowski
Bauerly	Farrell	Johnson, R.	McGuire	Peterson
Beard	Frederick	Johnson, V.	Milbert	Pugh
Begich	Frerichs	Kahn	Morrison	Reding
Bertram	Garcia	Kalis	Munger	Rest
Bettermann	Girard	Kelso	Murphy	Rice
Bishop	Goodno	Kinkel	Nelson, K.	Rodosovich
Blatz	Greenfield	Koppendrayer	Nelson, S.	Rukavina
Bodahl	Gruenes	Krinkie	Newinski	Runbeck
Boo	Hartle	Krueger	O'Connor	Sarna
Brown	Hasskamp	Lasley	Ogren	Schafer
Carlson	Hausman	Leppik	Olson, E.	Scheid
Carruthers	Heir	Liêder	Olson, K.	Schreiber
Clark	Henry	Limmer	Orenstein	Seaberg
Cooper	Hufnagle	Long	Orfield	Segal
Dauner	Jacobs	Lourey	Osthoff	Simoneau
Davids	Janezich	Lynch	Ostrom	Skoglund
		-		· ·

Vellenga Smith Trimble Steensma Walla Solberg Swenson Tunheim Wagenius Wenzel Thompson Sparby Uphus Waltman Winter Stamus Tompkins Valento Weicman Spk. Vanasek

Those who voted in the negative were:

Abrams Haukoos McPherson Sviggum Erhardt Hugoson Olsen, S. Weaver Gutknecht Knickerbocker Onnen Welker

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

S. F. No. 687 was reported to the House.

Trimble moved to amend S. F. No. 687, as follows:

Delete everything after the enacting clause and insert:

"Section 1. [239.82] [SPECIFICATIONS FOR RECYCLED CFCS.]

Subdivision 1. [DEFINITION.] "CFCs" has the meaning given in section 116.70, subdivision 3.

Subd. 2. [STANDARD.] Recycled CFCs that are used to replace or supplement CFCs in refrigerant applications, including but not limited to refrigerators, air conditioning units, freezers, and dehumidifiers, must comply with the 1988 Standard for Specifications for Fluorocarbon Refrigerants (standard 700) of the Air Conditioning and Refrigeration Institute, to the extent the standard applies to the recycled CFCs.

Sec. 2. [REFRIGERATION EQUIPMENT AND SYSTEMS; TRAINING AND LICENSING RECOMMENDATIONS.]

The pollution control agency shall by January 1, 1992, make recommendations to the legislature on methods for the use, recapture, and recycling of CFCs and appropriate training and licensing provisions for persons engaged in the installation or repair of refrigeration equipment and systems that use CFC refrigerants. The agency shall consult with contractors and representatives of these installations and repair workers before making these recommendations.

Sec. 3. [REPEALER.]

Minnesota Statutes 1990, section 116.734, is repealed.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1991."

Delete the title and insert:

"A bill for an act relating to the environment; requiring recycled CFCs used in refrigerant applications to comply with certain standards; requiring recommendations on training and licensure of installers; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, section 116.734."

The motion prevailed and the amendment was adopted.

S. F. No. 687, A bill for an act relating to the environment; requiring recycled CFCs used in refrigerant applications to comply with certain standards; proposing coding for new law in Minnesota Statutes, chapter 239.

The bill was read for the third time, as amended, and placed upon its final passage.

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Girard Haukoos Jennings

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

S. F. No. 460, A bill for an act relating to veterans; authorizing the commissioner of veterans affairs to assist certain dependents of military personnel; clarifying the name of the state soldiers' welfare fund; changing certain requirements for appointment of county veterans service officers; containing instructions to the revisor of statutes; amending Minnesota Statutes 1990, sections 196.05; 197.03; and 197.60, subdivision 2, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Clark Janezich McPherson Rukavina Wejcman Cooper Jaros Milbert Runbeck Welker Dauner Jefferson Morrison Sarna Welle Davids Jennings Munger Schafer Wenzel Dawkins Johnson, A. Murphy Scheid Winter Dempsey Johnson, R. Nelson, K. Schreiber Spk. Vanasek Dille Johnson, V. Nelson, S. Seaberg Dorn Kahn Newinski Segal Erhardt Kalis O'Connor Simoneau	Cooper Dauner Davids Dawkins Dempsey Dille Dorn Erhardt	Jaros Jefferson Jennings Johnson, A. Johnson, R. Johnson, V. Kahn Kalis	Milbert Morrison Munger Murphy Nelson, K. Nelson, S. Newinski O'Connor	Runbeck Sarna Schafer Scheid Schreiber Seaberg Segal Simoneau	Welker Welle Wenzel
Farrell Kelso Ogren Skoglund					

The bill was passed and its title agreed to.

S. F. No. 918 was reported to the House.

Carruthers moved to amend S. F. No. 918, as follows:

Delete everything after the enacting clause and insert:

- "Section 1. Minnesota Statutes 1990, section 60A.08, is amended by adding a subdivision to read:
- Subd. 14. [AGREEMENT TO RESCIND POLICY.] (a) If the insurer has knowledge of any claims against the insured that would remain unsatisfied due to the financial condition of the insured, the insurer and the insured may not agree to rescind the policy.
- (b) Before entering into an agreement to rescind a policy, an insurer must make a good faith effort to ascertain: (1) the existence and identity of all claims against the policy; and (2) the financial condition of the insured.
- (c) An agreement made in violation of this section is void and unenforceable.
- Sec. 2. Minnesota Statutes 1990, section 72A.201, subdivision 6, is amended to read:
- Subd. 6. [STANDARDS FOR AUTOMOBILE INSURANCE CLAIMS HANDLING, SETTLEMENT OFFERS, AND AGREE-MENTS.] In addition to the acts specified in subdivisions 4, 5, 7, 8, and 9, the following acts by an insurer, adjuster, or a self-insured or self-insurance administrator constitute unfair settlement practices:
- (1) if an automobile insurance policy provides for the adjustment and settlement of an automobile total loss on the basis of actual cash value or replacement with like kind and quality and the insured is not an automobile dealer, failing to offer one of the following methods of settlement:
- (a) comparable and available replacement automobile, with all applicable taxes, license fees, at least pro rata for the unexpired term of the replaced automobile's license, and other fees incident to the transfer or evidence of ownership of the automobile paid, at no cost to the insured other than the deductible amount as provided in the policy;
- (b) a cash settlement based upon the actual cost of purchase of a comparable automobile, including all applicable taxes, license fees, at least pro rata for the unexpired term of the replaced automobile's license, and other fees incident to transfer of evidence of ownership, less the deductible amount as provided in the policy. The costs must be determined by:
- (i) the cost of a comparable automobile, adjusted for mileage, condition, and options, in the local market area of the insured, if such an automobile is available in that area; or
 - (ii) one of two or more quotations obtained from two or more

qualified sources located within the local market area when a comparable automobile is not available in the local market area. The insured shall be provided the information contained in all quotations prior to settlement; or

- (iii) any settlement or offer of settlement which deviates from the procedure above must be documented and justified in detail. The basis for the settlement or offer of settlement must be explained to the insured;
- (2) if an automobile insurance policy provides for the adjustment and settlement of an automobile partial loss on the basis of repair or replacement with like kind and quality and the insured is not an automobile dealer, failing to offer one of the following methods of settlement:
- (a) to assume all costs, including reasonable towing costs, for the satisfactory repair of the motor vehicle. Satisfactory repair includes repair of both obvious and hidden damage as caused by the claim incident. This assumption of cost may be reduced by applicable policy provision; or
- (b) to offer a cash settlement sufficient to pay for satisfactory repair of the vehicle. Satisfactory repair includes repair of obvious and hidden damage caused by the claim incident, and includes reasonable towing costs;
- (3) regardless of whether the loss was total or partial, in the event that a damaged vehicle of an insured cannot be safely driven, failing to exercise the right to inspect automobile damage prior to repair within five business days following receipt of notification of claim. In other cases the inspection must be made in 15 days;
- (4) regardless of whether the loss was total or partial, requiring unreasonable travel of a claimant or insured to inspect a replacement automobile, to obtain a repair estimate, to allow an insurer to inspect a repair estimate, to allow an insurer to inspect repairs made pursuant to policy requirements, or to have the automobile repaired;
- (5) regardless of whether the loss was total or partial, if loss of use coverage exists under the insurance policy, failing to notify an insured at the time of the insurer's acknowledgment of claim, or sooner if inquiry is made, of the fact of the coverage, including the policy terms and conditions affecting the coverage and the manner in which the insured can apply for this coverage;
- (6) regardless of whether the loss was total or partial, failing to include the insured's deductible in the insurer's demands under its subrogation rights. Subrogation recovery must be shared at least on a proportionate basis with the insured, unless the deductible

amount has been otherwise recovered by the insured, except that when an insurer is recovering directly from an uninsured third party by means of installments, the insured must receive the full deductible share as soon as that amount is collected and before any part of the total recovery is applied to any other use. No deduction for expenses may be made from the deductible recovery unless an attorney is retained to collect the recovery, in which case deduction may be made only for a pro rata share of the cost of retaining the attorney;

- (7) requiring as a condition of payment of a claim that repairs to any damaged vehicle must be made by a particular contractor or repair shop or that parts, other than window glass, must be replaced with parts other than original equipment parts;
- (8) where liability is reasonably clear, failing to inform the claimant in an automobile property damage liability claim that the claimant may have a claim for loss of use of the vehicle;
- (9) failing to make a good faith assignment of comparative negligence percentages in ascertaining the issue of liability;
- (10) failing to pay any interest required by statute on overdue payment for an automobile personal injury protection claim;
- (11) if an automobile insurance policy contains either or both of the time limitation provisions as permitted by section 65B.55, subdivisions 1 and 2, failing to notify the insured in writing of those limitations at least 60 days prior to the expiration of that time limitation;
- (12) if an insurer chooses to have an insured examined as permitted by section 65B.56, subdivision 1, failing to notify the insured of all of the insured's rights and obligations under that statute, including the right to request, in writing, and to receive a copy of the report of the examination;
- (13) failing to provide, to an insured who has submitted a claim for benefits described in section 65B.44, a complete copy of the insurer's claim file on the insured, excluding internal company memoranda, all materials that relate to any insurance fraud investigation, materials that constitute attorney work-product or that qualify for the attorney-client privilege, and medical reviews that are subject to section 145.64, within ten business days of receiving a written request from the insured. The insurer may charge the insured a reasonable copying fee. This clause supersedes any inconsistent provisions of sections 72A.49 to 72A.505."

Delete the title and insert:

"A bill for an act relating to insurance; prohibiting certain agreements; requiring that insurers provide copies of claim information for certain auto claims; amending Minnesota Statutes 1990, sections 60A.08, by adding a subdivision; and 72A.201, subdivision 6."

The motion prevailed and the amendment was adopted.

S. F. No. 918, 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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

H. F. No. 997 was reported to the House.

Orenstein moved that H. F. No. 997 be continued on Special Orders. The motion prevailed.

S. F. No. 328 was reported to the House.

Skoglund moved to amend S. F. No. 328, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract or other evidence of accident and health insurance the effect or purpose of which is to supplement Medicare coverage issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual age 65 or older covered by Medicare unless the following requirements are met:

- (a) The policy must provide a minimum of the coverage set out in subdivision 2;
- (b) The policy must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;
- (c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured;
- (d) Before the policy is sold or issued, an offer of both categories of Medicare supplement insurance has been made to the individual, together with an explanation of both coverages; and
- (e) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium-;
- (f) (1) The policy must provide that benefits and premiums under the policy shall be suspended at the request of the policyholder for the period, not to exceed 24 months, in which the policyholder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder notifies the issuer of the policy within 90 days after the date the individual becomes entitled to this assistance;
- (2) If suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy shall be automatically reinstated, effective as of the date of termination of

this entitlement, if the policyholder provides notice of loss of the entitlement within 90 days after the date of the loss;

- (3) The policy must provide that upon reinstatement (i) there is no additional waiting period with respect to treatment of preexisting conditions, (ii) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension, and (iii) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended;
- (g) The written statement required by an application for Medicare supplement insurance pursuant to section 62A.43, subdivision 1, shall be made on a form, approved by the commissioner, that states that counseling services may be available in the state to provide advice concerning the purchase of Medicare supplement policies and enrollment under the Medicaid program;
- (h) No issuer of Medicare supplement policies in this state may deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condition of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B;
- (i) If a Medicare supplement policy replaces another Medicare supplement policy, the issuer of the replacing policy shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy for similar benefits to the extent the time was spent under the original policy;
- (j) The policy has been filed with and approved by the department as meeting all the requirements of sections 62A.31 to 62A.44; and
 - (k) the policy guarantees renewability.

Only the following standards for renewability may be used in Medicare supplement insurance policy forms.

No issuer of Medicare supplement insurance policies may cancel or nonrenew a Medicare supplement policy or certificate for any reason other than nonpayment of premium or material misrepresentation.

If a group Medicare supplement insurance policy is terminated by

the group policyholder and is not replaced as provided in this clause, the issuer shall offer certificate holders an individual Medicare supplement policy which, at the option of the certificate holder, provides for continuation of the benefits contained in the group policy; or provides for such benefits and benefit packages as otherwise meet the requirements of this clause.

If an individual is a certificate holder in a group Medicare supplement insurance policy and the individual terminates membership in the group, the issuer of the policy shall offer the certificate holder the conversion opportunities described in this clause; or offer the certificate holder continuation of coverage under the group policy.

- Sec. 2. Minnesota Statutes 1990, section 62A.316, is amended to read:
- 62A.316 [BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]
- (a) The basic Medicare supplement plan must have a level of coverage that will provide:
- (1) coverage for all of the Medicare part A inpatient hospital coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare for the calendar year, after satisfying the Medicare part A deductible;
- (2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;
- (3) coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement for Medicare part B after the Medicare deductible amount;
- (4) 80 percent of the usual and customary hospital and medical expenses and supplies incurred during travel outside the United States as a result of a medical emergency;
- (5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations; and
 - (5) (6) 100 percent of the cost of immunizations.
- (b) Only the following optional benefit riders may be added to this plan:

- (1) coverage for all of the Medicare part A inpatient hospital deductible amount;
- (2) a minimum of 80 percent of usual and customary eligible medical expenses and supplies not covered by Medicare part B. This does not include outpatient prescription drugs;
 - (3) coverage for all of the Medicare part B annual deductible; and
- (4) coverage for at least 50 percent, or the equivalent of 50 percent, of usual and customary prescription drug expenses.

Nothing in this section prohibits the plan from requiring that services be received from providers designated as preferred providers or participating providers in order to receive coverage under optional benefit riders.

Sec. 3. Minnesota Statutes 1990, section 62A.36, subdivision 1a, is amended to read:

Subd. 1a. [SUPPLEMENT TO ANNUAL STATEMENTS.] Each insurer that has Medicare supplement policies in force in this state shall, as a supplement to the annual statement required by section 60A.13, submit, in a form prescribed by the commissioner, data showing its incurred claims experience, its earned premiums, and the aggregate amount of premiums collected and losses incurred for each Medicare policy form in force. If the data submitted does not confirm that the insurer has satisfied the loss ratio requirements of this section, the commissioner shall notify the insurer in writing of the deficiency. The insurer shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section. If the insurer fails to file amended rates within the prescribed time, the commissioner shall order that the insurer's filed rates for the nonconforming policy be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The insurer's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the insurer from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data as to premiums and loss ratios for the preceding three years available to the public at a cost not to exceed the cost of copying. The commissioner shall also provide the public with copies of the policies to which the loss ratios and premiums apply. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

Sec. 4. Minnesota Statutes 1990, section 62A.43, subdivision 1, is amended to read:

Subdivision 1. [DUPLICATE COVERAGE PROHIBITED.] No agent shall sell a Medicare supplement plan, as defined in section 62A.31, to a person who currently has one plan in effect; however, an agent may sell a replacement plan in accordance with section 62A.40, provided that the second plan is not made effective any sooner than necessary to provide continuous benefits for preexisting conditions. Every application for Medicare supplement insurance shall require a written statement signed by the applicant listing of all health and accident insurance maintained by the applicant as of the date the application is taken and stating whether the applicant is entitled to any medical assistance. The written statement must be accompanied by a written acknowledgment, signed by the seller of the policy, of the request for and receipt of the statement.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective November 5, 1991. If the federal government extends the date for compliance with any provision of this act that is required by the federal Omnibus Budget Reconciliation Act of 1990, the commissioner may by order extend the date by which that provision of this act must be complied with. An order of the commissioner under this section must not extend the compliance date for longer than six months from November 5, 1991."

The motion prevailed and the amendment was adopted.

Skoglund moved to amend S. F. No. 328, as amended, as follows:

Page 3, line 2, after "may" insert "impose preexisting condition limitations or otherwise"

The motion prevailed and the amendment was adopted.

S. F. No. 328, A bill for an act relating to insurance; Medicare supplement; conforming state Medicare supplement policy requirements to federal law; requiring certain foreign travel coverages to be added to the basic plan; amending Minnesota Statutes 1990, sections 62A.31, subdivision 1; 62A.316; 62A.36, subdivision 1a; and 62A.43, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

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

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

The Speaker resumed the Chair.

H. F. No. 1415 was reported to the House.

Scheid moved that H. F. No. 1415 be continued on Special Orders. The motion prevailed.

Long moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Long moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Dawkins moved that the name of Murphy be added as an author on H. F. No. 1072. The motion prevailed.

Winter moved that the name of Sparby be added as an author on H. F. No. 1189. The motion prevailed.

Dawkins moved that the name of Swenson be added as an author on H. F. No. 1295. The motion prevailed.

Greenfield moved that H. F. No. 144 be returned to its author. The motion prevailed.

Greenfield moved that H. F. No. 1214 be returned to its author. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1042:

Winter; Anderson, I., and Uphus.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1371:

Brown, Steensma and Dille.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 800:

Stanius, Sparby and Reding.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 12:00 noon, Friday, May 10, 1991. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Friday, May 10, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives