STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1991

FIFTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 14, 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 Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

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

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Hasskamp 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. 208 and H. F. No. 463, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lasley moved that the rules be so far suspended that S. F. No. 208 be substituted for H. F. No. 463 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 351 and H. F. No. 67, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Carruthers moved that the rules be so far suspended that S. F. No. 351 be substituted for H. F. No. 67 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 735 and H. F. No. 667, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

O'Connor moved that the rules be so far suspended that S. F. No. 735 be substituted for H. F. No. 667 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 764 and H. F. No. 748, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Osthoff moved that the rules be so far suspended that S. F. No. 764 be substituted for H. F. No. 748 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 858 and H. F. No. 1238, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Limmer moved that the rules be so far suspended that S. F. No. 858 be substituted for H. F. No. 1238 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 928 and H. F. No. 1215, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bertram moved that the rules be so far suspended that S. F. No. 928 be substituted for H. F. No. 1215 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1164 and H. F. No. 1457, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Janezich moved that the rules be so far suspended that S. F. No. 1164 be substituted for H. F. No. 1457 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1179 and H. F. No. 1420, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rest moved that the rules be so far suspended that S. F. No. 1179 be substituted for H. F. No. 1420 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1244 and H. F. No. 1415, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Scheid moved that the rules be so far suspended that S. F. No. 1244 be substituted for H. F. No. 1415 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1289 and H. F. No. 1417, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Blatz moved that S. F. No. 1289 be substituted for H. F. No. 1417 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 9, 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. 246, relating to alcoholic beverages; allowing proof of age by means of a Canadian identification card.

H. F. No. 877, relating to game and fish; authorizing the commis-

sioner to establish special seasons for persons with a physical disability to take game with firearms and by archery.

H. F. No. 179, relating to animals; prohibiting greyhound races using live lures and training of greyhounds for racing using live lures.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 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. 954, relating to retirement; public employees retirement association; granting the equivalent of two months maternity leave to a certain St. Louis county employee.

H. F. No. 274, relating to commerce; motor vehicle sales and distribution; regulating franchises; proscribing certain acts; providing remedies.

H. F. No. 415, relating to commerce; regulating farm equipment dealerships.

H. F. No. 832, relating to commerce; regulating heavy and utility equipment dealership agreements; providing for returns and repurchases under certain circumstances; providing remedies.

H. F. No. 620, relating to state lands; authorizing the sale of

certain land in Cook county; authorizing the private sale of certain state lands in St. Louis county.

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*
	954	66	9:10 a.m. May 10	May 10
	246	68	2:15 p.m. May 9	May 9
	274	69	9:13 a.m. May 10	May 10
	415	70	9:15 a.m. May 10	May 10
	832	71	9:18 a.m. May 10	May 10
	877	72	2:18 p.m. May 9	May 9
	620	73	9:21 a.m. May 10	May 10
	179	74	2:23 p.m. May 9	May 9

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 208, 351, 735, 764, 858, 928, 1164, 1179, 1244 and 1289 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Bishop, Solberg, Vellenga and Milbert introduced:

H. F. No. 1693, A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1990, section 302.461, subdivision 2, as amended.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Marsh and Kalis introduced:

H. F. No. 1694, A bill for an act relating to traffic regulation; prohibiting radar detectors; providing for payments, forms, and records; amending Minnesota Statutes 1990, sections 169.99, subdivision 1b; and 171.12, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Winter introduced:

H. F. No. 1695, A bill for an act relating to human services; allowing intermediate care facilities for persons with mental retardation and related conditions to provide special transportation services without certification by the commissioner of transportation; amending Minnesota Statutes 1990, section 256B.0625, subdivision 17.

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

Smith introduced:

H. F. No. 1696, A bill for an act relating to taxation; providing for homestead classification of all one-, two-, and three-unit dwellings; restricting homestead eligibility for other dwellings; amending Minnesota Statutes 1990, sections 273.124, subdivisions 1, 2, 8, 11, and 12; and 273.13, subdivision 25; repealing Minnesota Statutes 1990, section 273.124, subdivisions 7, 10, 13, 15, and 16.

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

Ogren, Jacobs and Rest introduced:

H. F. No. 1697, A bill for an act relating to public administration; providing for an expenditure budget for taxes every two years; providing access to certain records classified under tax statutes; providing for display of a portrait of a governor in the capitol building; amending Minnesota Statutes 1990, sections 138.17, subdivision 1a; and 270.67, subdivisions 1 and 2.

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

Ogren, Jacobs and Rest introduced:

H. F. No. 1698, A bill for an act relating to taxation; income; providing a working family credit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Runbeck, Welle, Swenson, Kelso and Cooper introduced:

H. A. No. 29, A proposal to study state and privately funded food supplement programs.

The advisory was referred to the Committee on Health and Human Services.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 132, A bill for an act relating to energy; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring amendments to building codes and standards to increase energy efficiency; requiring state agencies to use funds allocated for utility expenditures to buy nonincandescent bulbs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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

The Senate has repassed said concurrent resolution in accordance with the recommendation and report of the Conference Committee. 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 has concurred in and adopted the report of the Conference Committee on:

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

The Senate has repassed said concurrent resolution in accordance with the recommendation and report of the Conference Committee. Said House Concurrent Resolution is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 594, A bill for an act relating to foreign money claims; enacting the uniform foreign-money claims act; proposing coding for new law in Minnesota Statutes, chapter 548.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Orfield moved that the House concur in the Senate amendments to H. F. No. 594 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 594, A bill for an act relating to money; enacting the uniform foreign-money claims act; making clarifying and technical changes to garnishment and execution laws; amending Minnesota Statutes 1990, sections 550.136, subdivisions 3 and 10; 551.06, subdivisions 3 and 10; 571.75, subdivision 2; and 571.922; proposing coding for new law in Minnesota Statutes, chapter 548.

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 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Stanius	Thompson	Uphus	Waltman	Welle
Steensma	Tompkins	Valento	Weaver	Wenzel
Sviggum	Trimble	Vellenga	Wejcman	Winter
Swenson	Tunheim	Wagenius	Welker	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. 1326, A bill for an act relating to economic development; providing a preference for outdoor recreation grants; stating the legislative intent that this act is not intended to alter the existing divisions of grants; amending Minnesota Statutes 1990, section 116J.980, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Clark moved that the House concur in the Senate amendments to H. F. No. 1326 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1326, A bill for an act relating to economic development; providing a preference for outdoor recreation grants; amending Minnesota Statutes 1990, section 116J.980, 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 101 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Carruthers	Hasskamp	Krueger	Nelson, K.
Anderson, R.	Clark	Hausman	Leppik	Nelson, S.
Anderson, R. H.	Cooper	Hufnagle	Lieder	Newinski
Battaglia	Dauner	Jacobs	Long	O'Connor
Bauerly	Dawkins	Janezich	Lourey	Ogren
Beard	Dempsey	Jaros	Lynch	Olson, E.
Begich	Dille	Jefferson	Mariani	Olson, K.
Bertram	Dorn	Jennings	Marsh	Omann
Bettermann	Farrell	Johnson, A.	McEachern	Onnen
Bishop	Garcia	Johnson, R.	McGuire	Orenstein
Blatz	Goodno	Kahn	Milbert	Orfield
Bodahl	Greenfield	Kalis	Morrison	Osthoff
Brown	Gruenes	Kelso	Munger	Ostrom
Carlson	Hanson	Kinkel	Murphy	Ozment

Pelowski	Rukavina	Simoneau	Tunheim	Wenzel
Peterson	Runbeck	Skoglund	Uphus	Winter
Pugh	Sarna	Solberg	Vellenga	Spk. Vanasek
Reding	Scheid	Sparby	Wagenius	
Rest	Schreiber	Steensma	Waltman	
Rice	Seaberg	Thompson	Wejcman	
Rodosovich	Segal	Trimble	Welle	

Those who voted in the negative were:

Abrams	Hartle	Koppendrayer	Pellow	Valento
Boo	Haukoos	Krinkie	Schafer	Weaver
Davids	Heir	Limmer	Smith	Welker
Erhardt	Henry	Macklin	Stanius	
Frerichs	Hugoson	McPherson	Sviggum	
Girard	Johnson, V.	Olsen, S.	Swenson	
Gutknecht	Knickerbocker	Pauly	Tompkins	

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. 1509, A bill for an act relating to water resources; allowing certain land to be used as a veterans cemetery under certain circumstances; amending Minnesota Statutes 1990, section 103F.369, subdivision 2, and by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wenzel moved that the House concur in the Senate amendments to H. F. No. 1509 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1509, A bill for an act relating to water resources; allowing certain land to be used as a veterans cemetery under certain circumstances; amending Minnesota Statutes 1990, section 103F.369, subdivision 2, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	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	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Scheid	Winter
Dorn	Kahn	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	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. 914, A bill for an act relating to state lands; authorizing Otter Tail county to return donated state land to the donor's heir; requiring that description of certain tax-forfeited land bordering public water be submitted to commissioner of natural resources before proposing legislation to permit conveyance of the land; amending Minnesota Statutes 1990, section 282.018, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lasley moved that the House concur in the Senate amendments to H. F. No. 914 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 914, A bill for an act relating to state lands; authorizing Otter Tail county to return donated state land to the donor's heir; providing for disposition of certain tax-forfeited lands; amending Minnesota Statutes 1990, section 282.018, subdivision 1.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	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	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Scheid	Winter
Dorn	Kahn	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	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. 128, A bill for an act relating to water; mandating requirements on certain development; amending Minnesota Statutes 1990, section 103B.3363, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103B.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments

to H. F. No. 128 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 128, A bill for an act relating to water; mandating requirements on certain development; amending Minnesota Statutes 1990, section 103B.3363, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103B.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olson, E.	Smith
Anderson, I.	Garcia	Knickerbocker	Omann	Solberg
Anderson, R.	Girard	Koppendrayer	Onnen	Sparby
Anderson, R. H.	Goodno	Krinkie	Orenstein	Stanius
Battaglia	Greenfield	Krueger	Orfield	Steensma
Bauerly	Gruenes	Lasley	Osthoff	Sviggum
Beard	Gutknecht	Leppik	Ostrom	Swenson
Begich	Hanson	Lieder	Ozment	Thompson
Bertram	Hartle	Limmer	Pauly	Tompkins
Bettermann	Hasskamp	Long	Pellow	Trimble
Bishop	Haukoos	Lourey	Pelowski	Tunheim
Blatz	Hausman	Lynch	Peterson	Uphus
Bodahl	Heir	Macklin	Pugh	Valento
Boo	Henry	Mariani	Reding	Vellenga
Brown	Hufnagle	Marsh	Rest	Wagenius
Carlson	Hugoson	McEachern	Rice	Waltman
Carruthers	Jacobs	McGuire	Rodosovich	Weaver
Clark	Janezich	McPherson	Rukavina	Wejcman
Cooper	Jaros	Milbert	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 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. 71, A bill for an act relating to marriage dissolution; requiring information; providing for the content and uses of a certificate of dissolution; amending Minnesota Statutes 1990, sec-

tions 259.10; and 518.10; proposing coding for new law in Minnesota Statutes, chapter 518.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Morrison moved that the House concur in the Senate amendments to H. F. No. 71 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 71, A bill for an act relating to marriage dissolution; requiring information; providing for the content and uses of a certificate of dissolution; amending Minnesota Statutes 1990, sections 259.10; and 518.10; proposing coding for new law in Minnesota Statutes, chapter 518.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	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	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Scheid	Winter
Dorn	Kahn	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	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. 74, A bill for an act relating to municipal tort liability; specifying liability for injuries caused by beach and swimming pool equipment; amending Minnesota Statutes 1990, section 466.03, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Cooper moved that the House concur in the Senate amendments to H. F. No. 74 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 74, A bill for an act relating to municipal tort liability; specifying liability for injuries caused by beach and swimming pool equipment; amending Minnesota Statutes 1990, section 466.03, 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 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

Dempsey

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. 236, A bill for an act relating to eminent domain; allowing entry onto land for environmental testing before beginning eminent domain proceedings; amending Minnesota Statutes 1990, section 117.041.

PATRICK E. FLAHAVEN, Secretary of the Senate

Solberg moved that the House refuse to concur in the Senate amendments to H. F. No. 236, 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. 693, A bill for an act relating to data practices; providing for classifications of government data; amending Minnesota Statutes 1990, sections 13.01, by adding a subdivision; 13.03, by adding a subdivision; 13.40; 13.43, subdivision 2 and by adding a subdivision; 13.55; 13.82, subdivisions 4 and 10; 13.83, subdivisions 4, 8, and by adding a subdivision; 13.84, by adding a subdivision; 144.335, by adding a subdivision; 169.09, subdivision 13; 260.161, subdivision 3; 383B.225, subdivision 6; 390.11, subdivision 7; 390.32, subdivision 6; 403.07, subdivision 4; 595.024, subdivision 3; and 626.556, subdivision 11c, and by adding a subdivision; proposing coding for new law in chapter 13.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carruthers moved that the House refuse to concur in the Senate amendments to H. F. No. 693, 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. 922, A bill for an act relating to crimes; imposing a duty to investigate and render aid when a person is injured in a shooting accident; imposing penalties; providing immunity from civil liability under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 609.

PATRICK E. FLAHAVEN, Secretary of the Senate

Ostrom moved that the House refuse to concur in the Senate amendments to H. F. No. 922, 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. 1549, A resolution memorializing the President and the Congress of the United States to take action to alleviate the crisis in the Midwest dairy industry.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wenzel moved that the House refuse to concur in the Senate amendments to H. F. No. 1549, 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. 126, A bill for an act relating to highways; designating the Paul Bunyan Expressway from Little Falls through Cass Lake to Bemidji; amending Minnesota Statutes 1990, section 161.14, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Johnson, R., moved that the House refuse to concur in the Senate amendments to H. F. No. 126, 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. 21, A bill for an act relating to waste management; requiring air emission permits for new or expanded infectious waste incinerators; requiring environmental impact statements for the incinerators until new rules are adopted; proposing coding for new law in Minnesota Statutes, chapter 116.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bertram moved that the House refuse to concur in the Senate amendments to H. F. No. 21, 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. 683, A bill for an act relating to alcoholic beverages; prohibiting a retailer from having an interest in a manufacturer, brewer, or wholesaler; prohibiting a retailer from renting space to a

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Jacobs moved that the House refuse to concur in the Senate amendments to H. F. No. 683, 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 Senate File, herewith transmitted:

S. F. No. 1466.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1466, A bill for an act relating to energy; creating an advisory task force on low-income energy assistance to establish an energy assistance foundation.

The bill was read for the first time.

Trimble moved that S. F. No. 1466 and H. F. No. 909, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. Nos. 12, 996, 322, 303 and 2.

H. F. No. 12, A bill for an act relating to insurance; regulating reinsurance and other insurance practices, investments, guaranty funds, and holding company systems; providing examination authority and reporting requirements; adopting various NAIC model acts and regulations; prescribing penalties; amending Minnesota Statutes 1990, sections 60A.02, by adding a subdivision; 60A.03, subdivision 5; 60A.031; 60A.07, subdivision 5d, and by adding a subdivision; 60A.09, subdivision 5, and by adding a subdivision; 60A.10, subdivision 2a; 60A.11, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, and by adding a subdivision; 60A.12, by adding a subdivision; 60A.13, subdivision 1; 60A.14, subdivision 1; 60A.27; 60B.25; 60B.37, subdivision 2; 60C.02, subdivision 1; 60C.03, subdivisions 6, 8, and by adding a subdivision; 60C.04; 60C.06, subdivision 1; 60C.09, subdivision 1; 60C.13, subdivision 1; 60C.14, subdivision 2; 60E.04, subdivision 7; 61A.25, subdivisions 3, 5, 6, and by adding subdivisions; 61A.28, subdivisions 1, 2, 3, 6, 8, 11, 12, and by adding a subdivision; 61A.281, by adding a subdivision; 61A.283; 61A.29; 61A.31; 62E.14, by adding a subdivision; 61B.12, by adding subdivisions; 62D.044; 62D.045, subdivision 1; 68A.01, subdivision 2; 72A.061, subdivision 1; 79.34, subdivision 1;

and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60A, 60D, 62A, and 72A; proposing coding for new law as Minnesota Statutes, chapters 60H, 60I, and 60J; repealing Minnesota Statutes 1990, sections 60A.076; 60A.09, subdivision 4; 60A.12, subdivision 2; 60D.01 to 60D.08; 60D.10 to 60D.13; and 61A.28, subdivisions 4 and 5.

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 128 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Davids	Frerichs	Heir	Krinkie	Welker

The bill was passed and its title agreed to.

H. F. No. 996, A bill for an act relating to utilities; requiring that applicants under the telephone assistance plan be certified by the department of human services for eligibility before receiving benefits; requiring reports; amending Minnesota Statutes 1990, section 237.70, subdivision 7.

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	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	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	Uphus
Brown	Hufnagle	Marsh	Pugh	Valento
Carlson	Hugoson	McEachern	Reding	Vellenga
Carruthers	Jacobs	McGuire	Rest	Wagenius
Clark	Janezich	McPherson	Rice	Waltman
Cooper	Jaros	Milbert	Rodosovich	Weaver
Dauner	Jefferson	Morrison	Rukavina	Wejcman
Davids	Jennings	Munger	Runbeck	Welker
Dawkins	Johnson, A.	Murphy	Sarna	Welle
Dempsey	Johnson, R.	Nelson, K.	Schafer	Wenzel
Dille	Johnson, V.	Nelson, S.	Scheid	Winter
Dorn	Kahn	Newinski	Schreiber	Spk. Vanasek
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	

The bill was passed and its title agreed to.

H. F. No. 322, A bill for an act relating to waste management expenditures; requiring the state resource recovery program to establish a central materials recovery facility and centralized collection and transportation of recyclable materials from state offices and operations; amending Minnesota Statutes 1990, section 115A.15, subdivision 6, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Begich	Brown	Dawkins	Garcia
Anderson, I.	Bertram	Carlson	Dempsey	Girard
Anderson, R.	Bettermann	Carruthers	Dille	Goodno
Anderson, R. H.	Bishop	Clark	Dorn	Greenfield
Battaglia	Blatz	Cooper	Erhardt	Gruenes
Bauerly	Bodahl	Dauner	Farrell	Gutknecht
Beard	Boo	Davids	Frerichs	Hanson

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

The bill was passed and its title agreed to.

H. F. No. 303 was reported to the House.

McGuire, Hasskamp, Peterson, Munger, Ozment, Winter, Trimble and Waltman moved to amend H. F. No. 303, the third engrossment, as follows:

Page 1, line 34, delete "subdivision 2,"

Page 1, delete lines 35 to 38, and insert:

"16B.122 [PURCHASE AND USE OF PAPER STOCK; PRINTING.]

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

(a) "Office paper" means notepads, loose-leaf fillers, tablets, and other paper commonly used in offices.

(b) "Postconsumer material" means a finished material that would normally be discarded as a solid waste, having completed its life cycle as a consumer item.

(c) "Practicable" means capable of being used, consistent with performance, in accordance with applicable specifications, and availability within a reasonable time.

~~(c)~~ (d) "Printing paper" means paper designed for printing, other than newsprint, such as offset and publication paper.

~~(d)~~ (e) "Public ~~agency~~ entity" means the state, an office, agency, or institution of the state, the metropolitan council, a metropolitan agency, metropolitan mosquito control district, the legislature, the courts, a county, a statutory or home rule charter city, a town, a school district, another special taxing district, an individual or organization that receives public funding, or any contractor acting pursuant to a contract with a public ~~agency~~ entity.

~~(e)~~ (f) "Vegetable oil-based ink" means printing ink where at least 50 percent of the oil content is vegetable oil, at least half of which must be soy oil.

(g) "Uncoated" means not coated with plastic, clay, or other material used to create a glossy finish.

Subd. 2. [~~PURCHASE REQUIRED~~ PURCHASES; PRINTING.] (a) Whenever practicable, a public ~~agency~~ entity shall:

(1) purchase uncoated office paper and printing paper ~~whenever practicable.~~;

(2) purchase recycled content paper with at least ten percent postconsumer material by weight;

(3) purchase paper which has not been dyed with colors, excluding pastel colors;

(4) purchase recycled content paper that is manufactured using little or no chlorine bleach or chlorine derivatives;

(5) use no more than two colored inks, standard or processed, except in formats where they are necessary to convey meaning;

(6) use reusable binding materials or staples and bind documents by methods that do not use glue;

(7) use vegetable oil-based inks; and

(8) produce reports, publications, and periodicals that are readily recyclable within the state resources recovery program.

(b) A public entity shall print documents on both sides of the paper where commonly accepted publishing practices allow.

(c) This subdivision does not apply to coated paper that is made with at least 50 percent fiber that has been recycled after use by a consumer."

Page 2, delete line 1

Page 35, after line 17, insert:

"Sec. 60. Minnesota Statutes 1990, section 3.195, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION OF REPORTS.] (a) A report to the legislature required of a department or agency shall be made, unless otherwise specifically required by law, by filing one copy with the secretary of the senate, one copy with the chief clerk of the house of representatives, and ~~ten~~ six copies with the legislative reference library. The same distribution procedure shall be followed for other reports and publications unless otherwise requested by a legislator or the legislative reference library.

(b) A report or publication submitted to the legislature by a public entity as defined in section 16B.122 must not be distributed to anyone in the legislature other than the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library unless a person specifically requests a copy or unless otherwise required by law. This prohibition applies to mandatory and voluntary reports and publications. The report or publication may be summarized in an executive summary and distributed as the entity chooses. Distribution of a report to legislative committee or commission members during a committee or commission hearing is not prohibited by this paragraph.

(c) A report or publication produced by a public entity may not be sent to both the home address and the office address of a representative or senator unless mailing to both addresses is requested by the representative or senator.

(d) Reports, publications, periodicals, and summaries under this subdivision must be printed in a manner consistent with section 16B.122."

Page 35, line 29, after "sections" insert "16B.125;" and after "325E.045" insert a new semicolon

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "sections" insert "3.195, subdivision 1;"

Page 1, line 7, delete ", subdivision 2"

The motion prevailed and the amendment was adopted.

Jennings moved to amend H. F. No. 303, the third engrossment, as amended, as follows:

Page 18, delete lines 19 and 20 and insert "section for a time of two years."

The motion prevailed and the amendment was adopted.

Rukavina and Ozment moved to amend H. F. No. 303, the third engrossment, as amended, as follows:

Page 9, *after line 33, insert:*

"Sec. 18. [115A.5512] [TOXICS IN PACKAGING AND PRODUCTS; ENFORCEMENT.]

After July 1, 1994, no person may deliberately introduce lead, cadmium, mercury, or hexavalent chromium into any packaging material, dye, paint, or fungicide that is intended for use or for sale in this state. This section does not apply to art supplies.

This section may be enforced under sections 115.071 and 116.072. The attorney general or the commissioner of the agency shall coordinate enforcement of this section with the director of the office."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 303, A bill for an act relating to waste management; making changes to state and local government responsibility and authority for waste management; placing emphasis on waste reduction and recycling; adjusting waste facility siting processes; amending Minnesota Statutes 1990, sections 3.195, subdivision 1; 16B.122; 16B.61, subdivision 3a; 115A.02; 115A.03, subdivision 17a; 115A.06, subdivision 2; 115A.14, subdivision 4; 115A.15, subdivisions 7 and 9; 115A.151; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.551, subdivisions 1 and 4; 115A.552, subdivisions 1, 2, and by adding a subdivision; 115A.554; 115A.557, subdivision 4; 115A.64, subdivision 2; 115A.67; 115A.83; 115A.84, subdivision 2; 115A.86, subdivision 5, and by adding a subdivision; 115A.882; 115A.9162,

subdivision 2; 115A.919; 115A.923, subdivisions 1 and 1a; 115A.931; 115A.94, subdivision 4; 115A.9561; 115A.96, subdivision 6; 115B.04, subdivision 4; 115B.22, subdivision 8; 116.07, subdivision 4j; 325E.042, subdivision 2; 325E.115, subdivision 1; 325E.1151, subdivision 3; 400.08, subdivision 1; 473.803, subdivision 2; 473.811, subdivisions 1, 3, and 5; 473.823, subdivision 5; 473.845, subdivision 4; 473.848, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1990, sections 16B.125; 325E.045; and 473.844, subdivision 3; Laws 1989, chapter 325, section 72, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Davids	Girard	Hugoson
Frerichs	Haukoos	Welker

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

The Speaker called Krueger to the Chair.

H. F. No. 2 was reported to the House.

Skoglund, Ogren, Greenfield, Lourey and Cooper moved to amend H. F. No. 2, the second engrossment, as follows:

Page 74, after line 1, insert:

"Sec. 10. [MEDICATION REMINDER PILOT PROJECT.]

The commissioner of health shall design and propose to the legislature the method of implementation of a pilot project to test the potential for health cost savings from the use by hospitals of nurses or other medical professionals to telephone recently-released inpatients to remind them to take prescribed medications. The commissioner shall deliver the proposal to the legislature no later than January 1, 1992."

The motion prevailed and the amendment was adopted.

Speaker pro tempore Krueger called Bauerly to the Chair.

Lourey; Winter; Steensma; Jefferson; Brown; Johnson, R.; Janezich; Rice; Bertram; Wenzel; Jennings; Cooper; Carruthers; Welker; Omann; Anderson, I.; Munger; Sarna; Limmer; O'Connor; Hanson; Henry; Pugh; Kelso; McEachern; Swenson and Carlson moved to amend H. F. No. 2, the second engrossment, as amended, as follows:

Page 18, line 1, after the period insert "Nothing in this section is intended to limit direct access to chiropractic care under article 3, section 3, subdivision 2, subject to reasonable managed care protocols and criteria for determining appropriate use of chiropractic care."

Page 27, line 25, after "PRIMARY" insert "MEDICAL"

Page 27, line 25, after "CARE;" insert "CHIROPRACTIC CARE;"

Page 27, line 27, after "PRIMARY" insert "MEDICAL"

Page 28, after line 1, insert:

"Subd. 2. [CHIROPRACTIC CARE.] The intermediate benefit set covers care provided by doctors of chiropractic. The total number of visits provided by doctors of chiropractic and health professionals is subject to the visit limits in section 4, subdivision 1."

Renumber the remaining subdivisions accordingly.

The motion prevailed and the amendment was adopted.

Speaker pro tempore Bauerly called Krueger to the Chair.

Uphus moved to amend H. F. No. 2, the second engrossment, as amended, as follows:

Page 82, after line 30, insert:

"Sec. 17. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed $650 for each dependent in grades kindergarten to 6 and $1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions

from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; ~~and~~

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491; and

(8) to the extent not deducted in computing federal taxable income, the amount paid for health insurance of self-employed individuals under section 162(l) of the Internal Revenue Code of 1986, as amended through December 31, 1990, except that the 25 percent limitation does not apply. If the taxpayer deducted all or part of the amount paid for insurance under section 213 of the Internal Revenue Code of 1986, as amended through December 31, 1990, the amount of the subtraction under this clause equals the lesser of (i) the amount paid for insurance, as defined in section 162(l), less the amount deducted under section 162(l) or (ii) 7.5 percent of adjusted gross income as determined under section 213."

Page 82, line 31, delete "17" and insert "18"

Page 83, line 10, delete "18" and insert "19"

Page 83, line 21, delete "19" and insert "20"

Page 83, line 30, delete "20" and insert "21"

Page 83, line 33, delete "17 to 19" and insert "18 to 20"

Page 83, line 34, after the period insert:

"Section 17 is effective for taxable years beginning after December 31, 1990."

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.09 that the Uphus amendment was not in order. Speaker pro tempore Krueger ruled the point of order not well taken and the amendment in order.

Uphus incorporated the following language in his amendment:

Page 15, line 4, delete "July" and insert "October"

Ogren requested a division of the Uphus amendment to H. F. No. 2, the second engrossment, as amended.

The first portion of the Uphus amendment to H. F. No. 2, the second engrossment, as amended, reads as follows:

Page 15, line 4, delete "July" and insert "October"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Uphus amendment and the roll was called. There were 51 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Knickerbocker	Omann	Swenson
Anderson, R. H.	Gruenes	Koppendrayer	Onnen	Tompkins
Bettermann	Gutknecht	Krinkie	Ozment	Uphus
Bishop	Hartle	Leppik	Pauly	Valento
Blatz	Haukoos	Lynch	Pellow	Waltman
Boo	Heir	Macklin	Runbeck	Weaver
Davids	Henry	Marsh	Schafer	Welker
Dempsey	Hufnagle	McPherson	Schreiber	
Erhardt	Hugoson	Morrison	Seaberg	
Frerichs	Jennings	Newinski	Stanius	
Girard	Johnson, V.	Olsen, S.	Sviggum	

Those who voted in the negative were:

Anderson, I.	Carruthers	Greenfield	Kahn	Lourey
Battaglia	Clark	Hanson	Kalis	Mariani
Bauerly	Cooper	Hausman	Kelso	McEachern
Beard	Dauner	Jacobs	Kinkel	McGuire
Begich	Dawkins	Janezich	Krueger	Milbert
Bertram	Dille	Jaros	Lasley	Munger
Bodahl	Dorn	Jefferson	Lieder	Murphy
Brown	Farrell	Johnson, A.	Limmer	Nelson, K.
Carlson	Garcia	Johnson, R.	Long	Nelson, S.

O'Connor	Ostrom	Rodosovich	Smith	Vellenga
Ogren	Pelowski	Rukavina	Solberg	Wagenius
Olson, E.	Peterson	Sarna	Sparby	Wejcman
Olson, K.	Pugh	Scheid	Steensma	Welle
Orenstein	Reding	Segal	Thompson	Wenzel
Orfield	Rest	Simoneau	Trimble	Winter
Osthoff	Rice	Skoglund	Tunheim	Spk. Vanasek

The motion did not prevail and the first portion of the Uphus amendment was not adopted.

The second portion of the Uphus amendment to H. F. No. 2, the second engrossment, as amended, reads as follows:

Page 82, after line 30, insert:

"Sec. 17. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed $650 for each dependent in grades kindergarten to 6 and $1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar

programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; ~~and~~

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491; and

(8) to the extent not deducted in computing federal taxable income, the amount paid for health insurance of self-employed individuals under section 162(l) of the Internal Revenue Code of 1986, as amended through December 31, 1990, except that the 25 percent limitation does not apply. If the taxpayer deducted all or part of the amount paid for insurance under section 213 of the Internal Revenue Code of 1986, as amended through December 31, 1990, the amount of the subtraction under this clause equals the lesser of (i) the amount paid for insurance, as defined in section 162(l), less the amount deducted under section 162(l) or (ii) 7.5 percent of adjusted gross income as determined under section 213."

Page 82, line 31, delete "17" and insert "18"

Page 83, line 10, delete "18" and insert "19"

Page 83, line 21, delete "19" and insert "20"

Page 83, line 30, delete "20" and insert "21"

Page 83, line 33, delete "17 to 19" and insert "18 to 20"

Page 83, line 34, after the period insert:

"Section 17 is effective for taxable years beginning after December 31, 1990."

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Ogren raised a point of order pursuant to rule 3.10 that the second portion of the Uphus amendment was not in order. Speaker pro tempore Krueger ruled the point of order not well taken and the second portion of the Uphus amendment in order.

Ogren requested a division of the second portion of the Uphus amendment to H. F. No. 2, the second engrossment, as amended.

POINT OF ORDER

Sviggum raised a point of order pursuant to section 310, of "Mason's Manual of Legislative Procedure" relating to the division of questions. Speaker pro tempore Krueger ruled the point of order well taken and the Ogren request for division out of order.

The question recurred on the second portion of the Uphus amendment and the roll was called. There were 113 yeas and 15 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dawkins	Long	Ogren	Scheid	Skoglund
Greenfield	Mariani	Osthoff	Segal	Trimble
Kahn	McGuire	Rice	Simoneau	Wejcman

The motion prevailed and the second portion of the Uphus amendment was adopted.

Abrams; Skoglund; Olsen, S., and Kahn moved to amend H. F. No. 2, the second engrossment, as amended, as follows:

Page 76, line 33, before the period insert "and may charge a different rate reflecting whether any person of a cell smokes, as defined in section 144.413, subdivision 4"

A roll call was requested and properly seconded.

The question was taken on the Abrams et al amendment and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

Gruenes and Bettermann moved to amend H. F. No. 2, the second engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

RURAL HEALTH INITIATIVES

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

Subdivision 1. [DEFINITION.] "Eligible rural hospital" means any nonfederal, general acute care hospital that:

(1) is either located in a rural area, as defined in the federal Medicare regulations, Code of Federal Regulations, title 42, section 405.1041, or located in a community with a population of less than 5,000, according to United States Census Bureau statistics, outside the seven-county metropolitan area;

(2) has 100 or fewer beds;

(3) ~~has experienced net income losses in at least two of the three most recent consecutive hospital fiscal years for which audited financial information is available;~~

~~(4)~~ is not for profit; and

~~(5)~~ (4) has not been awarded a grant under the federal rural health transition grant program.

Sec. 2. Minnesota Statutes 1990, section 144.147, subdivision 3, is amended to read:

Subd. 3. [CONSIDERATION OF GRANTS.] In determining which hospitals will receive grants under this section, the commissioner shall take into account:

(1) improving community access to hospital or health services;

(2) changes in service populations;

(3) demand for ambulatory and emergency services;

(4) the extent that the health needs of the community are not currently being met by other providers in the service area;

(5) the need to recruit and retain health professionals; ~~and~~

(6) the involvement and extent of support of the community and local health care providers; and

(7) the financial condition of the hospital.

Sec. 3. Minnesota Statutes 1990, section 144.147, subdivision 4, is amended to read:

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

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

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

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

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

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

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

(e) In evaluating applications, the commissioner shall score each application on a 100 point scale, assigning the maximum of 70 points for an applicant's understanding of the problem, description of the project, and likelihood of successful outcome of the project; and a maximum of 30 points for the extent of community support for the

hospital and this project. The commissioner may also take into account other relevant factors.

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

Sec. 4. [144.1481] [RURAL HEALTH ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The commissioner of health shall establish a 16-member rural health advisory committee. The committee shall consist of the following individuals, all of whom must reside outside the seven-county metropolitan area:

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

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

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

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

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

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

(7) a midlevel practitioner;

(8) a registered nurse or licensed practical nurse;

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

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

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

(12) a representative of the Minnesota center for rural health.

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The terms, compensation, and removal of members are governed by section 15.059. The advisory committee does not expire as provided in section 15.059, subdivision 5.

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

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

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

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

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

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

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

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

Sec. 5. [144.1482] [OFFICE OF RURAL HEALTH.]

Subdivision 1. [ESTABLISHMENT; FEDERAL GRANT APPLICATION.] The commissioner of health shall establish an office of

rural health within the department. The commissioner shall also apply for a federal grant to establish the office of rural health, as provided under the federal Public Health Service Act, Public Law Number 101-597.

Subd. 2. [DUTIES.] (a) The office of rural health in conjunction with the medical schools at University of Minnesota-Duluth and the University of Minnesota-Minneapolis and other organizations in the state which are addressing rural health care problems shall:

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

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

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

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

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

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

(b) To carry out these duties, the office may contract with or provide grants to public and private, nonprofit entities. In contracting or providing grants, the office shall give preference to public and private, nonprofit entities that have demonstrated the ability to obtain grants and donations from private foundations and organizations and the federal government.

Sec. 6. [144.1483] [RURAL HEALTH INITIATIVES.]

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

(1) develop a detailed plan regarding the feasibility of coordinating rural health care services by organizing individual medical providers and smaller hospitals and clinics into referral networks with larger rural hospitals and clinics that provide a broader array

of services. Where possible, this plan will guide the bureau of health care access as established under article 1 in contracting for health care delivery throughout Minnesota;

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

(3) administer the program of financial assistance established under section 7 for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;

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

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

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

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

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

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

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

Sec. 7. [144.1484] [RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

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

Sec. 8. [144.1485] [DATA BASE ON HEALTH PERSONNEL.]

The commissioner of health shall develop and maintain a data base on health services personnel. The commissioner shall use this information to assist local communities and units of state government to develop plans for the recruitment and retention of health personnel. Information collected in the data base must include, but is not limited to, data on levels of educational preparation, specialty, and place of employment. The commissioner may collect information through the registration and licensure systems of the state health licensing boards.

Sec. 9. Minnesota Statutes 1990, section 144.698, subdivision 1, is amended to read:

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

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

(2) a detailed statement of income and expenses;

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

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

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

(6) information required on the revenue and expense report form

set in effect on July 1, 1989, or as amended by the commissioner in rule; and

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

Sec. 10. [SPECIAL STUDIES.]

The commissioner of health, through the office of rural health, shall conduct the following investigations:

(1) investigate, develop recommendations, and prepare a report to the legislature by January 15, 1993, regarding the use of advanced telecommunications technologies to improve rural health education and health care delivery;

(2) investigate the adequacy of access to perinatal services in rural Minnesota and report findings and recommendations to the legislature by February 1, 1993; and

(3) study the impact of current reimbursement provisions for midlevel practitioners on the use of midlevel practitioners in rural practice settings, examining reimbursement provisions in state programs, federal programs, and private sector health plans, and report findings and recommendations to the legislature by February 1, 1992.

Sec. 11. [REPORT ON RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall examine the eligibility criteria for rural hospital financial assistance grants under section 7 and report to the legislature by February 1, 1992, on any needed modifications.

Sec. 12. [FEASIBILITY STUDY; PHYSICIAN ASSISTANT TRAINING PROGRAM.]

The office of rural health, in cooperation with the higher education coordinating board, shall conduct a feasibility study to assess the need for a physician assistant training program at the University of Minnesota-Duluth. The office of rural health shall present findings and recommendations to the legislature by January 1, 1993.

Sec. 13. [EFFECTIVE DATE.]

Section 4 creating the rural health advisory committee is effective January 15, 1992.

ARTICLE 2

HOSPITALS; EMERGENCY MEDICAL SERVICES

Section 1. Minnesota Statutes 1990, section 16A.124, subdivision 4, is amended to read:

Subd. 4. [INVOICE ERRORS.] If an invoice is incorrect, defective, or otherwise improper, the agency must notify the vendor of all errors, within ten days of ~~discovering~~ discovery of the ~~error~~ errors. Upon receiving a corrected invoice, the agency must pay the bill within the time limitation contained in subdivision 3. For purposes of this subdivision, the term "vendor" includes hospitals receiving reimbursement under the medical assistance and general assistance medical care programs.

Sec. 2. Minnesota Statutes 1990, section 43A.17, subdivision 9, is amended to read:

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

Sec. 3. Minnesota Statutes 1990, section 43A.23, is amended by adding a subdivision to read:

Subd. 4. [STATE HEALTH PLAN.] The commissioner of employee relations shall provide flexibility in interpreting policies and procedures for implementing and administering the state health plan, to

ensure adequate access throughout the state to the state health plan.

Sec. 4. Minnesota Statutes 1990, section 144.581, subdivision 1, is amended to read:

Subdivision 1. [NONPROFIT CORPORATION POWERS.] A municipality, political subdivision, state agency, or other governmental entity that owns or operates a hospital authorized, organized, or operated under chapters 158, 250, 376, and 397, or under sections 246A.01 to 246A.27, 412.221, 447.05 to 447.13, 447.31, or 471.59, or under any special law authorizing or establishing a hospital or hospital district shall, relative to the delivery of health care services, have, in addition to any authority vested by law, the authority and legal capacity of a nonprofit corporation under chapter 317A, including authority to

(a) enter shared service and other cooperative ventures,

(b) join or sponsor membership in organizations intended to benefit the hospital or hospitals in general,

(c) enter partnerships,

(d) incorporate other corporations,

(e) have members of its governing authority or its officers or administrators serve as directors, officers, or employees of the ventures, associations, or corporations,

(f) own shares of stock in business corporations,

(g) offer, directly or indirectly, products and services of the hospital, organization, association, partnership, or corporation to the general public, and

(h) ~~provide funds for payment of educational expenses of up to $20,000 per individual, if the hospital or hospital district has at least $1,000,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district, and~~

~~(i) provide funds of up to $50,000 per year per individual for a maximum of two years to supplement the incomes of family practice physicians, up to a maximum of $100,000 in annual income, if the hospital or hospital district has at least $250,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district.~~ expend funds, including public

funds in any form, or devote the resources of the hospital or hospital district, to recruit or retain physicians whose services are necessary or desirable for meeting the health care needs of the population, and for successful performance of the hospital or hospital district's public purpose of the promotion of health. Allowable uses of funds and resources include the retirement of medical education debt, payment of one time amounts in consideration of services rendered or to be rendered, payment of recruitment expenses, payment of moving expenses, and the provision of other financial assistance necessary for the recruitment and retention of physicians, provided that the expenditures in whatever form are reasonable under the facts and circumstances of the situation.

Sec. 5. Minnesota Statutes 1990, section 144.8093, is amended to read:

144.8093 [EMERGENCY MEDICAL SERVICES FUND.]

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

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

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

Subd. 4. [DISTRIBUTION.] Money from the fund shall be distributed according to this subdivision. ~~Eighty~~ Ninety-three and one-

third percent of the fund shall be distributed annually on a contract for services basis with each of the eight regional emergency medical services systems designated by the commissioner of health. The systems shall be governed by a body consisting of appointed representatives from each of the counties in that region and shall also include representatives from emergency medical services organizations. The commissioner shall contract with a regional entity only if the contract proposal satisfactorily addresses proposed emergency medical services activities in the following areas: personnel training, transportation coordination, public safety agency cooperation, communications systems maintenance and development, public involvement, health care facilities involvement, and system management. If each of the regional emergency medical services systems submits a satisfactory contract proposal, then this part of the fund shall be distributed evenly among the regions. If one or more of the regions does not contract for the full amount of its even share or if its proposal is unsatisfactory, then the commissioner may reallocate the unused funds to the remaining regions on a pro rata basis. Six and two-thirds percent of the fund shall be used by the commissioner to support regionwide reporting systems and to provide other regional administration and technical assistance. ~~Thirteen and one-third percent shall be distributed by the commissioner as discretionary grants for special emergency medical services projects with potential statewide significance.~~

Sec. 6. Minnesota Statutes 1990, section 176.011, subdivision 9, is amended to read:

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

(1) an alien;

(2) a minor;

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

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

(5) a county assessor;

(6) an elected or appointed official of the state, or of a county, city,

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

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

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

(9) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision of it. The daily wage of the worker, for the purpose of calculating compensation under this chapter, shall be the usual wage paid at the time of the injury or death for similar services performed by paid employees;

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

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

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

(13) a voluntary uncompensated worker, accepted by the director

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

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

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

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

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

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

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

(b) the personal injury for which compensation is sought arises out

of and in the course of activities related to the faculty member's employment by the University of Minnesota;

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

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

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

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

(23) a voluntary uncompensated worker while volunteering services as a member of a rescue squad organized under the authority of a political subdivision. The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees.

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

Sec. 7. Minnesota Statutes 1990, section 256.969, *subdivision 6a*, is amended to read:

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

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

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

(3) [DISPROPORTIONATE NUMBERS OF LOW-INCOME PATIENTS SERVED.] For admissions occurring on or after July 1, 1989, the medical assistance disproportionate population adjustment shall comply with federal law at fully implemented rates. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. For admissions occurring on or after the rate

year beginning January 1, 1991, the disproportionate population adjustment shall be derived from base year Medicare cost report data and may be adjusted by data reflecting actual claims paid by the department.

(4) [SEPARATE BILLING BY CERTIFIED REGISTERED NURSE ANESTHETISTS.] Hospitals may exclude certified registered nurse anesthetist costs from the operating payment rate as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must notify the commissioner in writing by October 1 of the year preceding the rate year of the request to exclude certified registered nurse anesthetist costs. The hospital must agree that all hospital claims for the cost and charges of certified registered nurse anesthetist services will not be included as part of the rates for inpatient services provided during the rate year. In this case, the operating payment rate shall be adjusted to exclude the cost of certified registered nurse anesthetist services. Payments made through separate claims for certified registered nurse anesthetist services shall not be paid directly through the hospital provider number or indirectly by the certified registered nurse anesthetist to the hospital or related organizations.

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

(6) [REHABILITATION DISTINCT PARTS.] Units of hospitals that are recognized as rehabilitation distinct parts by the Medicare program shall have separate provider numbers under the medical assistance program for rate establishment and billing purposes only. These units shall also have operating and property payment rates and the disproportionate population adjustment established separately from other inpatient hospital services, based on the methods of subdivisions 2, 2b, 2c, 3, 4, 5, and 6. The commissioner may establish separate relative values under subdivision 2 for rehabili-

tation hospitals and distinct parts as defined by the Medicare program. For individual hospitals that did not have separate medical assistance rehabilitation provider numbers or rehabilitation distinct parts in the base year, hospitals shall provide the information needed to separate rehabilitation distinct part cost and claims data from other inpatient service data.

(7) [NEONATAL TRANSFERS.] For admissions occurring on or after July 1, 1989, neonatal diagnostic category transfers shall have operating and property payment rates established at receiving hospitals which have neonatal intensive care units on a per day payment system that is based on the cost finding methods and allowable costs of the Medicare program during the base year. Other neonatal diagnostic category transfers shall have rates established according to paragraph (8). The rate per day for the neonatal service setting within the hospital shall be determined by dividing base year neonatal allowable costs by neonatal patient days. The operating payment rate portion of the rate shall be adjusted by the hospital cost index and the disproportionate population adjustment. The cost and charges used to establish rates shall only reflect inpatient services covered by medical assistance. Hospital and claims data used to establish rates under this paragraph shall not be used to establish payments or relative values under subdivisions 2, 2b, 2c, 3, 4, 5, and 6.

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

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

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

(d) Except as provided in paragraph (a), clauses (1) and (3), out-of-state hospitals that are located within a Minnesota local trade

area shall have rates established using the same procedures and methods that apply to Minnesota hospitals. Hospitals that are not required by law to file information in a format necessary to establish rates shall have rates established based on the commissioner's estimates of the information. Relative values of the diagnostic categories shall not be redetermined under this paragraph until required by rule. Hospitals affected by this paragraph shall then be included in determining relative values. However, hospitals that have rates established based upon the commissioner's estimates of information shall not be included in determining relative values. This paragraph is effective for hospital fiscal years beginning on or after July 1, 1988. A hospital shall provide the information necessary to establish rates under this paragraph at least 90 days before the start of the hospital's fiscal year.

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

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

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

(h) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between ~~July~~ April 1, ~~1988~~ 1991, and ~~December 31, 1990~~ the implementation date of the upgrade to the Medicaid management information system, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that

were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(i) Admissions occurring on or after July 1, 1990, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of paragraph (a), clause (8), except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not exceed the per admission rate. This methodology shall also apply when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays which are medically necessary for inpatient hospital services and covered by medical assistance shall not be billable to any other governmental entity. Medical necessity shall be determined under criteria established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b).

Sec. 8. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. [SUBTRACTIONS FROM FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others not to exceed $650 for each dependent in grades kindergarten to 6 and $1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of each dependent in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363. As used in this clause, "textbooks" includes books and other instructional materials and equipment used in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and

materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. In order to qualify for the subtraction under this clause the taxpayer must elect to itemize deductions under section 63(e) of the Internal Revenue Code;

(4) to the extent included in federal taxable income, distributions from a qualified governmental pension plan, an individual retirement account, simplified employee pension, or qualified plan covering a self-employed person that represent a return of contributions that were included in Minnesota gross income in the taxable year for which the contributions were made but were deducted or were not included in the computation of federal adjusted gross income. The distribution shall be allocated first to return of contributions until the contributions included in Minnesota gross income have been exhausted. This subtraction applies only to contributions made in a taxable year prior to 1985;

(5) income as provided under section 290.0802;

(6) the amount of unrecovered accelerated cost recovery system deductions allowed under subdivision 19g; ~~and~~

(7) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491; and

(8) to the extent not deducted in computing federal taxable income, the amount paid for health insurance of self-employed individuals under section 162(l) of the Internal Revenue Code of 1986, as amended through December 31, 1990, except that the 25 percent limitation does not apply. If the taxpayer deducted all or part of the amount paid for insurance under section 213 of the Internal Revenue Code of 1986, as amended through December 31, 1990, the amount of the subtraction under this clause equals the lesser of (i) the amount paid for insurance, as defined in section 162(l), less the amount deducted under section 162(l) or (ii) 7.5 percent of adjusted gross income as determined under section 213.

Section 8 is effective for taxable years beginning after December 31, 1990.

Amend the title accordingly

Renumber the remaining sections

Correct the cross-references

Sec. 8. Minnesota Statutes 1990, section 447.31, subdivision 1, is amended to read:

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

Sec. 9. Minnesota Statutes 1990, section 447.31, subdivision 3, is amended to read:

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

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

The resolution may also be initiated by petition filed with the governing body of the city or town, signed by at least ten percent of the number of voters voting at the last general election. A petition must present the text of the proposed resolution and request an election on it. If the petition is filed, the governing body shall call a special election for the purpose, to be held within 30 days after the filing of the petition, or may submit the resolution to a vote at a regular municipal election that is to be held within the 30-day period. The resolution takes effect if approved by a majority of voters voting on it at the election. Only one election shall be held within any given 12-month period upon resolutions initiated by petition. The notice of the election and the ballot used must contain the text of the resolution, followed by the question: "Shall the above resolution be approved?"

Sec. 10. [STUDY OF BASIC AND ADVANCED LIFE SUPPORT REIMBURSEMENT.]

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

Sec. 11. [STUDY OF AMBULANCE SUBSCRIPTION PLANS.]

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

ARTICLE 3

DATA COLLECTION AND RESEARCH INITIATIVES

Section 1. [62J.42] [HEALTH CARE ANALYSIS UNIT.]

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

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

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

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

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

(4) provide technical assistance as needed to the department of health;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 5. [DATA COLLECTION PROCEDURES.] The health care analysis unit shall collect data from health care providers, health plan companies, and individuals in the most cost-effective manner, which does not unduly burden providers. The unit may require health care providers and health plan companies to collect and provide patient health data, provide mailing lists of patients, and cooperate in other ways with the data collection process. The health care analysis unit may assign, or require health care providers and health plan companies to assign, a unique identification number to each patient to safeguard patient identity.

Subd. 6. [DATA CLASSIFICATION.] (a) Data collected through the large-scale data base initiatives of the health care analysis unit required by sections 2 and 3 are classified as private data on individuals and may be disclosed only to: employees of the department of health working on unit initiatives; researchers affiliated with university research centers or departments, who are conducting research on health outcomes and practice parameters; researchers working under contract with the department of health; and individuals purchasing health care services for health plan companies and groups.

(b) Data collected through the survey research initiatives of the health care analysis unit required by section 4 are classified as

public data under section 13.03, except that any patient or enrollee identifying information is private data.

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

Subd. 7. [DATA COLLECTION ADVISORY COMMITTEE.] The commissioner shall convene a 15 member data collection advisory committee consisting of health service researchers, health care providers, health plan company representatives, representatives of businesses that purchase health coverage, and consumers. The advisory committee shall evaluate methods of data collection and shall recommend to the commissioner methods of data collection that minimize administrative burdens, address data privacy concerns, and meet the needs of health service researchers. The advisory committee is governed by section 15.059.

Subd. 8. [FEDERAL AND OTHER GRANTS.] The commissioner of health shall seek federal funding, and funding from private and other non-state sources, for the initiatives of the health care analysis unit.

Sec. 2. [62J.43] [LARGE-SCALE DATA BASE.]

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

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

(b) The initiative must emphasize conditions that account for significant total costs, when considering both the frequency of a condition and the unit cost of treatment. The initial emphasis must be on the study of conditions commonly treated in hospitals on an inpatient or outpatient basis, or in freestanding outpatient surgical centers. As improved data collection and evaluation techniques are incorporated, this emphasis shall be expanded to include entire episodes of care for a given condition, whether or not treatment

includes use of a hospital or a freestanding outpatient surgical center.

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

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

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

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

Sec. 3. [62J.44] [ANALYSIS AND USE OF DATA COLLECTED THROUGH THE LARGE-SCALE DATA BASE.]

Subdivision 1. [DATA ANALYSIS.] The health care analysis unit shall analyze the data collected on specific health conditions using existing practice parameters and newly researched practice parameters, including those established through the medical effectiveness studies of the federal government. The unit may use the data collected to develop new practice parameters, if development and refinement is based upon input from and analysis by practitioners,

particularly those practitioners knowledgeable about and impacted by practice parameters. The unit may also refine existing practice parameters, and may encourage or coordinate private sector research efforts designed to develop or refine practice parameters.

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

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

Subd. 4. [PEER REVIEW ADVISORY COMMITTEE.] The commissioner shall convene a 15 member peer review advisory committee comprised of representatives of health care professional organizations, health licensing boards, and organizations such as the Foundation for Health Care Evaluation that conduct peer reviews. The advisory committee shall present recommendations for legislation to the health care analysis unit by January 1, 1992. These recommendations must address issues related to the establishment and composition of peer review panels, and the procedures to be followed by peer review panels. The advisory committee is governed by section 15.059.

Sec. 4. [62J.45] [SURVEY RESEARCH.]

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

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

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

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

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

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

Sec. 5. [62J.46] [TECHNICAL ASSISTANCE FOR PURCHASERS.]

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

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

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

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

Sec. 6. Minnesota Statutes 1990, section 145.61, subdivision 5, is amended to read:

Subd. 5. "Review organization" means a nonprofit organization acting according to clause (k) or a committee whose membership is limited to professionals and administrative staff, except where otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in chapter 62D, by a nonprofit health service plan corporation as defined in chapter 62C, by a professional standards review organization established pursuant to United States Code, title 42, section 1320c-1 et seq., or by a medical review agent established to meet the requirements of section 256B.04,

subdivision 15, or 256D.03, subdivision 7, paragraph (b), or by the department of human services, to gather and review information relating to the care and treatment of patients for the purposes of:

(a) evaluating and improving the quality of health care rendered in the area or medical institution;

(b) reducing morbidity or mortality;

(c) obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) developing and publishing guidelines showing the norms of health care in the area or medical institution;

(e) developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations;

(g) acting as a professional standards review organization pursuant to United States Code, title 42, section 1320c-1 et seq.;

(h) determining whether a professional shall be granted staff privileges in a medical institution or whether a professional's staff privileges should be limited, suspended or revoked;

(i) reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers or health maintenance organizations and their insureds or enrollees;

(2) professional licensing boards acting under their powers including disciplinary, license revocation or suspension procedures and health providers licensed by them when the matter is referred to a review committee by the professional licensing board;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers or health maintenance organizations concerning a charge or fee for health care services provided to an insured or enrollee;

(5) professionals or their patients and the federal, state, or local government, or agencies thereof;

(j) providing underwriting assistance in connection with professional liability insurance coverage applied for or obtained by dentists, or providing assistance to underwriters in evaluating claims against dentists;

(k) acting as a medical review agent under section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b); ~~or~~

(l) providing recommendations on the medical necessity of a health service, or the relevant prevailing community standard for a health service; or

(m) reviewing a provider's professional practice as requested by the health care analysis unit under section 3.

Sec. 7. Minnesota Statutes 1990, section 145.64, is amended to read:

145.64 [CONFIDENTIALITY OF RECORDS OF REVIEW ORGANIZATION.]

Subdivision 1. [DATA AND INFORMATION.] All data and information acquired by a review organization, in the exercise of its duties and functions, shall be held in confidence, shall not be disclosed to anyone except to the extent necessary to carry out one or more of the purposes of the review organization, and shall not be subject to subpoena or discovery. No person described in section 145.63 shall disclose what transpired at a meeting of a review organization except to the extent necessary to carry out one or more of the purposes of a review organization. The proceedings and records of a review organization shall not be subject to discovery or introduction into evidence in any civil action against a professional arising out of the matter or matters which are the subject of consideration by the review organization. Information, documents or records otherwise available from original sources shall not be immune from discovery or use in any civil action merely because they were presented during proceedings of a review organization, nor shall any person who testified before a review organization or who is a member of it be prevented from testifying as to matters within the person's knowledge, but a witness cannot be asked about the witness' testimony before a review organization or opinions formed by the witness as a result of its hearings. ~~The provisions of this section shall not apply to a review organization of the type described in section 145.61, subdivision 5, clause (h).~~

Subd. 2. [PROVIDER DATA.] The restrictions in subdivision 1 shall not apply to judicial proceedings in which a health care provider contests the denial, restriction, or termination of clinical privileges by a health care facility. However, any data so disclosed in such proceedings shall not be admissible in any other judicial proceeding.

Sec. 8. [STUDY OF ADMINISTRATIVE COSTS.]

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

Sec. 9. [STUDY OF OUTCOMES-BASED PILOT PROJECT.]

The health care analysis unit shall examine the feasibility of establishing a pilot project to implement, administer, and evaluate an outcomes-based model of health care management that incorporates practice guidelines. The unit shall present recommendations to the commissioner by January 1, 1992.

ARTICLE 4

SMALL EMPLOYER HEALTH BENEFITS

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

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

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

Subd. 3. [PURPOSE.] The purpose of this chapter is to promote the availability of health insurance to small employers; to impose certain restrictions on the underwriting and rating of small employer groups; to improve access to health care services to the employees of small employers and their dependents; to establish a reinsurance pool to enable health carriers to more equitably spread the risk of loss associated with small employer business; and to provide for the systematic review of the social and financial impacts of proposed mandated benefits.

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

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

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

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

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

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

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

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

Subd. 7. [CASE CHARACTERISTICS.] "Case characteristics" means the relevant characteristics of a small employer, as determined by a health carrier, which are considered by the carrier in the determination of premium rates for the small employer. Such relevant characteristics include, but are not limited to, geographic area, employer group size, benefit differences, and family composition. Age, sex, claims experience, health status, and industry of the employer and duration of issue are not case characteristics for the purposes of this chapter.

Subd. 8. [CLASS OF BUSINESS.] "Class of business" means all of the small employer business of a health carrier as shown on the

records of the health carrier except that a health carrier may establish a distinct grouping of small employers:

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

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

(3) if the class of business is marketed and sold through persons not participating in the sale of health benefit plans to other distinct groupings of small employers; or

(4) if the class of business is provided through an association of not less than 100 employers which has been formed for purposes other than obtaining insurance.

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

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

Subd. 10. [COMMISSIONER.] "Commissioner" means the commissioner of commerce for plans governed by chapter 62A or 62C or the commissioner of health for health maintenance organizations governed by chapter 62D, or the relevant commissioner's designated representative.

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

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

Subd. 13. [DEMOGRAPHIC COMPOSITION.] "Demographic composition" means the age and sex characteristics of eligible employees, the family composition of eligible employees, and the

standard age categories used by a health carrier to establish premiums.

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

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

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

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

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

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

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

(1) limited to disability or income protection coverage;

(2) automobile medical payment coverage;

(3) supplemental to liability insurance;

(4) designed solely to provide payments on a per diem, fixed indemnity or nonexpense-incurred basis;

(5) credit accident and health insurance issued pursuant to chapter 62B;

(6) designed solely to provide dental or vision care;

(7) blanket accident and sickness insurance as defined in section 62A.11;

(8) accident only coverage issued by a licensed and tested insurance agent or solicitors that provides reasonable benefits in relation to the cost of covered services;

(9) long-term care insurance as defined in section 62A.46; or

(10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44.

For the purpose of this act, a health benefit plan issued to employees of a small employer who meets the participation requirements of section 62K.03 shall be deemed to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier shall be deemed to be issued by the health carrier.

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

For the purpose of this act companies that are affiliated companies or that are eligible to file a consolidated tax return shall be treated as one carrier except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation may treat the health maintenance organization as a separate health carrier.

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

(1) to a small employer;

(2) to any employer who does not satisfy the definition of a small employer as set forth in subdivision 31; or

(3) to any individual purchasing an individual or conversion policy of health care coverage issued by a health carrier.

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

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

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

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

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

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

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

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

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

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

Subd. 29. [PREEXISTING CONDITION.] "Preexisting condition" means any condition manifesting in such a manner as would cause an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment or for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the effective date of coverage, or as to a pregnancy existing as of the effective date of coverage of a health benefit plan.

Subd. 30. [RATING PERIOD.] "Rating period" means the 12 month or prorated calendar period for which premium rates established by a health carrier are assumed to be in effect, as determined by the health carrier.

Subd. 31. [SMALL EMPLOYER.] "Small employer" means any person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the preceding calendar year, employed no less than two nor more than 15 eligible employees. If a small employer has only two eligible employees, the employees must not be the spouse, child, sibling, parent, or grandparent of the other. Entities which are eligible to file a combined tax return for purposes of state tax laws shall be considered a single employer for purposes of determining the number of eligible employees. Small employer status shall be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this act shall continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan.

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

Subd. 33. [SMALL EMPLOYER PLAN.] "Small employer plan" means a health benefit plan issued by a health carrier to a small

employer for coverage of the medical and hospital benefits described in section 62K.05.

Subd. 34. [TRANSITION PERIOD.] "Transition period" means July 1, 1992, through June 30, 1993.

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

Subdivision 1. [CARRIER PARTICIPATION.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, offer, sell, issue, and renew any health benefit plan to small employers in accordance with this chapter. Beginning during the transition period, as defined in section 62K.02, subdivision 34, every health carrier participating in the small employer market shall make available a health benefit plan to small employers and shall fully comply with the underwriting and rate restrictions set forth in this chapter. A health carrier may cease to transact business in the small employer market pursuant to section 62K.09.

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

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

(1) 75 percent of a small employer's eligible employees who have not waived coverage participate in any health benefit plan offered, sold, issued, or renewed by the health carrier; and

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

Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted by this chapter. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees of small employers. Except as hereinafter permitted with respect to late

entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee's or dependent's health benefit plan. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by another health benefit plan, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the effective date of coverage of the late entrant. Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation shall not exceed 18 months.

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

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

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

(3) if eligible employee participation during the preceding calendar year declines to less than 75 percent;

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

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

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

Subd. 6. [MCHA ENROLLEES.] Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance of a health benefit plan to a small employer. MCHA enrollees shall be offered the option: (a) to be enrolled in the small employer's health benefit plan as of the first

date of renewal of a health benefit plan occurring on or after July 1, 1992, or, in the case of a new group, as of the initial effective date of the health benefit plan; or (b) to continue to be enrolled in MCHA. If the MCHA enrollee chooses to remain in MCHA, the employer must (a) pay the difference between the deductible paid by other employees for the group coverage and the deductible paid by the MCHA enrollee for the comprehensive health insurance plan; (b) pay the difference between the coinsurance paid by other employees under the group health plan and the MCHA enrollee under the comprehensive insurance plan; and (c) ensure that the MCHA enrollee does not pay more in premium contribution and out-of-pocket maximums for coverage under the MCHA coverage than the largest contribution toward premium and out-of-pocket maximums paid by any other employee receiving health care coverage through the same employer. Unless otherwise permitted by this act, health carriers shall not impose any underwriting restrictions, including any preexisting condition limitations on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan so long as continuous coverage is maintained.

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

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

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

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

Subdivision 1. [BENEFIT DESIGN.] The minimum benefits of a

small employer plan offered by a health carrier shall be equal to 80 percent of the cost of health care services covered under the small employer plan, in excess of an annual deductible which shall not exceed $500 per individual and $1,000 per family. Each small employer offered a small employer plan must be offered a plan that has an annual deductible of $100 per individual and a plan that has an annual deductible of $250 per individual. Coinsurance and deductibles shall not apply to child health supervision services and prenatal services, as defined by section 62A.047.

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

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

(1) inpatient and outpatient hospital services, excluding services provided for the diagnosis, care or treatment of chemical dependency or a mental illness or condition, other than those conditions specified in clauses (10), (11), and (12);

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

(3) diagnostic X rays and laboratory tests;

(4) ground transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition, or as otherwise required by the health carrier;

(5) services of a home health agency if the services qualify as reimbursable services under Medicare and are directed by a physician or qualify as reimbursable under the health carrier's most commonly sold health plan for insured group coverage;

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

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

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

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

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

(11) up to ten hours per year of outpatient mental health diagnosis or treatment for illnesses or conditions not described in clause (10);

(12) up to 60 hours per year of outpatient treatment of chemical dependency;

(13) 50 percent of the cost of prescription drugs, up to a separate annual maximum out-of-pocket expense of $1,000 per individual for prescription drugs, and 100 percent of the cost thereafter; and

(14) chiropractic services for the diagnosis or treatment of illnesses, injuries, or conditions within the chiropractic scope of practice as defined in section 148.01. Examination by, or referral from, a medical physician shall not be a condition of receipt of chiropractic care under this subdivision.

Subd. 3. [ADDITIONAL BENEFITS.] Health carriers may offer small employers additional benefits not listed in this section, so long as all requirements of this chapter are met.

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

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

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

Subd. 7. [MEDICAL EXPENSE REIMBURSEMENT.] Health carriers may reimburse or pay for medical services provided pursuant to a health benefit plan in accordance with the health carrier's

provided contract requirements including but not limited to salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnostic-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop, implement, or change its provider contract requirements for a health benefit plan. Coinsurance, deductibles, out-of-pocket maximums, and maximum lifetime benefits must be calculated and determined in accordance with each health carrier's standard business practices.

Subd. 8. [PLAN DESIGN.] Notwithstanding any other law, regulation, or administrative interpretation to the contrary, health carriers may offer a health benefit plan through any provider arrangement, including but not limited to the use of open, closed, or limited provider networks. The provider networks offered by any health carrier may be specifically designed for the small employer market and may be modified at the carrier's election so long as any necessary regulatory requirements are met. Health carriers shall use professionally recognized provider standards of practice when they are available, and may use any utilization management practices otherwise permitted by law, including but not limited to second surgical opinions, prior authorization, concurrent and retrospective review, referral authorizations, case management and discharge planning. A health carrier may contract with groups of providers with respect to health care services or benefits, and may negotiate with providers regarding the level or method of reimbursement provided for services rendered under a health benefit plan.

Subd. 9. [ACTUARIALLY EQUIVALENT HMO PLAN PERMITTED.] Health maintenance organizations regulated under chapter 62D may offer and make available a small employer plan that differs from the plan set forth in subdivisions 1 and 2. This alternative small employer plan must be actuarially equivalent to the minimum benefits set forth in subdivisions 1 and 2, but must be more similar to the structure of benefits customarily provided by health maintenance organizations. The commissioner of health shall adopt rules specifying the minimum set of benefits required by this subdivision.

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

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

(1) the case characteristic factors used to determine initial and renewal rates;

(2) the extent to which premium rates for a small employer are

established or adjusted based upon actual or expected variation in claim experience;

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

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

(5) provisions relating to renewability of coverage;

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

(7) the use of any provider network arrangements and effect on eligibility for benefits.

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

Subdivision 1. [VERIFICATION OF ELIGIBILITY.] A small employer purchasing a health benefit plan shall maintain information verifying the continuing eligibility of the employer, its employees, and their dependents and shall provide such information to its health carrier on a quarterly basis or as reasonably requested by the health carrier.

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

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

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

(a) [INDEX RATE.] Between classes of business, the index rate for a rating period for any class of business must not exceed the index rate for any other class of business by more than 20 percent, adjusted pro rata for periods less than one year. In the case of health benefit plans issued prior to the effective date of this act, which meet the definition of section 62K.02, subdivision 20, a premium rate for a rating period, adjusted pro rata for rating periods of less than a year, may exceed the ranges set forth in section 8 for a period of five years following the effective date of this act.

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

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

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

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

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

Subd. 2. [INVOLUNTARY TRANSFERS PROHIBITED.] A health carrier shall not involuntarily transfer a small employer into or out of a class of business. A health carrier shall not offer to transfer a small employer into or out of a class of business unless such offer is made to transfer all small employers in the class of business without regard to case characteristics, age, sex, claim experience, health status, industry of the employer, or duration of issue.

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

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

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

(2) the failure of a health carrier to offer or issue new business in the small employer market or continue an existing product line,

provided that a health carrier does not terminate, cancel, or fail to renew its current small employer business or other product lines; and

(3) the inability of any health carrier to offer or renew a health benefit plan because it has given notice to the commissioner that it will not have the capacity within a specific provider site under contract to or owned by the health carrier to adequately deliver services to the enrollees, insureds or subscribers of health benefit plans. Any health carrier which ceases to offer a particular provider site to the small employer market must also cease to offer that provider site to new groups other than small employers for any of its products.

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

Subd. 3. [REENTRY PROHIBITION.] A health carrier that ceases to do business in the small employer market after the effective date of this act shall be prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner. This subdivision shall apply to any health maintenance organization that ceases to do business in the small employer market in one service area with respect to that service area only.

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

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

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

Subd. 3. [TASK FORCE.] The commissioner shall establish an 11 member task force to develop the rules of participation in, and operating guidelines for, the reinsurance pool. Nine members shall represent health carriers. The commissioner shall appoint these nine members as follows: three members must be representatives of insurance companies licensed under chapter 60A to offer, sell or issue a policy of accident and sickness insurance; three members must be representatives of nonprofit health service plan corpora-

tions regulated under chapter 62C; and three members must be representatives of health maintenance organizations regulated under chapter 62D. In selecting task force members who represent insurance companies licensed under chapter 60A, the commissioner shall give preference to carriers with larger shares of the small employer market and to carriers domiciled in Minnesota. The commissioners of commerce and health shall serve as ex officio members of the task force.

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

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

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

Subdivision 1. [REPORTS.] Health carriers doing business in the small employer market shall file by April 1 of each year an annual actuarial opinion with the commissioner certifying that the health carrier is in compliance with the underwriting and rating requirements of this chapter and that the rating methods used by the carrier are actuarially sound. Health carriers shall retain a copy of such opinion at their principal place of business.

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

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

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

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

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

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

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

(b) Health carriers may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) Health carriers may voluntarily offer conversion policies under section 62E.17 to eligible employees.

(d) Health carriers may sell, issue or renew individual continuation policies to eligible employees as required under section 62K.05.

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

Sec. 14. [DEPARTMENT OF COMMERCE STUDY.]

The commissioner of commerce shall study the effects of Minne-

sota Statutes, chapter 62K, and shall report its findings and recommendations to the legislature no later than January 15, 1994. The commissioner of health shall cooperate and assist as needed in this study, with respect to the effects on the market for health maintenance organization coverage. The study shall determine whether the findings set forth in Minnesota Statutes, section 62K.01, subdivision 2 are correct and whether chapter 62K has achieved the purpose set forth in Minnesota Statutes, section 62K.01, subdivision 3. The study shall assist the legislature in determining whether chapter 62K should continue after June 30, 1994, and if so, what changes, if any, should be made in chapter 62K or other related statutes.

Sec. 15. [REPEALER.]

Sections 1 to 13 are repealed effective June 30, 1994.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 14 are effective July 1, 1992, except that subdivisions 3, 4, and 5 of section 10 are effective the day following final enactment. All rulemaking authority granted by this article is effective the day following final enactment.

ARTICLE 5

OUTCOMES-BASED PILOT PROJECT

Section 1. [144.7061] [LEGISLATIVE INTENT AND FINDINGS.]

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

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

The cost savings realized by the project will be used to periodically expand the project to include more participants, providers, and to expand the number of medical conditions and treatments covered by

practice parameters. The ultimate goal of the project will be to generate sufficient cost savings to expand the project to include all citizens of the state who do not have health care coverage.

Sec. 2. [144.7062] [DEFINITIONS.]

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

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

Subd. 3. [HEALTH CARE ANALYSIS UNIT.] "Health care analysis unit" means the unit established in article 4 of this act.

Subd. 4. [HEALTH COVERAGE.] "Health coverage" means a policy or contract providing health and accident benefits under chapter 62A, 62C, 62D, 62H, or 64B, or under section 471.617, subdivision 2. Health coverage also includes coverage provided under chapter 256B and section 256D.03, subdivision 4. Health coverage does not include a policy or contract designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or that provides only accident coverage.

Subd. 5. [HEALTH PLAN COMPANY.] "Health plan company" means any entity governed by chapter 62A, 62C, 62D, 62H, or 64B, or section 471.617, subdivision 2, that offers, sells, issues, or renews health coverage in this state. Health plan company does not include an entity that sells only policies designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or policies that provide only accident coverage.

Subd. 6. [PRACTICE PARAMETER.] "Practice parameter" means a recommendation used by physicians and other providers in clinical decision making for the purpose of determining when intervention is necessary and in order to minimize unnecessary, unproven, or ineffective care. Practice parameters identify the range of diagnostic, therapeutic or preventive interventions which will be utilized when documented circumstances indicate that medical treatment is necessary to improve health. Practice parameters must be supported by medical or health citations from appropriately controlled studies.

Sec. 3. [144.7063] [CONSUMERS' HEALTH IMPROVEMENT PLAN PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health, through the health care analysis unit, shall establish and administer the consumers' health improvement plan pilot project, and carry out the duties assigned in this article.

Subd. 2. [INITIAL PROJECT AREA.] The commissioner shall select an area or areas of the state in which to initiate the consumers' health improvement plan pilot project according to the following criteria:

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

(b) The initial pilot project area or areas shall contain a sufficient number of participants to allow scientifically and statistically valid analyses to be conducted based upon the data collected.

The commissioner, through the health care analysis unit, shall supervise all aspects of the project.

Subd. 3. [DUTIES OF THE HEALTH CARE ANALYSIS UNIT.] The health care analysis unit shall:

(a) Establish a process for the initial approval, revision, and addition of practice parameters. All practice parameters adopted for use in the pilot project must be supported by medical or health literature citations from appropriate studies so as to minimize unnecessary or ineffective care.

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

(1) allow for direct, automated inputting of all information collected in connection with the delivery of health care;

(2) allow participating providers to precertify participants for treatment on the basis of health need and measure outcome against the cost of care;

(3) be capable of being operated from facilities used by participating health care providers;

(4) include a report function to allow both providers and consumers access to private provider and private individual data, concerning both the consumers' course of treatment and summary data concerning the comparative outcomes of treatment in similar cases.

(c) Establish and maintain a pilot project health outcomes database as follows:

(1) determine uniform specifications for the collection, transmission, and maintenance, and dissemination of health outcomes data for the pilot project that are consistent with those adopted by the health care analysis unit under article 4, section 2; and

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

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

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

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

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

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

The health care analysis unit shall coordinate the research activities conducted under this subdivision with the research activities of the unit conducted under article 4, in order to increase the cost-effectiveness of unit activities and avoid duplication of effort.

(d) Adopt emergency and permanent rules relating to the administration of the pilot project. At a minimum, the rules must provide that:

(1) any licensed provider who agrees to render care subject to approved practice parameters and who agrees to implement the project's outcomes-based management system may participate in the pilot project; and

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

(e) Establish, in consultation with the health plan company under contract, appropriate financial incentives and disincentives designed to further the purposes of the project, including the application or waiver of copayments and deductibles.

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

(g) Establish an appeals panel for the timely review and resolution of written complaints brought by a provider or enrollee. The decision of the appeals panel is final and binding.

Subd. 4. [SELECTION OF HEALTH PLAN COMPANY.] (a) The commissioner shall select, by competitive bid, a health plan company to manage health care provided to pilot project participants. The health plan company must have demonstrated experience in at least the following areas:

(1) health care management;

(2) claims administration; and

(3) the management of health care information systems.

(b) The health plan company shall:

(1) adopt a provider fee schedule and negotiate contracts with hospitals and other health care providers, including but not limited to contracts for drugs and medical equipment, in which fees for services and supplies are equivalent to those prevailing under other local third-party payers.

(2) develop financial incentives and disincentives for provider reimbursement designed to further the purposes of the project. Provider reimbursement disincentives shall not be set at a rate lower than 50 percent of the provider fee schedule or contract rate negotiated in clause (1);

(3) apply, to the extent they are cost-effective, appropriate financial incentives and disincentives designed to further the purposes of the project, including the application or waiver of copayments and deductibles;

(4) implement the eligibility, enrollment, and payment provisions established by the commissioner;

(5) collect the medical outcomes data specified by the health care analysis unit; and

(6) implement all other requirements established by the commissioner under subdivision 3.

Subd. 5. [DATA TRANSFER AND CLASSIFICATION.] The health plan company under contract shall transfer data collected under this section to the health care analysis unit. The unit shall

incorporate this data into the large-scale data base established under article 4, section 2. Data collected on individuals participating in the pilot project are classified as private data on individuals and may be disclosed only as provided under article 4, section 1, subdivision 6. Summary data may be provided under section 13.03, subdivision 7, and may be released in studies produced by the health care analysis unit and made available to pilot project participants.

Subd. 6. [NONDISCOVERABLE AND INADMISSIBLE IN ANY LEGAL PROCEEDING.] Any and all data, clinical norms, medical practice parameters, findings, or other information developed, compiled or collected under this article, including compliance or noncompliance with any medical practice parameters under this pilot program, shall not be discoverable or admissible in any civil, criminal, or administrative proceeding, including but not limited to, professional licensure proceedings.

Sec. 4. [144.7064] [ELIGIBILITY.]

Subdivision 1. [PARTICIPATION.] (a) All persons residing in the pilot project area who do not have health care coverage, as defined in section 2, are eligible to participate in the project.

(b) Individuals covered by self-insured health plans may receive care rendered subject to practice parameters by pilot project providers, if they live in the pilot project area and they and their benefit plan administrator consent to their participation, and agree to share data relating to cost and outcome with the health care analysis unit.

(c) All persons covered under general assistance medical care who reside in the pilot project area are required to participate in the pilot project to the extent they seek care for which there are approved providers providing care subject to approved practice parameters. The commissioner of human services shall seek any federal waivers needed to include medical assistance recipients residing in the pilot project area, to the extent they seek care for which there are approved providers providing care subject to approved practice parameters.

(d) All persons residing in the project area who are children's health plan enrollees are eligible to participate in the project.

(e) Employees of state and local government are eligible to participate with the approval of their bargaining unit.

(f) Premiums for pilot project participants who do not have health coverage, or who are children's health plan enrollees, shall be based on the sliding scale provided in subdivisions 2 and 4. Premiums for self-insured participants, and participants who are employees of state and local government, shall be those required by their existing

plan of health benefit coverage. No premiums shall be charged to individuals enrolled in general assistance medical care or medical assistance.

Subd. 2. [SLIDING SCALE.] Each individual and family unit without health coverage enrolled in the pilot project shall pay a premium set in relation to adjusted gross income and family size. The commissioner shall establish a sliding scale to determine the amount of the premium each individual or family must pay to obtain health coverage through the pilot project. The sliding scale must use the federal poverty guidelines as the primary unit of measurement, and must be based on an individual's or family's federal adjusted gross income as shown on the federal income tax return. If the family files separate returns, the federal adjusted gross income from the returns must be combined for purposes of computing the family's federal adjusted gross income. The sliding scale must be designed so that individuals and families with adjusted gross incomes less than 25 percent of the federal poverty level pay 1.08 percent of their adjusted gross income, and those with adjusted gross incomes between 250 percent and 275 percent of the federal poverty level pay 6.5 percent of their adjusted gross income. Individuals and families with adjusted gross incomes over 275 percent of the federal poverty guideline or $40,000, whichever is less, are not eligible for a subsidized premium and must pay 100 percent of the cost of coverage through the pilot project.

Subd. 3. [ADJUSTMENTS TO THE INCOME LIMIT AND SLIDING SCALE.] The commissioner shall adjust the sliding scale and the maximum income limit for subsidized coverage to reflect changes in prevailing income levels, health coverage costs, and benefit levels.

Subd. 4. [CHILDREN'S HEALTH PLAN ENROLLEES.] The commissioner shall establish a separate sliding scale for children's health plan enrollees. Premiums charged must be proportional to the value of benefits provided by the pilot project that are in addition to those provided under section 256.936. Children's health plan enrollees shall still be required to pay the enrollment fee required by section 256.936.

Sec. 5. [144.7065] [COVERAGE FOR HEALTH CARE FOR PILOT PROJECT PARTICIPANTS.]

Subdivision 1. [PERSONS WITHOUT HEALTH CARE COVERAGE.] The commissioner, through the health care analysis unit, shall determine basic health care coverage for persons who do not have health care coverage. That coverage shall include:

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

(2) care, including preventive care, determined by the commissioner to be necessary, and for which there exists sufficient study or research data to support a finding that the care is necessary and effective; and

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

Subd. 2. [PERSONS COVERED UNDER STATE-FINANCED PROGRAMS.] Coverage for persons enrolled in the children's health plan, general assistance medical care, and medical assistance, if a federal waiver is granted, shall be that which is set forth in their benefits agreements:

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

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

(3) except that the commissioner of health, after consultation with the commissioner of human services, may provide additional benefits to children's health plan enrollees beyond those provided under section 256.936.

A waiver of federal regulations shall be requested with respect to coverage mandated by federal law whenever care is provided under practice parameters by pilot project providers.

Subd. 3. [PERSONS COVERED UNDER SELF-INSURED PLANS; EMPLOYEES OF STATE AND LOCAL GOVERNMENT.] Coverage for persons enrolled in self-insured health plans participating in the pilot project, and for state and local government employees who are participants, shall be that set forth in their benefits agreements:

(1) provided, however, that care is provided under pilot project guidelines by pilot project providers; and

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

Subd. 4. [COORDINATION.] The commissioner shall take such steps as may be reasonable and necessary to reconcile existing health coverage with care provided participants by pilot project

providers. Any conflict between existing health coverage practice parameters and pilot project practice parameters shall be resolved in favor of the pilot project practice parameters.

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

The health care analysis unit shall make every possible effort to eliminate barriers to access to health care determined to be both necessary and effective and take steps to eliminate access to health care not determined to be necessary and effective.

Subd. 5. [PROVIDER PANELS.] (a) The commissioner shall appoint panels of providers with appropriate experience and expertise. The panels shall advise the health care analysis unit regarding new and revised practice parameters which have been supported by medical or health citations from appropriately controlled studies, based on outcomes data collected by the pilot project.

(b) In situations where these practice parameters overlap specialty or other professional boundaries, the panels must include representatives from each affected specialty or provider group.

(c) These panels shall advise the health care analysis unit in defining outcomes and how they should properly be used.

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

(e) The advice solicited pursuant to this subdivision is not binding on the health care analysis unit.

Sec. 6. [144.7066] [ADMINISTRATION OF THE PILOT PROJECT.]

Subdivision 1. [CLAIM PAYMENT.] Participating providers shall be paid by the health plan company on the basis of fee schedules, contracts, and, to the extent they are cost effective, financial incentives established by the commissioner.

The commissioner shall conduct periodic audits of the health plan company under contract. The health plan company shall audit pilot project providers' outcomes management systems to ensure that cost and effectiveness data is accurately reported and pilot project guidelines are adhered to.

Subd. 2. [GENERAL ADMINISTRATION.] The commissioner shall establish a pilot project administrative office, hire staff and arrange working relationships with persons currently employed by the state of Minnesota in the administration of health coverage programs. The commissioner shall also initiate procedures designed to identify and recruit for participation in the pilot project persons who do not have health care coverage, persons currently enrolled in state-financed health programs, and persons receiving coverage from self-insured plans.

Subd. 3. [ASSISTANCE.] State departments, agencies, boards, and commissions shall provide the assistance to the commissioner of health to design, implement, administer, and evaluate the pilot project. The evaluation shall include an estimate of the savings accrued by state-financed health care programs due to the pilot project.

Subd. 4. [WAIVER OF INCONSISTENT PROVISIONS.] The commissioner of health and the commissioner of commerce may waive mandated health benefit requirements, and open enrollment requirements, if there is reasonable evidence that these requirements would prohibit the operation of the pilot project. The commissioner of health and the commissioner of commerce shall provide for public comment before any requirement is waived. For purposes of the pilot project, section 72A.20, subdivision 15, clause (4) applies.

Sec. 7. [144.7067] [REPORTS.]

The commissioner shall, by the end of January of each year the pilot project is operating, provide a detailed report to the legislature. The report must include a review by the health care analysis unit of the:

(1) outcomes of care provided in the pilot project;

(2) progress in implementing, expanding, or revising practice parameters for use in connection with all necessary and effective modes of treatment used in the pilot project;

(3) actual improvements in quality of care achieved as a result of providing only care that is necessary and effective;

(4) actual savings achieved as a result of rendering only necessary, proven, and effective care;

(5) impact of the pilot project's systems, technologies, and methods on all providers and other participants, health care, and the health care delivery system in general;

(6) progress in eliminating barriers to access to necessary and effective care rendered participants enrolled in the pilot project; and

(7) results likely to be achieved if the pilot project were extended to include additional persons who do not have health care coverage and additional persons currently enrolled in state or employer financed health insurance programs.

The report must include recommendations for any additional legislation needed to implement the project.

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

Sec. 8. [REPEALER.]

This article is repealed July 1, 1996.

ARTICLE 6

Section 1. [62K.01] [CONTRACTING AUTHORITY.]

Subdivision 1. [GENERAL.] The commissioner of commerce may request bids from, and negotiate and contract with, carriers the commissioner determines are best qualified to underwrite and service health care plans that meet the requirements of section 62K.02. The commissioner may establish any conversion and continuation privileges for those plans the commissioner considers appropriate. The commissioner may negotiate premium rates and coverage provisions with all carriers regulated under chapters 62A, 62C, and 62D. The commissioner may also negotiate reasonable cost containment measures to be applied to all carriers under chapters 62A, 62C, and 62D. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers and other factors the commissioner considers appropriate. Each contract must be for a uniform term of at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, offer a choice of plans available from two or more carriers regulated under chapters 62A, 62C, and 62D. The commissioner may offer only one plan in an area of the state if only one acceptable bid exists or if offering more than one would result in substantial, additional administrative costs.

Subd. 2. [CONTRACT TO CONTAIN STATEMENT OF BENE-

Subd. 3. [COVERED EXPENSES.] Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

(1) hospital and surgical services not to exceed:

(i) 15 days of hospitalization per year;

(ii) $200 per day or the average semiprivate rate for room and board; and services and supplies in the amount of eight times the room and board rate for each stay;

(2) professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than dental, which are rendered by a physician or at the physician's direction;

(3) drugs requiring a physician's prescription, not to exceed $250 in any year;

(4) oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth; and

(5) transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment.

Subd. 4. [EXPENSES NOT COVERED.] Covered expenses for the services and articles specified in this section do not include the following:

(1) any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, Medicare, or any other governmental program except as otherwise provided by section 62A.04, subdivision 3, clause (4);

(2) any charge for treatment for cosmetic purposes other than for reconstructive surgery when such service is incidental to or follows surgery resulting from injury, sickness, or other diseases of the involved part or when such service is performed on a covered dependent child because of congenital disease or anomaly which has resulted in a functional defect as determined by the attending physician;

(3) care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under Medicare;

(4) any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semiprivate room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semiprivate rooms, its most common semiprivate room charge shall be considered to be 90 percent of its lowest private room charge;

(5) that part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) any charge for services or articles the provision of which is not within the scope of authorized practice of the institution or individual rendering the services or articles.

Subd. 5. [NONAPPLICATION OF MANDATES.] The provider, disease, and treatment mandates established in chapters 62A, 62C, 62D, 62E, and other provisions of state law do not apply to these policies.

Subd. 6. [OPTIONAL COVERAGES.] The commissioner may offer coverages in addition to those required by this section.

Sec. 3. [62K.03] [ELIGIBILITY; TAX CREDIT.]

Subdivision 1. [RESIDENTS WITH NO COVERAGE.] (a) A Minnesota resident is eligible for coverage under this chapter if the resident does not have coverage under:

(1) a policy, plan, or contract of health or accident insurance regulated under chapter 62A, 62C, 62D, 62E, 62H, or 64B; or

(2) Medicare, medical assistance, general assistance medical care, an employment-based insurance program, or other subsidized health insurance program.

(b) An individual who is covered, or whose dependents are covered, by a policy regulated under this chapter may receive a tax credit for all or a portion of the premiums paid according to section 290.0675.

Sec. 4. [62K.04] [ENROLLMENT AND PREMIUM PAYMENTS.]

The time, manner, conditions, and terms of eligibility and payment of premiums for enrollment of eligible persons for coverage

under this chapter shall be determined by the commissioner in rule. The rules must allow for monthly premium payments.

Sec. 5. [62K.05] [SOLICITATION OF ELIGIBLE PERSONS.]

The commissioner shall disseminate appropriate information to the residents of this state about the existence of coverage under this chapter and the means of enrollment. Means of communication may include use of the press, radio, and television, as well as publication in appropriate state offices and publications.

The commissioner shall devise and implement methods to maintain public awareness of the provisions of this chapter and shall administer this chapter in a manner that facilitates public participation.

Sec. 6. [62K.06] [CIVIL PENALTY.]

The commissioner of commerce shall impose a civil penalty upon an employer that discontinues all plans of health coverage provided or made available to its employees who are Minnesota residents if the commissioner finds that the discontinuation occurred because the employees were eligible for coverage under this chapter.

The amount of the civil penalty must be equal to two times the total annual premium obligation of that employer for the previous calendar year.

The commissioner of revenue shall provide the commissioner of commerce with information necessary for the administration and enforcement of this section.

Sec. 7. Minnesota Statutes 1990, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. [ADDITIONS TO FEDERAL TAXABLE INCOME.] For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute, and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the

portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(h) of the Internal Revenue Code, making the payment; ~~and~~

(2) the amount of income taxes paid or accrued within the taxable year under this chapter and income taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code; ~~and~~

(3) the capital gain amount of a lump sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law Number 99-514, applies; and

(4) if a credit is claimed under section 290.0675, the amount of premiums deducted in determining federal taxable income as required under section 290.0675, subdivision 6.

Sec. 8. [290.0675] [HEALTH CARE CREDIT.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this credit, the following definitions have the meanings given them.

(b) "Eligible premiums" means the premiums paid during the taxable year for the coverage of the taxpayer and dependents of the taxpayer for health care coverage under chapter 62K. It does not include premiums paid for optional coverage.

(c) "Qualified health care coverage" means health care coverage under chapter 62K.

(d) "Qualified individual taxpayer" means (1) a married individual filing jointly whose household income for the taxable year does not exceed $25,000; (2) a married individual filing separately whose household income for the taxable year does not exceed $12,500; and (3) an unmarried individual whose household income for the taxable year does not exceed $15,000.

(e) "Household income" has the meaning given it in section 290A.03, subdivision 5.

Subd. 2. [CREDIT ALLOWED.] A qualified individual taxpayer who has paid eligible premiums for qualified health care coverage

may take a credit against the tax due for the taxable year under this chapter.

Subd. 3. [AMOUNT OF CREDIT.] The amount of the credit is 100 percent of the eligible premiums that exceed five percent of the taxpayer's household income.

Subd. 4. [REFUNDABLE CREDIT.] If the amount of the credit allowed under this section exceeds the taxpayer's liability for tax under this chapter, the commissioner shall refund the excess amount of the credit to the taxpayer.

Subd. 5. [TAX CREDIT TABLES.] The commissioner may construct and make available to taxpayers tables showing the amount of the credit at various levels of taxable income and eligible premiums.

Subd. 6. [MEDICAL DEDUCTION.] If a taxpayer claims a credit for premiums under this section and has taken a deduction for the same premium amounts in determining taxable income under section 213(a) of the Internal Revenue Code, the taxpayer must add the amount of the premiums deducted under that section to federal taxable income under section 290.01, subdivision 19a, clause (4). The addition may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceed the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code. "Internal Revenue Code" for purposes of this subdivision means the Internal Revenue Code of 1986, as amended through December 31, 1990.

Subd. 7. [INFORMATION FURNISHED TO COMMISSIONER.] A taxpayer claiming a credit under this section must furnish to the commissioner the information required by the commissioner to determine eligibility for the credit. The commissioner may require that proof of qualified health care coverage be filed with the return claiming the credit.

Subd. 8. [APPROPRIATION.] The amount necessary to pay the credit allowed under this section is annually appropriated to the commissioner of revenue from the general fund in the state treasury.

Sec. 9. Minnesota Statutes 1990, section 290.92, subdivision 5, is amended to read:

Subd. 5. [EXEMPTIONS.] (1) [ENTITLEMENT.] An employee receiving wages shall on any day be entitled to claim withholding exemptions in a number not to exceed the number of withholding exemptions that the employee claims and that are allowable pursuant to section 3402(f)(1), (m), and (n) of the Internal Revenue Code

of 1986, as amended through December 31, 1989, for federal withholding purposes, plus additional exemptions or amounts for the credit allowed under section 290.0675.

(2) [WITHHOLDING EXEMPTION CERTIFICATE.] The provisions concerning exemption certificates contained in section 3402(f)(2) and (3) of the Internal Revenue Code of 1986, as amended through December 31, 1989, shall apply.

(3) [FORM OF CERTIFICATE.] Withholding exemption certificates shall be in such form and contain such information as the commissioner may by rule prescribe.

(4) [ADDITIONAL EXEMPTIONS.] The commissioner of revenue shall provide for the determination of the additional exemptions or amounts allowed for the credit under section 290.0675. The commissioner may require that the exemptions or amounts be determined and withheld as part of the withholding tables under subdivision 2a or 3, or may require that a separate amount be added to the amount withheld.

Sec. 10. Minnesota Statutes 1990, section 290.92, subdivision 5a, is amended to read:

Subd. 5a. [VERIFICATION OF WITHHOLDING EXEMPTIONS; APPEAL.] (1) An employer shall submit to the commissioner a copy of any withholding exemption certificate or any affidavit of residency received from an employee on which the employee claims any of the following:

(a) a total number of withholding exemptions in excess of ten or a number prescribed by the commissioner, or

(b) a status that would exempt the employee from Minnesota withholding, including where the employee is a nonresident exempt from withholding under subdivision 4a, clause (3), except where the employer reasonably expects, at the time that the certificate is received, that the employee's wages under subdivision 1 from the employer will not then usually exceed $200 per week, or

(c) any number of withholding exemptions which the employer has reason to believe is in excess of the number to which the employee is entitled, or

(d) any withholding exemptions or amounts claimed for the credit under section 290.0675 to which the employer has reason to believe the employee is not entitled.

(2) Copies of exemption certificates and affidavits of residency required to be submitted by clause (1) shall be submitted to the

commissioner within 30 days after receipt by the employer unless the employer is also required by federal law to submit copies to the Internal Revenue Service, in which case the employer may elect to submit the copies to the commissioner at the same time that the employer is required to submit them to the Internal Revenue Service.

(3) An employer who submits a copy of a withholding exemption certificate in accordance with clause (1) shall honor the certificate until notified by the commissioner that the certificate is invalid. The commissioner shall mail a copy of any such notice to the employee. Upon notification that a particular certificate is invalid, the employer shall not honor that certificate or any subsequent certificate unless instructed to do so by the commissioner. The employer shall allow the employee the number of exemptions and compute the withholding tax as instructed by the commissioner in accordance with clause (4).

(4) The commissioner may require an employee to verify entitlement to the number of exemptions or to the exempt status claimed on the withholding exemption certificate or, to verify nonresidency. The commissioner may require an employee to verify entitlement to additional exemptions or amounts claimed under section 290.0675. The employee shall be allowed at least 30 days to submit the verification, after which time the commissioner shall, on the basis of the best information available to the commissioner, determine the employee's status and allow the employee the maximum number of withholding exemptions allowable under this chapter. The commissioner shall mail a notice of this determination to the employee at the address listed on the exemption certificate in question or to the last known address of the employee. Pursuant to section 270B.06, the commissioner may notify the employer of this determination and instruct the employer to withhold tax in accordance with the determination.

However, where the commissioner has reasonable grounds for believing that the employee is about to leave the state or that the collection of any tax due under this chapter will be jeopardized by delay, the commissioner may immediately notify the employee and the employer, pursuant to section 270B.06, that the certificate is invalid, and the employer must not honor that certificate or any subsequent certificate unless instructed to do so by the commissioner. The employer shall allow the employee the number of exemptions and compute the withholding tax as instructed by the commissioner.

(5) The commissioner's determination under clause (4) shall be appealable to tax court in accordance with section 271.06, and shall remain in effect for withholding tax purposes pending disposition of any appeal.

Sec. 11. [EFFECTIVE DATE.]

Sections 7 to 10 are effective for taxable years beginning after December 31, 1991.

ARTICLE 7

HEALTH PROFESSIONAL EDUCATION

Section 1. Minnesota Statutes 1990, section 136A.1355, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician must submit a letter of interest to the higher education coordinating board ~~while attending medical school. Before completing the first year of residency,~~. A student or resident who is accepted must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Sec. 2. Minnesota Statutes 1990, section 136A.1355, subdivision 3, is amended to read:

Subd. 3. [LOAN FORGIVENESS.] Prior to June 30, 1991, the higher education coordinating board may accept up to eight applicants who are fourth year medical students, up to eight applicants who are first year residents, and up to eight applicants who are second year residents for participation in the loan forgiveness program. For the period July 1, 1991 through June 30, 1995, the higher education coordinating board may accept up to eight applicants who are fourth year medical students per fiscal year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed $10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Sec. 3. [136A.1356] [MIDLEVEL PRACTITIONER EDUCATION ACCOUNT.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Designated rural area" means a Minnesota community that:

(1) is outside a ten-mile radius of a ranally area;

(2) has more than 2,000 persons per physician, including seasonal variation; and

(3) has notified the higher education coordinating board of its need for a physician or nurse for the community.

For purposes of this definition, "ranally area" means a central city or cities and any adjacent built-up areas, plus other communities not connected by continuously built-up areas if population density exceeds 60 persons per square mile and the work force of the other communities significantly depends on the central city or cities.

(b) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

(c) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse-midwives.

(d) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse practitioners.

(e) "Physician assistant" means a person meeting the definition in Minnesota Rules, part 5600.2600, subpart 11.

Subd. 2. [CREATION OF ACCOUNT.] A midlevel practitioner education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for midlevel practitioners agreeing to practice in designated rural areas.

Subd. 3. [ELIGIBILITY.] To be eligible to participate in the program, a prospective midlevel practitioner must submit a letter of interest to the higher education coordinating board prior to or while attending a program of study designed to prepare the individual for service as a midlevel practitioner. Before completing the first year of this program, a midlevel practitioner must sign a contract to agree to serve at least two of the first four years following graduation from the program in a designated rural area.

Subd. 4. [LOAN FORGIVENESS.] The higher education coordinating board may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an

agreed amount, not to exceed $7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan and the interest accrued on one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Subd. 5. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 4 for full repayment of all qualified loans, the higher education coordinating board shall collect from the participant 100 percent of any payments made for qualified loans and interest, plus a penalty of 50 percent of the amount paid. The higher education coordinating board shall deposit the money collected in the midlevel practitioner education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the required service commitment.

Sec. 4. [144A.70] [EDUCATION ACCOUNT FOR NURSES WHO AGREE TO PRACTICE IN A NURSING HOME OR INTERMEDIATE CARE FACILITY FOR PERSONS WITH MENTAL RETARDATION AND RELATED CONDITIONS.]

Subdivision 1. [CREATION OF THE ACCOUNT.] An education account in the general fund is established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home or intermediate facility for persons with mental retardation and related conditions. The account consists of money appropriated by the legislature and repayments and penalties collected under subdivision 4. Money from the account must be used for a loan forgiveness program.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the loan forgiveness program, a person planning to enroll in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the commissioner before enrolling in the nursing education program. Before completing the first year of study, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home or intermediate care facility for persons with mental retardation and related conditions.

Subd. 3. [LOAN FORGIVENESS.] The commissioner may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed $3,000, as a qualified

loan. For each year that a participant practices nursing in a nursing home or intermediate care facility for persons with mental retardation and related conditions, up to a maximum of two years, the commissioner shall annually repay an amount equal to one year of qualified loans and the interest accrued on the loans. Participants who move from one nursing home or intermediate care facility for persons with mental retardation and related conditions to another remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the commissioner shall collect from the participant 100 percent of any payments made for qualified loans and interest, plus a penalty of 50 percent of the amount paid. The commissioner shall deposit the collections in the general fund to be credited to the account established in subdivision 1. The commissioner may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Subd. 5. [RULES.] The commissioner shall adopt rules to implement this section.

Sec. 5. [STUDY OF OBSTETRICAL ACCESS.]

The commissioner of health shall study access to obstetrical services in Minnesota and report to the legislature by February 1, 1992. The study must examine the number of physicians discontinuing obstetrical care in recent years and the effects of high malpractice costs and low government program reimbursement for obstetrical services, and must identify areas of the state where access to obstetrical services is most greatly affected. The commissioner shall recommend ways to reduce liability costs and to encourage physicians to continue to provide obstetrical services.

Sec. 6. [GRANT PROGRAM FOR MIDLEVEL PRACTITIONER TRAINING.]

The higher education coordinating board shall award grants to Minnesota schools or colleges that educate, or plan to educate midlevel practitioners, in order to establish and administer midlevel practitioner training programs in areas of rural Minnesota with the greatest need for midlevel practitioners. The program must address rural health care needs, and incorporate innovative methods of bringing together faculty and students, such as the use of telecommunications, and must provide both clinical and lecture components. The board shall award two grants for the fiscal year ending June 30, 1992.

Sec. 7. [GRANTS FOR CONTINUING EDUCATION.]

The higher education coordinating board shall establish a competitive grant program for schools of nursing and other providers of continuing nurse education, in order to develop continuing education programs for nurses working in rural areas of the state. The programs must complement, and not duplicate, existing continuing education activities, and must specifically address the needs of nurses working in rural practice settings. The board shall award two grants for the fiscal year ending June 30, 1992.

Sec. 8. [FEASIBILITY STUDIES.]

The higher education coordinating board shall conduct feasibility studies to assess: (1) the need for outreach baccalaureate nurse education programs that would offer classes and clinical experiences in sites convenient to students living in rural areas of the state with the greatest need for registered nurses; and (2) the need for a four-year, generic, baccalaureate degree program for registered nurses in northern Minnesota. The board shall present findings and recommendations to the legislature by February 15, 1992.

ARTICLE 8

APPROPRIATIONS

(a) $10,000,000 is appropriated from the general fund to the commissioner of health for the purposes of articles 3 and 5. This appropriation is available until expended.

(b) $200,000 is appropriated from the general fund to the commissioner of commerce for the purposes of articles 4 and 6. This appropriation is available until expended.

(c) $175,000 is appropriated from the general fund to the commissioner of revenue for the purposes of article 6. This appropriation is available only during the second year of the biennium.

(d) $553,000 is appropriated from the general fund to the commissioner of human services for the purposes of article 2. This appropriation is available until expended.

(e) $252,000 is appropriated from the general fund to the higher education coordinating board for the purposes of article 7. This appropriation is available until expended.

(f) $1,495,000 is appropriated from the general fund to the commissioner of health for the purposes of articles 1, 2, and 7. This appropriation is available until expended.

(g) $15,000,000 is appropriated from the general fund to the commissioner of human services for the purpose of the Minnesota

catastrophic health expense protection act of 1976, Minnesota Statutes, section 62E.51 to 62E.55. This appropriation is available until expended."

Delete the title and insert:

"A bill for an act relating to health care; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; providing a health insurance plan for small employees; providing an outcomes-based health care pilot project; providing health care coverage for persons who are not otherwise covered; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; 290.01, subdivision 19a; 290.92, subdivisions 5 and 5a; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 62J; 136A; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K."

A roll call was requested and properly seconded.

The question was taken on the Gruenes and Bettermann amendment and the roll was called. There were 55 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Jennings	Morrison	Seaberg
Anderson, R. H.	Girard	Johnson, V.	Newinski	Smith
Bertram	Goodno	Knickerbocker	Olsen, S.	Stanius
Bettermann	Gruenes	Koppendrayer	Omann	Sviggum
Bishop	Gutknecht	Krinkie	Onnen	Swenson
Blatz	Hartle	Leppik	Ozment	Tompkins
Boo	Haukoos	Limmer	Pauly	Uphus
Davids	Heir	Lynch	Pellow	Valento
Dempsey	Henry	Macklin	Runbeck	Waltman
Dille	Hufnagle	Marsh	Schafer	Weaver
Erhardt	Hugoson	McPherson	Schreiber	Welker

Those who voted in the negative were:

Anderson, I.	Cooper	Janezich	Lasley	Nelson, K.
Anderson, R.	Dauner	Jaros	Lieder	Nelson, S.
Battaglia	Dawkins	Jefferson	Long	O'Connor
Beard	Dorn	Johnson, A.	Lourey	Ogren
Begich	Farrell	Johnson, R.	Mariani	Olson, E.
Bodahl	Garcia	Kahn	McEachern	Olson, K.
Brown	Greenfield	Kalis	McGuire	Orenstein
Carlson	Hanson	Kelso	Milbert	Orfield
Carruthers	Hausman	Kinkel	Munger	Osthoff
Clark	Jacobs	Krueger	Murphy	Ostrom

Pelowski	Rodosovich	Skoglund	Tunheim	Winter
Peterson	Rukavina	Solberg	Vellenga	Spk. Vanasek
Pugh	Sarna	Sparby	Wagenius	
Reding	Scheid	Steensma	Wejcman	
Rest	Segal	Thompson	Welle	
Rice	Simoneau	Trimble	Wenzel	

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

Bishop moved to amend H. F. No. 2, the second engrossment, as amended, as follows:

Page 11, delete section 7

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Bishop amendment and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

H. F. No. 2, A bill for an act relating to health care; creating a bureau of health care access; establishing the Minnesotans' health care plan; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; restricting underwriting and premium rating practices; providing a health insurance plan for small employees; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; 290.01, subdivision 196; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; 62J; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K.

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 86 yeas and 47 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Frerichs	Heir	Krinkie	Morrison
Anderson, R. H.	Girard	Henry	Leppik	Olsen, S.
Bettermann	Goodno	Hufnagle	Limmer	Omann
Blatz	Gruenes	Hugoson	Lynch	Onnen
Davids	Gutknecht	Johnson, V.	Macklin	Ozment
Dempsey	Hartle	Knickerbocker	Marsh	Pauly
Erhardt	Haukoos	Koppendrayer	McPherson	Pellow

Runbeck	Seaberg	Swenson	Waltman
Schafer	Smith	Tompkins	Weaver
Schreiber	Stanius	Valento	Welker

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

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

REPORTS OF STANDING COMMITTEES

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 543, A bill for an act relating to human services; providing funding for various pilot projects.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 734, A bill for an act relating to transportation; regulating limousine drivers; adding identification to license plates; providing for limousine driver endorsement on drivers licenses; providing for payment of fees for limousine drivers licenses; requiring the commissioner of transportation to adopt rules relating to limousine permits; providing for local regulation; appropriating money; amending Minnesota Statutes 1990, sections 168.128, subdivisions 2 and 3; 171.01, by adding a subdivision; 171.02, subdivision 2; 171.10, subdivision 2; 171.13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 221.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 168.011, subdivision 35, is amended to read:

Subd. 35. [LIMOUSINE.] ~~"Limousine" means a passenger automobile, other than a taxicab or a passenger-carrying van-type vehicle, that does not provide regular route service and that has a seating capacity, excluding the driver, of not more than 12 passen-~~

~~gers.~~ For purposes of motor vehicle registration only, "limousine" means an unmarked luxury passenger automobile that is not a van or station wagon and has a seating capacity of not more than 12 persons, excluding the driver.

Sec. 2. Minnesota Statutes 1990, section 168.128, subdivision 2, is amended to read:

Subd. 2. [LICENSE PLATES.] A person who operates a limousine for other than personal use shall apply to register the vehicle as provided in this section. A person who operates a limousine for personal use may apply. The registrar shall issue limousine license plates upon the applicant's compliance with laws relating to registration and licensing of motor vehicles and drivers and certification by the owner that an insurance policy in an aggregate amount of $300,000 per accident is in effect for the entire period of the registration under section 65B.135. The applicant must provide the registrar with proof that the passenger automobile license tax and a $10 fee have been paid for each limousine receiving limousine license plates. The limousine license plates must be designed to specifically identify the vehicle as a limousine and must be clearly marked with the letters "LM." Limousine license plates may not be transferred upon sale of the limousine, but may be transferred to another limousine owned by the same person upon notifying the registrar and paying a $5 transfer fee.

Sec. 3. Minnesota Statutes 1990, section 168.128, subdivision 3, is amended to read:

Subd. 3. [INSURANCE.] The application must include a certificate of insurance verifying that a valid commercial insurance policy is in effect and giving the name of the insurance company and the number of the insurance policy. The policy must provide stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is granted, of not less than $100,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than $300,000 because of injury to two or more persons in any one accident and of not less than $100,000 because of injury to or destruction of property. The insurance company must notify the commissioner if the policy is canceled or if the policy no longer provides the coverage required by this subdivision.

The commissioner shall immediately notify the commissioner of transportation if the policy of a person required to have a permit under section 6 is canceled or no longer provides the coverage required by this subdivision.

Sec. 4. Minnesota Statutes 1990, section 221.025, is amended to read:

221.025 [EXEMPTIONS.]

Except as provided in sections 221.031 and 221.033, the provisions of this chapter do not apply to the intrastate transportation described below:

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of rubbish as defined in section 443.27;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances, and tow trucks when picking up and transporting disabled or wrecked motor vehicles and when carrying proper and legal warning devices;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) a person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) a person while engaged exclusively in transporting fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) a person engaged in transporting property or freight, other than household goods and petroleum products in bulk, entirely

within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) a person engaged in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) ~~a person providing limousine service that is not regular route service in a passenger automobile that is not a van, and that has a seating capacity, excluding the driver, of not more than 12 persons;~~

~~(o)~~ passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the regional transit board.

Sec. 5. Minnesota Statutes 1990, section 221.091, is amended to read:

221.091 [LIMITATIONS.]

No provision in sections 221.011 to 221.291 and section 6 shall authorize the use by any carrier of any public highway in any city of the first class in violation of any charter provision or ordinance of such city in effect January 1, 1925, unless and except as such charter provisions or ordinance may be repealed after that date; nor shall sections 221.011 to 221.291 and section 6 be construed as in any manner taking from or curtailing the right of any city to reasonably regulate or control the routing, parking, speed or the safety of operation of a motor vehicle operated by any carrier under the terms of sections 221.011 to 221.291 and section 6, or the general police power of any such city over its highways; nor shall sections 221.011 to 221.291 and section 6 be construed as abrogating any provision of the charter of any such city requiring certain conditions to be complied with before such carrier can use the highways of such city and such rights and powers herein stated are hereby expressly reserved and granted to such city; but no such city shall prohibit or deny the use of the public highways within its territorial boundaries by any such carrier for transportation of passengers or property received within its boundaries to destinations beyond such boundaries, or for transportation of passengers or property from points beyond such boundaries to destinations within the same, or for transportation of passengers or property from points beyond such boundaries through such municipality to points beyond the boundaries of such municipality, where such operation is pursuant to a

certificate of convenience and necessity issued by the commission or to a permit issued by the commissioner under section 6.

Sec. 6. [221.85] [OPERATION OF LIMOUSINES.]

Subdivision 1. [DEFINITION.] "Limousine service" means a service that:

(1) is not provided on a regular route;

(2) is provided in an unmarked luxury passenger automobile that is not a van or station wagon and has a seating capacity of not more than 12 persons, excluding the driver;

(3) provides only prearranged pickup; and

(4) charges more than a taxicab fare for a comparable trip.

Subd. 2. [PERMIT REQUIRED; RULES.] No person may operate a for-hire limousine service without a permit from the commissioner. The commissioner shall adopt rules governing the issuance of permits for for-hire operation of limousines that include:

(1) annual inspections of limousines;

(2) driver qualifications, including requiring a criminal history check of drivers;

(3) insurance requirements in accordance with section 168.128;

(4) advertising regulation, including requiring a copy of the permit to be carried in the limousine and use of the words "licensed and insured";

(5) provisions for agreements with political subdivisions for sharing enforcement costs;

(6) issuance of temporary permits and temporary permit fees; and

(7) other requirements deemed necessary by the commissioner.

This section does not apply to limousines operated by persons meeting the definition of private carrier in section 221.011, subdivision 26.

Subd. 3. [PENALTIES.] The commissioner may issue an order requiring violations of statutes, rules, and local ordinances governing operation of limousines to be corrected and assessing monetary penalties up to $1,000. The commissioner may suspend or revoke a

permit for violation of applicable statutes and rules and, upon the request of a political subdivision, may immediately suspend a permit for multiple violations of local ordinances. The commissioner shall immediately suspend a permit for failure to maintain required insurance and shall not restore the permit until proof of insurance is provided. A person whose permit is revoked or suspended or who is assessed an administrative penalty may appeal the commissioner's action in a contested case proceeding under chapter 14.

Subd. 4. [PERMITS; DECALS.] (a) The commissioner shall design a distinctive decal to be issued to permit holders under this section. Each decal is valid for one year from the date of issuance. No person may operate a limousine that provides limousine service unless the limousine has such a decal conspicuously displayed.

(b) During the period July 1, 1991, to June 30, 1992, the fee for each decal issued under this section is $150. After June 30, 1992, the fee for each decal is $80. The fee for each permit issued under this section is $150. The commissioner shall deposit all fees under this section in the trunk highway fund.

Sec. 7. [APPROPRIATION.]

$75,000 for the fiscal year ending June 30, 1992, and $47,000 for the fiscal year ending June 30, 1993, is appropriated from the trunk highway fund to the commissioner of transportation for the purposes of section 6. The complement of the department of transportation in the fiscal year ending June 30, 1993, is increased by 1.5 positions."

Delete the title and insert:

"A bill for an act relating to transportation; regulating limousine service; adding identification to license plates; requiring the commissioner of transportation to adopt rules relating to limousine permits; appropriating money; amending Minnesota Statutes 1990, sections 168.011, subdivision 35; 168.128, subdivisions 2 and 3; 221.025; and 221.091; proposing coding for new law in Minnesota Statutes, chapter 221."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 761, A bill for an act relating to education; requiring the state board of technical colleges to develop training materials for people who provide services to people with developmental disabili-

ties; creating an advisory task force; requiring a report; appropriating money.

Reported the same back with the following amendments:

Page 1, line 16, delete "shall" and insert "may contract with state or private entities to"

Page 2, delete section 2

Amend the title as follows:

Page 1, line 2, delete "requiring" and insert "permitting"

Page 1, line 6, delete "; appropriating money"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1002, A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish a shallow rent subsidy program, a lease-purchase housing program and providing for a blighted property acquisition program, and a housing capital reserve program; changing eligibility requirements and allocation formulas for the community resource program; appropriating money; amending Minnesota Statutes 1990, sections 462A.05, by adding a subdivision; 466A.01, subdivision 2; 466A.02, subdivision 2; and 466A.05, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LANDLORD AND TENANT

Section 1. Minnesota Statutes 1990, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed

and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from *engaging or turning* over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized *management* agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 *to* ~~566.33~~ 566.35 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 2. Minnesota Statutes 1990, section 504.02, is amended to read:

504.02 [CANCELLATION OF LEASES IN CERTAIN CASES; ABANDONMENT OR SURRENDER OF POSSESSION.]

Subdivision 1. [ACTION TO RECOVER.] (a) In case of a lease of

real property, when the landlord has a subsisting right of reentry for the failure of the tenant to pay rent the landlord may bring an action to recover possession of the property and such action is equivalent to a demand for the rent and a reentry upon the property; but if, at any time before possession has been delivered to the plaintiff on recovery in the action, the lessee or a successor in interest as to the whole or any part of the property pays to the plaintiff or brings into court the amount of the rent then in arrears, with interest and costs of the action, and an attorney's fee not exceeding $5, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease.

(b) If the tenant has paid to the plaintiff or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney's fee required by this subdivision, the court may permit the defendant to pay these amounts into court and be restored to possession within the same period of time, if any, which the court stays the issuance of the writ of restitution pursuant to section 566.09.

(c) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 566.09 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(d) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.

Subd. 2. [LEASE GREATER THAN 20 YEARS.] (a) If the lease under which the right of reentry is claimed is a lease for a term of more than 20 years, reentry cannot be made into the land or such action commenced by the landlord unless, after default, the landlord shall serve upon the tenant, also upon all creditors having a lien of record legal or equitable upon the leased premises or any part thereof, a written notice that the lease will be canceled and terminated unless the payment or payments in default shall be made and the covenants in default shall be performed within 30 days after the service of such notice, or within such greater period as the lessor shall specify in the notice, and if such default shall not be removed within the period specified within the notice, then the right of reentry shall be complete at the expiration of the period and may be exercised as provided by law. If any such lease shall provide that the landlord, after default, shall give more then 30 days' notice in

writing to the tenant of the landlord intention to terminate the tenancy by reason of default in terms thereof, then the length of the notice to terminate shall be the same as provided for and required by the lease.

(b) As to such leases for a term of more than 20 years, if at any time before the expiration of six months after possession obtained by the plaintiff by abandonment or surrender of possession by the tenant or on recovery in the action, the lessee or a successor in interest as to the whole or part of the property, or any creditor having a lien legal or equitable upon the leased premises or any part thereof, pays to the plaintiff, or brings into court, the amount of rent then in arrears, with interest and the costs of the action, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease. The provisions of this section shall not apply to any action or proceeding now pending in any of the courts of this state.

Subd. 3. [JUDGMENT TO BE RECORDED.] Upon recovery of possession by the landlord in the action a certified copy of the judgment shall be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of such county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth such fact shall be recorded in a like manner and such recorded certified copy of such judgment or such recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by such landlord.

Sec. 3. Minnesota Statutes 1990, section 504.185, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or water to a building has issued a final notice or has posted the building proposing to disconnect or discontinued the service to the building because an owner who has contracted for the service has failed to pay for it or because an owner is required by law or contract to pay for the service and fails to do so, a tenant or group of tenants may pay to have the service continued or reconnected as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has

not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Sec. 4. Minnesota Statutes 1990, section 504.20, subdivision 3, is amended to read:

Subd. 3. Every landlord shall, within three weeks after termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and receipt of the tenant's mailing address or delivery instructions, return the deposit to the tenant, with interest thereon as above provided, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof. It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts reasonably necessary:

(a) To remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) To restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

In any action concerning the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of the deposit shall be on the landlord.

Sec. 5. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall be liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 6. [504.246] [TORT LIABILITY.]

A landlord is liable for damages for personal injury caused to a tenant, or others on the premises with the consent of the tenant, or a subtenant by a condition existing before or after the tenant took possession of the premises, which is a breach of an express covenant to repair or maintain the leased premises or is a breach of the covenants specified in section 504.18, subdivision 1, if:

(1) the condition created an unreasonable risk on the premises which performance of the landlord's covenants would have prevented;

(2) the landlord knew of the condition; and

(3) the landlord failed to perform the covenants.

The provisions of this section do not limit any rights or remedies a tenant otherwise has under another statute or in contract or tort at common law.

Sec. 7. *Minnesota Statutes* 1990, section 504.27, is amended to read:

504.27 [REMEDIES ARE ADDITIONAL.]

The remedies provided in sections 504.24 to 504.26 are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of sections 504.24 to 504.27 is waived by a tenant is contrary to public policy and void. The provisions of sections 504.24 to 504.27 *shall apply only to tenants* as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7. The provisions of sections 504.24, 504.25, 504.255, and 504.26 apply to

occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired.

ARTICLE 2

UNLAWFUL DETAINER

Section 1. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. The person entitled to the premises may recover possession in the manner provided in this section when:

(1) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the sale, ~~foreclosure~~ expiration of the time for redemption, or termination is a tenant, the person has received:

(i) at least one month's written notice ~~of the termination of tenancy as a result of~~ to vacate no sooner than one month after the sale, ~~foreclosure~~ expiration of the time for redemption, or termination; or ~~when~~

(ii) at least one month's written notice to vacate no later than the date of the sale, expiration of the time for redemption, or termination which notice shall also state that the sender will hold the tenant harmless from any damages caused to the tenant if no sale occurs, the mortgage is redeemed, or the contract is reinstated;

(2) any person holds over lands or tenements after termination of the time for which they are demised or let to that person or to the persons under whom that person holds possession, or contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or ~~when~~

(3) any tenant at will holds over after the determination of ~~any such~~ the estate by notice to quit; ~~in all such cases the person entitled to the premises may recover possession thereof in the manner hereinafter provided~~.

Sec. 2. Minnesota Statutes 1990, section 566.17, is amended by adding a subdivision to read:

Subd. 2a. In the second and fourth judicial districts, the housing calendar consolidation project shall retain jurisdiction in matters

relating to removal of property under this section. If the plaintiff refuses to return the property after proper demand is made as provided in section 504.24, the court shall enter an order requiring the plaintiff to return the property to the defendant and awarding reasonable expenses including attorney fees to the defendant.

Sec. 3. Minnesota Statutes 1990, section 566.175, subdivision 6, is amended to read:

Subd. 6. ~~The provisions of~~ This section ~~shall apply only~~ applies to:

(1) tenants as ~~that term is~~ defined in section 566.18, subdivision 2, and including occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired;

(2) buildings as that term is defined in section 566.18, subdivision 7; and

(3) landlords as the term "owner" is defined in section 566.18, subdivision 3, but also including mortgagees and contract for deed vendors.

Sec. 4. Minnesota Statutes 1990, section 566.18, subdivision 9, is amended to read:

Subd. 9. [NEIGHBORHOOD ORGANIZATION.] "Neighborhood organization" means a nonprofit corporation incorporated under chapter 317A that satisfies clauses (1) and (2).

The corporation shall:

(1) designate in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and

(2) be formed for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.

For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of the tenants of a majority of the occupied units.

Sec. 5. Minnesota Statutes 1990, section 566.19, subdivision 2, is amended to read:

Subd. 2. After an inspection of a building has been made upon demand by a tenant or neighborhood organization with the written permission of a tenant, the owner or the owner's agent and the complaining tenant or neighborhood organization shall be informed in writing by the inspector of any code violations discovered and a reasonable period of time shall be allowed in which to correct the violations. If any code violations are discovered in the common areas of the building and the owner fails to correct them within the time allowed, the inspector shall, in addition, provide written notice of such violations to all tenants in the building. Any such notice provided by the inspector shall state that if the violations are not corrected any tenant, neighborhood organization with the written permission of a tenant, or if the building is unoccupied, a neighborhood organization, may commence an action under sections 566.18 to 566.33 to correct the violations and shall also state the relief available under section 566.25.

Sec. 6. Minnesota Statutes 1990, section 566.205, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] A person authorized to bring an action under section 566.20 may petition the court for relief in cases of condemnation of the building or dwelling or service of a notice of intent to condemn the building or dwelling, or emergency involving the loss of running water, hot water, heat, electricity, sanitary facilities, or other essential services or facilities that the owner is responsible for providing.

Sec. 7. Minnesota Statutes 1990, section 566.205, subdivision 3, is amended to read:

Subd. 3. [PETITION INFORMATION.] The petitioner shall present a verified petition to the district court that states the following:

(1) a description of the premises and the identity of the owner;

(2) a statement of the facts and grounds that demonstrate the existence of condemnation of the building or dwelling or service of notice of intent to condemn the building or dwelling, or an emergency caused by the loss of essential services or facilities; and

(3) a request for relief.

Sec. 8. Minnesota Statutes 1990, section 566.205, subdivision 4, is amended to read:

Subd. 4. [NOTICE.] The petitioner shall attempt to notify the owner, at least 24 hours before application to the court, of the petitioner's intent to seek emergency relief. The petitioner shall

attempt to give the same notice to the applicable unit of government if relief from condemnation is sought under section 566.25, paragraph (f). An order may be granted without notice to the owner or applicable unit of government on finding that reasonable efforts, as set forth in the petition or by separate affidavit, were made to notify the owner but that the efforts were unsuccessful.

Sec. 9. Minnesota Statutes 1990, section 566.21, subdivision 2, is amended to read:

Subd. 2. The summons and complaint shall be served upon the owner or the owner's agent, and upon the applicable unit of government if relief from condemnation is sought under section 566.25, paragraph (f), at least five and not more than ten days before the time at which the complaint is to be heard. Service shall be by personal service upon the defendant pursuant to the Minnesota rules of civil procedure except that if such service cannot be made with due diligence, service may be made by affixing a copy of the summons and complaint prominently to the building involved, and mailing at the same time a copy of the summons and complaint by certified mail to the last known address of the defendant.

Sec. 10. Minnesota Statutes 1990, section 566.25, is amended to read:

566.25 [JUDGMENT.]

Upon finding the complaint proved, the court may, in its discretion, do any or all of the following, either alone or in combination:

(a) Order the owner to remedy the violation or violations found by the court to exist if the court is satisfied that corrective action will be undertaken promptly; or

(b) Order the tenant to remedy the violation or violations found by the court to exist and deduct the cost from the rent subject to the terms as the court determines to be just; or

(c) Appoint an administrator with powers as set out in section 566.29, and

(1) direct that rents due:

(i) on and from the day of entry of judgment, in the case of petitioning tenants or neighborhood organizations, and

(ii) on and from the day of service of the judgment on all other tenants and commercial tenants of the building, if any, shall be deposited with the administrator appointed by the court, and

(2) direct that the administrator use the rents collected for the purpose of remedying the violations found to exist by the court paying the debt service, taxes and insurance, and providing the services necessary to the ordinary operation and maintenance of the building which the owner is obligated to provide but fails or refuses to provide; or

(d) Find the extent to which any uncorrected violations impair the tenants' use and enjoyment of the premises contracted for and order the rent abated accordingly. Should the court choose to enter judgment under this paragraph the parties shall be informed and the court shall find the amount by which the rent shall be abated;

(e) After termination of administration, continue the jurisdiction of the court over the building for a period of one year and order the owner to maintain the building in compliance with all applicable state, county, and city health, safety, housing, building, fire prevention, and housing maintenance codes; ~~and~~

(f) Order the applicable unit of government to stay condemnation of the building or dwelling if other relief ordered by the court will correct the violations giving rise to the condemnation or notice of intent to condemn within a reasonable time considering the nature and extent of the violations; or

(g) Grant any other relief the court deems just and proper, including a judgment against the owner for reasonable attorney fees, not to exceed $500, in the case of a prevailing tenant or neighborhood organization. The $500 limitation does not apply to awards made under section 549.21 or other specific statutory authority.

Sec. 11. Minnesota Statutes 1990, section 566.29, subdivision 2, is amended to read:

Subd. 2. Such person or neighborhood organization shall post bond to the extent of the rents expected by the court to be necessary to be collected to correct the violation or violations. Administrators appointed from the governmental agencies shall not be required to give bond.

Sec. 12. Minnesota Statutes 1990, section 566.29, subdivision 4, is amended to read:

Subd. 4. [POWERS.] The administrator is authorized to:

(a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other cause, enter into leases for vacant dwelling units, rent vacant commercial units with the consent of the owner and exercise all

other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the court to exist and for the rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the ~~premise~~ premises to secure funds to the extent necessary to cover the cost of materials, labor, and services, including reasonable fees for the administrator's services, necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the federal or state governing body or the municipality to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and pay for them from funds derived from ~~the municipal sources~~ this source. The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special assessments made for other purposes under state statute or municipal charter.

Sec. 13. Minnesota Statutes 1990, section 566.34, subdivision 2, is amended to read:

Subd. 2. [ESCROW OF RENT.] If a violation exists in a building, a tenant may deposit the amount of rent due to the owner with the court administrator using the following procedure:

(a) For a violation of section 566.18, subdivision 6, clause (a), the tenant may deposit with the court administrator the rent due the owner along with a copy of the written notice of the code violation as

provided in section 566.19, subdivision 2. The tenant may not deposit the rent or file the written notice of the code violation until the time granted to make repairs has expired without satisfactory repairs being made, unless the tenant alleges that the time granted is excessive.

(b) For a violation of section 566.18, subdivision 6, clause (b) or (c), the tenant must give written notice to the owner specifying the violation. The notice must be delivered personally or sent to the person or place where rent is normally paid. If the violation is not corrected within 14 days, the tenant may deposit the amount of rent due to the owner with the court administrator along with an affidavit specifying the violation. The court must provide a simplified form affidavit for use under this clause.

(c) The tenant need not deposit rent if none is due to the owner at the time the tenant otherwise files the notice required by this subdivision. All rent which thereafter becomes due to the owner prior to the hearing under this section must be deposited with the court administrator. As long as proceedings are pending under this section, the tenant must pay rent to the owner or as directed by the court and may not withhold rent to remedy a violation.

Sec. 14. [609.606] [UNLAWFUL OUSTER OR EXCLUSION.]

A landlord, agent of the landlord, or person acting under the landlord's direction or control who unlawfully and intentionally removes or excludes a tenant from lands or tenements or intentionally interrupts or causes the interruption of electrical, heat, gas, or water services to the tenant with intent to unlawfully remove or exclude the tenant from lands or tenements is guilty of a misdemeanor.

Sec. 15. [FEE STUDY.]

The state court administrator shall study and report to the legislature by February 1, 1993, on the fiscal and caseflow impact of court fee and fee refund alternatives designed to facilitate the retention of affordable housing by low-income clients while protecting the rights of landlords. In conducting this study, the state court administrator shall consult with representatives of courts, landlords, and tenants who might be affected by any proposed change in collection or fee refunds.

ARTICLE 3

STATE HOUSING PROGRAMS

Section 1. Minnesota Statutes 1990, section 116C.04, is amended by adding a subdivision to read:

Subd. 11. The environmental quality board shall coordinate the implementation of an interagency compliance with existing state and federal lead regulations and report to the legislature by January 31, 1992, on the changes in programming needed to comply.

Sec. 2. [116K.15] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 2 to 8, the following terms have the meanings given them.

Subd. 2. [ADVISORY COMMITTEE.] "Advisory committee" means the committee established in section 4.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of the state planning agency.

Subd. 4. [ELIGIBLE ORGANIZATION.] "Eligible organization" means a nonprofit organization run by or for the homeless that has representation by homeless or formerly homeless persons on its governing board and can demonstrate an ability to design a program to provide homeownership opportunities for homeless persons with education and training services for homeless adults.

Subd. 5. [HOMELESS INDIVIDUAL; HOMELESS PERSON.] "Homeless individual" or "homeless person" is defined in the Stewart B. McKinney Homeless Assistance Act of 1987, and means:

(1) residents of overnight shelters;

(2) residents of battered women shelters and safe homes;

(3) persons who are inappropriately doubled up;

(4) migrant or seasonal farm workers;

(5) persons residing in transitional housing;

(6) persons residing in detoxification centers who do not have permanent addresses; and

(7) persons residing outside, in cars, or in abandoned buildings.

The term homeless individual does not include any individual imprisoned or otherwise detained under federal or state law.

Subd. 6. [VERY LOW INCOME.] "Very low income" means incomes that are at or less than 50 percent of the median income for the seven-county metropolitan area.

Sec. 3. [116K.16] [PLANNING AND DEMONSTRATION GRANTS.]

The commissioner shall make planning and demonstration grants to eligible organizations for programs to provide homeownership opportunities, education and training, or services to homeless adults. The programs are to include a work experience component with work projects that result in the rehabilitation or construction of residential units for the homeless. To the extent possible, the program should coordinate the use of resources from existing housing and homeless programs. Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant.

Sec. 4. [116K.17] [ADVISORY COMMITTEE.]

The commissioner may establish an 11-member advisory committee under section 15.059 to assist the commissioner in selecting eligible organizations to receive planning grants, evaluating the final reports of each organization, and providing recommendations to the legislature. Members of the committee may be reimbursed for expenses but may not receive any other compensation for service on the committee. The advisory committee consists of representatives of the commissioners of human services and jobs and training; a representative of the chancellor of vocational education; a representative of the commissioner of the housing finance agency; and seven public members appointed by the governor. Each of the following groups must be represented by a public member: labor organizations, local housing developers, representatives from homeless organizations, and homeless or formerly homeless persons. At least three of the public members must be from outside of the seven-county metropolitan area as defined in section 473.121, subdivision 2. The commissioner may provide staff to the advisory committee to assist it in carrying out its purpose.

Sec. 5. [116K.18] [PROGRAM; PURPOSE AND DESIGN.]

Subdivision 1. [PROGRAM PURPOSE.] The grants awarded under section 3 are for the design of a program to coordinate existing housing resources and programs to provide homeownership opportunities for homeless adults and families, promote individual stability and responsibility of homeless adults through training for jobs that pay a living wage, job placement, life skills development, and access to community support services including, but not limited to, health services, counseling, and drug rehabilitation. Each program

must include a work experience and training component, job skills component, and life skills component.

Subd. 2. [WORK EXPERIENCE AND TRAINING COMPONENT.] A work experience and training component must provide vocational skill training in an industry where there are potential opportunities for jobs that pay a living wage. A monetary compensation may be provided to program participants. The compensation must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in the expansion of residential units for homeless persons and very low-income individuals and families. Work must be done under the direct supervision of certified or licensed individuals skilled in each specific trade or vocation. Craft work must be done under the supervision of persons who have completed a state approved registered apprenticeship in the craft work being supervised. The program design must identify areas of need for trained workers to perform tasks such as lead abatement, and work with appropriate agencies and certified or licensed workers to develop training methods. The program design must include an examination of how program participants may achieve certification as a part of the work experience and training component by entering licensing, apprenticeship, or other educational programs.

Subd. 3. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component must be included in each program design. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will be able to compete in the employment market.

Subd. 4. [LIFE SKILLS COMPONENT.] A life skills component must be included in each program design. The component must include mentoring to develop homeownership skills, and offer or coordinate participation in parenting and citizenship classes and leadership development to encourage community involvement and responsibility.

Sec. 6. [116K.19] [HOUSING FOR HOMELESS.]

Subdivision 1. [REQUIREMENT.] The work experience component in section 5 must include work projects that provide residential units through construction or rehabilitation for the homeless and families of very low income.

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the employment and training program must be allocated in the following order:

(1) homeless families with at least one dependent;

(2) homeless persons who have worked on the rehabilitation;

(3) other homeless individuals;

(4) other very low-income families and individuals; and

(5) families or individuals that receive public assistance and that do not qualify in any other priority group.

Subd. 3. [ACQUISITION OF HOUSING UNITS.] The program design must include an examination of the means of acquiring property or buildings for the construction or rehabilitation of residential units at the lowest possible cost. The examination must include the review of possible sources of property and funding through federal, state, or local agencies, including the federal Department of Housing and Urban Development and Farmers Home Administration, the housing finance agency, and the local housing authority.

Subd. 4. [MANAGEMENT OF RESIDENTIAL UNITS.] The program design must address how to manage these residential units, including the source of financing for the maintenance costs of the buildings. Any management plan must include the participation of the residents and local established neighborhood groups.

Sec. 7. [REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.] An organization that is awarded a planning grant under section 3 shall prepare and submit a report to the commissioner by January 15, 1992. The report must address each of the following:

(1) the method for encouraging the participation of the targeted youth in the geographic area surrounding the organization receiving the grant;

(2) the type and degree of work experience that program participants must participate in, including real work experience in both vocational and nonvocational settings;

(3) the amount of monetary compensation that each participant should receive while participating in the work experience component. The monetary compensation must reflect the prevailing rate of wages unless a participant's receipt of public assistance is affected. Any contracted or subcontracted work must be subject to the prevailing wage rate under section 177.42. Prevailing wage for the construction crafts is the amount registered with the Minnesota department of labor. Nonconstruction jobs will be paid at the local market standard for each job type. Compensation should be structured to include incentives for progress toward increasing job skills and continued training;

(4) the identification and means of providing the necessary job readiness skills so that program participants who have completed the work experience and educational components of the program may have the ability to compete in the employment market;

(5) the methods that may be used to assist in placing program participants in suitable employment;

(6) a plan for evaluating the program, including the necessary data elements that must be collected from program participants;

(7) the identification of existing public and private programs that may be coordinated by the program to avoid duplication of services;

(8) the identification of regional characteristics that may affect the operation of the program in the specified region where the organization is located;

(9) cost estimates for each of the components of the program; and

(10) the identification of funding sources other than state appropriations that may be used to support the program.

Sec. 8. [REPORT.]

The commissioner shall prepare and submit a report to the legislature and the governor by February 15, 1992, that outlines the various program designs submitted by the organizations that received planning grants. The report must also include recommendations on which components of the program design are most suitable to meeting the needs of homeless adults for homeownership opportunities. The advisory committee must participate in the preparation of this report and in the formulation of the recommendations.

Sec. 9. Minnesota Statutes 1990, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] "Abatement" means removal or encapsulation of paint, bare soil, dust, drinking water, or other materials that are ~~sources~~ readily accessible and pose an immediate threat of actual lead exposure to people. The abatement rules to be adopted under section 144.878, subdivision 2, shall apply as described in section 144.874.

Sec. 10. Minnesota Statutes 1990, section 144.871, subdivision 7, is amended to read:

Subd. 7. [ENCAPSULATION.] "Encapsulation" means covering, sealing, painting, resurfacing to make smooth before repainting, or containment of a source of lead ~~exposure to people~~.

Sec. 11. [144.8721] [LEAD-RELATED CONTRACTS FOR FISCAL YEARS 1992 AND 1993.]

For fiscal years 1992 and 1993, the commissioner shall conduct, or contract with boards of health to conduct, assessments to determine sources of lead contamination in the residences of children and pregnant women whose blood levels exceed ten micrograms per deciliter. For fiscal years 1992 and 1993, the commissioner shall also provide, or contract with boards of health to provide, education on ways of reducing the danger of lead contamination.

Sec. 12. Minnesota Statutes 1990, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner confirmed blood lead results of at least five micrograms per deciliter. Boards of health must report to the commissioner the results of analyses from residential samples of paint, bare soil, dust, and drinking water that show lead in concentrations greater than or equal to the lead standards adopted by permanent rule under section 144.878~~, subdivision 2, paragraphs (a) and (c)~~. The commissioner shall require other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public, including the date of the test and the address of the patient.

Sec. 13. Minnesota Statutes 1990, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct a timely assessment of a residence to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood; or

(2) a child in the residence is identified as having an elevated blood lead level. If a child regularly spends several hours per day at another residence, such as a residential child care facility, the board of health must also assess the other residence.

(b) The board of health must conduct the residential assessment according to rules adopted by the commissioner according to section 144.878~~, subdivision 1~~.

Sec. 14. Minnesota Statutes 1990, section 144.874, subdivision 2, is amended to read:

Subd. 2. [RESIDENTIAL LEAD ASSESSMENT GUIDE.] (a) The commissioner of health shall develop or purchase a residential lead assessment guide that enables parents to assess the possible lead sources present and that suggests actions.

(b) A board of health must provide the residential lead assessment guide to:

(1) parents of children who are identified as having blood lead levels of at least ten micrograms per deciliter; and

(2) property owners and occupants who are issued housing code orders requiring disruption of lead sources.

(c) A board of health must provide the residential lead assessment guide on request to owners or tenants of residential property within the jurisdiction of the board of health.

Sec. 15. Minnesota Statutes 1990, section 144.874, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT ORDERS.] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878~~, subdivision 2, paragraph (a),~~ at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. Abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. With each abatement order, the board of health must provide a residential lead abatement guide. The guide must be developed or purchased by the commissioner and must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the property owner to either perform the abatement or to intelligently select an abatement contractor.

Sec. 16. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 8. [AUTHORITY OF COMMISSIONER.] The commissioner may carry out the duties assigned to boards of health in subdivisions 1 to 6 of this section.

Sec. 17. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 9. [PRIMARY PREVENTION.] Although children who are found to already have elevated blood lead levels must have the highest priority for intervention, the commissioner shall pursue

primary prevention of lead poisoning within the limits of appropriations.

Sec. 18. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 10. [REGISTERED CONTRACTORS.] State subsidized lead abatement shall be conducted by registered lead abatement contractors.

Sec. 19. Minnesota Statutes 1990, section 144.874, is amended by adding a subdivision to read:

Subd. 11. [VOLUNTARY ABATEMENT.] The commissioner shall enforce the rules under section 144.878 in cases of voluntary lead abatement.

Sec. 20. [268.44] [EMERGENCY MORTGAGE AND RENTAL ASSISTANCE PILOT PROJECT.]

Subdivision 1. [ADMINISTRATION.] The commissioner of jobs and training shall administer an emergency mortgage and rental assistance pilot project for individuals who are in danger of losing their housing as a result of having insufficient income to allow payment of their rental or mortgage costs. "Eligible project participants" are individuals ineligible for emergency assistance or general assistance for housing whose income does not exceed 80 percent of the area median income at the time of application to the project. No individual or family may receive more than six months of rental or mortgage assistance or $2,000, whichever is less. The commissioner of jobs and training may establish eligibility priorities for emergency rental or mortgage assistance among the categories of persons needing assistance, including persons subject to eviction for nonpayment of rent or foreclosure for nonpayment of mortgage installments or property taxes, when nonpayment is attributable to illness, unanticipated unemployment, underemployment, or any other failure of resources beyond the person's control.

Subd. 2. [LOCAL RESPONSIBILITIES.] The commissioner of jobs and training must disburse funds to local agencies responsible for the distribution of emergency assistance. The local agencies may distribute funds to landlords and mortgage holders of eligible project participants and may determine the amount of assistance on a case-by-case basis. Local agencies must provide program participants with case management services, referral services relating to housing, and other resources and programs that may be available to them.

Subd. 3. [MORTGAGE ASSISTANCE.] Eligible homeowners at risk of losing their housing as a result of a short-term disruption or

decrease in income may receive monthly mortgage or mortgage arrears assistance interest-free loans. To qualify for assistance, a homeowner must be at least two months delinquent on home mortgage payments. The local distributing agency must determine repayment schedules on a case-by-case basis. If the homeowner sells the house within five years of receiving assistance, net proceeds from the sale must be applied to the mortgage assistance loan. The commissioner of jobs and training must inform mortgagees of the mortgage assistance project.

Subd. 4. [RENTAL ASSISTANCE.] Eligible applicants who are in danger of losing their housing may receive monthly rental or rental arrears assistance payments. Monthly rental assistance payments may not exceed the fair market value of the rental housing unit. Persons may be required to repay the rental assistance based on their financial ability to pay, as determined by the local distributing agency.

Subd. 5. [SECURITY DEPOSIT ASSISTANCE.] Project money may be used for security deposits on rental housing. Persons may be required to repay security deposit assistance based on their financial ability to pay, as determined by the local distributing agency.

Sec. 21. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 15c. [RESIDENTIAL LEAD ABATEMENT.] It may make or purchase loans or grants for the abatement of hazardous levels of lead paint in residential buildings and lead contaminated soil on the property of residential buildings occupied by low- and moderate-income persons. Hazardous levels are as determined by the department of health or the pollution control agency. The agency must establish grant criteria for a residential lead paint and lead contaminated soil abatement program, including the terms of loans and grants under this section, a maximum amount for loans or grants, eligible owners, eligible contractors, and eligible buildings. The agency may make grants to cities, local units of government, registered lead abatement contractors, and nonprofit organizations for the purpose of administering a residential lead paint and contaminated lead soil abatement program. No loan or grant may be made for lead paint abatement for a multifamily building which contains substantial housing maintenance code violations unless the violations are being corrected in conjunction with receipt of the loan or grant under this section. The agency must establish standards for the relocation of families where necessary and the payment of relocation expenses. To the extent possible, the agency must coordinate loans and grants under this section with existing housing programs.

The agency, in consultation with the department of health, shall report to the legislature by January 1993 on the costs and benefits

of subsidized lead abatement and the extent of the childhood lead exposure problem. The agency shall review the effectiveness of its existing loan and grant programs in providing funds for residential lead abatement and report to the legislature with examples, case studies and recommendations.

Sec. 22. Minnesota Statutes 1990, section 462A.21, is amended by adding a subdivision to read:

Subd. 16. [RESIDENTIAL LEAD PAINT AND LEAD CONTAMINATED SOIL ABATEMENT.] It may make loans or grants for the purpose of the abatement of hazardous levels of lead paint in residential buildings and lead contaminated soil under section 462A.05, subdivision 15c, and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 23. Minnesota Statutes 1990, section 504.33, subdivision 3, is amended to read:

Subd. 3. [DISPLACE.] "Displace" means to demolish, acquire for or convert to a use other than low-income housing, or to provide or spend money that directly results in the demolition, acquisition, or conversion of housing to a use other than low-income housing.

"Displace" does not include providing or spending money that directly results in: (i) housing improvements made to comply with health, housing, building, fire prevention, housing maintenance, or energy codes or standards of the applicable government unit; (ii) housing improvements to make housing more accessible to a handicapped person; ~~or~~ (iii) the demolition, acquisition, or conversion of housing for the purpose of creating owner-occupied housing that consists of no more than four units per structure; or (iv) demolition, acquisition, or conversion of owner-occupied housing by cities of the first class as defined in section 410.01.

Sec. 24. Minnesota Statutes 1990, section 504.33, subdivision 5, is amended to read:

Subd. 5. [LOW-INCOME HOUSING.] "Low-income housing" means rental housing with a rent less than or equal to ~~30 percent of 50 percent of the median income for the county~~ the fair market rent level as defined by the Department of Housing and Urban Development in which the rental housing is located, adjusted by size; or owner-occupied housing with an estimated market value less than one-half of the median estimated market value for owner-occupied housing for the county or metropolitan statistical area in which the owner-occupied housing is located. "Low-income housing" also includes ~~rental housing~~ buildings as defined by section 566.18, subdivision 7, that ~~has~~ have been vacant for less than two years, that contain rental or owner-occupied housing that was low-income

housing when it was last occupied, and that ~~is~~ have not been condemned as being unfit for human habitation by the applicable government unit.

Sec. 25. Minnesota Statutes 1990, section 504.33, subdivision 7, is amended to read:

Subd. 7. [REPLACEMENT HOUSING.] "Replacement housing" means ~~rental~~ housing that ~~is~~:

(1) ~~the lesser of (i) the~~ is sufficient in number and ~~corresponding~~ size ~~of~~ to house no fewer than the number of occupants who could have been housed in the displaced low-income housing ~~units displaced, or (ii) sufficient in number and corresponding size of those low-income housing units displaced to meet the demand for those units~~;

(2) is low-income housing for the greater of 15 years or the compliance period of the federal low-income housing tax credit under United States Code, title 26, section 42(i)(1), as amended. This section does not prohibit increases in rent to cover operating expenses;

(3) in the case of owner-occupied housing, affordable to persons whose income is less than or equal to 80 percent of the median income for the metropolitan statistical area in which the replacement owner-occupied housing is located;

(4) is in at least standard condition; ~~and~~

~~(4)~~ (5) is located in the neighborhood of the city where the displaced low-income housing ~~units were~~ located to the extent possible, except where the land is zoned industrial or there is insufficient vacant or underutilized land for development or no vacant buildings as defined by section 566.18, subdivision 7, for redevelopment in the neighborhood;

(6) has a preference for persons who occupied low-income housing that was displaced, who have resided in the neighborhood of the city where the displaced low-income housing was located, or who qualify for a preference under United States Code, title 42, section 1437(c)(4)(A); and

(7) in a city of the first class outside the metropolitan area as defined by section 473.121, subdivision 2, replacement housing can be used to achieve economic integration as described in the city plan.

Replacement housing may be provided as newly constructed housing, or rehabilitated or rent subsidized existing housing that

does not already qualify as low-income housing. Low-income housing designated as replacement housing for low-income housing displaced in one year cannot be designated as replacement housing for low-income housing displaced in another year.

Sec. 26. Minnesota Statutes 1990, section 504.34, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] The draft and final annual housing impact reports must include:

(1) identification of each low-income housing unit that was displaced in the previous year in the city where housing was displaced by the government unit, including the unit's address, size, and rent; the number of persons who could have occupied the unit; the condition the unit was in, and whether it was habitable at the time of displacement; the owner of the unit; whether it was owner occupied; and how and when it was displaced;

(2) identification of the cities and neighborhoods where occupants of displaced low-income housing moved immediately following displacement;

(3) identification of each unit of replacement housing provided in the previous year in the city, including the unit's address, size, and rent; the number of persons who could occupy the unit; the owner of the unit; whether it is owner occupied; and an identification of the displaced low-income housing unit that was replaced by the unit of replacement housing;

~~(3)~~ (4) identification of the cities and neighborhoods where occupants of replacement housing resided immediately before moving into replacement housing;

(5) analysis of the supply of and demand for all sizes of low-income housing units, by size and rent, in the city;

~~(4)~~ (6) determination of whether there is an adequate supply of available and unoccupied low-income housing units to meet the demand for all sizes of low-income housing, by size and rent, in the city where housing has been displaced by the government unit;

~~(5)~~ (7) estimation of the cost of providing replacement housing for low-income housing not in adequate supply to meet the demand for all sizes of low-income housing, by size and rent, in the city where housing has been displaced by the government unit; and

~~(6)~~ (8) analysis of the government unit's compliance with the replacement plans of previous housing annual impact reports and project housing impact statements.

Sec. 27. Minnesota Statutes 1990, section 504.34, subdivision 5, is amended to read:

Subd. 5. [NOTICE; REQUEST FOR COMMENTS.] A government unit subject to this section must provide for public input in preparing the annual housing impact report, including a public comment period and a public hearing. The government unit must publish notice of its draft annual housing impact report in a newspaper of general circulation in the city by the deadline for completion of the draft annual housing impact report. The notice must include a request for comments on the draft annual housing impact report within the 30 days following the notice, and the date, time, and location of the public hearing on the draft annual housing impact report, to be held within 15 to 30 days following the date of notice. Copies of the notice, a summary of the findings of the report, and the list of persons and organizations receiving the notice and draft report must be sent to the neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, ~~and~~ legal aid offices in the city where the displaced low-income housing was located. ~~Copies of the notice and the draft annual housing impact report must be submitted to,~~ the state planning agency, and the Minnesota housing finance agency.

Sec. 28. Minnesota Statutes 1990, section 504.34, subdivision 6, is amended to read:

Subd. 6. [FINAL ANNUAL HOUSING IMPACT REPORT.] In preparing and approving a final annual housing impact report, a government unit subject to this section must consider comments received during the comment period and at the public hearing on the draft report. The final report shall be prepared within 30 days following the deadline for receipt of comments on the draft annual housing impact report. The final annual housing impact report must include all written comments and a summary of oral comments on the draft housing impact report and a response to the comments. The government unit shall publish notice of the final annual housing impact report in a newspaper of general circulation in the city. Copies of the notice and a summary of the findings of the final annual housing impact report must be sent to neighborhood and citizen participation organizations, district planning councils, housing referral and information services, shelters, homeless and tenants advocacy groups, ~~and~~ legal aid offices in the city where the displaced low-income housing was located. ~~Copies of the notice and the draft annual housing impact report must be submitted to,~~ the state planning agency, and the Minnesota housing finance agency.

ARTICLE 4

YOUTH EMPLOYMENT

Section 1. Minnesota Statutes 1990, section 268.362, is amended to read:

268.362 [GRANTS.]

Subdivision 1. [GENERALLY.] The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience to at-risk targeted youth who have not been served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation or construction of residential units for the homeless. Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Subd. 2. [GRANT APPLICATIONS; AWARDS.] Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant. The total grant award for any program may not exceed $50,000 per year. In awarding grants, the commissioner must give priority to (1) organizations that are operating or have operated successfully a program; and (2) to distributing programs throughout the state. To receive a grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner must verify that the eligible organization has matched the grant money.

Sec. 2. Minnesota Statutes 1990, section 268.364, subdivision 4, is amended to read:

Subd. 4. [JOB READINESS SKILLS COMPONENT.] A job readiness skills component must ~~be included in~~ comprise at least 20 percent of each program. The component must provide program participants with job search skills, placement assistance, and other job readiness skills to ensure that participants will have an understanding of the building trades, unions, self-employment, and other employment opportunities and be able to compete in the employment market.

Sec. 3. Minnesota Statutes 1990, section 268.365, subdivision 2, is amended to read:

Subd. 2. [PRIORITY FOR HOUSING.] Any residential units that become available through the program must be allocated in the following order:

(1) homeless individuals who have participated in constructing, rehabilitating, or improving the unit;

(2) homeless families with at least one dependent;

~~(2)~~ (3) other homeless individuals;

~~(3)~~ (4) other very low income families and individuals; and

~~(4)~~ (5) families or individuals that receive public assistance and that do not qualify in any other priority group.

ARTICLE 5

ASSIGNMENT OF RENTS AND RECEIVERSHIP

Section 1. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, ~~shall be~~ or fails to transfer or return a deposit as required under subdivision 5, is liable to the tenant or the successor in interest for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 2. Minnesota Statutes 1990, section 504.20, subdivision 5, is amended to read:

Subd. 5. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, within ~~a reasonable time~~ 60 days of termination of the interest or when the successor in interest is required to return or otherwise account for the deposit to the tenant, whichever occurs first, do one of the following acts, either of which shall relieve the landlord or agent of further liability with respect to such deposit:

(a) Transfer such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the landlord's successor in interest and thereafter notify the tenant of such transfer and of the transferee's name and address; or

(b) Return such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the tenant.

Sec. 3. Minnesota Statutes 1990, section 504.20, subdivision 7, is amended to read:

Subd. 7. The bad faith retention by a landlord of ~~the~~ a deposit, the

interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed $200 for each deposit in addition to the damages provided in subdivision 4. If the landlord has failed to comply with the provisions of subdivision 3 or 5, retention of ~~the~~ a deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 4. Minnesota Statutes 1990, section 559.17, subdivision 2, is amended to read:

Subd. 2. A mortgagor may assign, as additional security for the debt secured by the mortgage, the rents and profits from the mortgaged real property, if the mortgage:

(1) Was executed, modified or amended subsequent to August 1, 1977;

(2) Secured an original principal amount of ~~$500,000~~ $100,000 or more or is a lien upon residential real estate containing more than four dwelling units; and

(3) Is not a lien upon property which was entirely homesteaded ~~as~~, residential real estate containing four or less dwelling units where at least one of the units is homesteaded, or agricultural property. The assignment may be enforced as follows:

(a) If, by the terms of an assignment, a receiver is to be appointed upon the occurrence of some specified event, and a showing is made that the event has occurred, the court shall, without regard to waste, adequacy of the security, or solvency of the mortgagor, appoint a receiver who shall, with respect to the excess cash remaining after application as provided in section 576.01, subdivision 2, apply it as prescribed by the assignment. If the assignment so provides, the receiver shall apply the excess cash in the manner set out herein from the date of appointment through the entire redemption period from any foreclosure sale. Subject to the terms of the assignment, the receiver shall have the powers and duties as set forth in section 576.01, subdivision 2~~.~~; or

(b) If no provision is made for the appointment of a receiver in the assignment or if by the terms of the assignment a receiver may be appointed, the assignment shall be binding upon the assignor unless or until a receiver is appointed without regard to waste, adequacy of the security or solvency of the mortgagor, but only in the event of default in the terms and conditions of the mortgage, and only in the event the assignment requires the holder thereof to first apply the rents and profits received as provided in section 576.01, subdivision 2, in which case the same shall operate against and be binding upon the occupiers of the premises from the date of filing by the holder of the assignment in the office of the county recorder or the office of the

registrar of titles for the county in which the property is located of a notice of default in the terms and conditions of the mortgage and service of a copy of the notice upon the occupiers of the premises. The holder of the assignment shall apply the rents and profits received in accordance with the terms of the assignment, and, if the assignment so provides, for the entire redemption period from any foreclosure sale. A holder of an assignment who enforces it in accordance with this clause shall not be deemed to be a mortgagee in possession with attendant liability.

Nothing contained herein shall prohibit the right to reinstate the mortgage debt granted pursuant to section 580.30, nor the right to redeem granted pursuant to sections 580.23 and 581.10, and any excess cash, as that term is used herein, collected by the receiver under clause (a), or any rents and profits taken by the holder of the assignment under clause (b), shall be credited to the amount required to be paid to effect a reinstatement or redemption.

Sec. 5. Minnesota Statutes 1990, section 576.01, subdivision 2, is amended to read:

Subd. 2. A receiver shall be appointed in the following case:

After the first publication of notice of sale for the foreclosure of a mortgage pursuant to chapter 580, or with the commencement of an action to foreclose a mortgage pursuant to chapter 581, and during the period of redemption, if the mortgage being foreclosed secured an original principal amount of ~~$500,000~~ $100,000 or more or is a lien upon residential real estate containing more than four dwelling units and was not a lien upon property which was entirely homesteaded, residential real estate containing four or less dwelling units where at least one unit is homesteaded, or agricultural property, the foreclosing mortgagee or the purchaser at foreclosure sale may at any time bring an action in the district court of the county in which the mortgaged premises or any part thereof is located for the appointment of a receiver; provided, however, if the foreclosure is by action under chapter 581, a separate action need not be filed. Pending trial of the action on the merits, the court may make a temporary appointment of a receiver following the procedures applicable to temporary injunctions under the rules of civil procedure. If the motion for temporary appointment of a receiver is denied, the trial of the action on the merits shall be held as early as practicable, but not to exceed 30 days after the motion for temporary appointment of a receiver is heard. The court shall appoint a receiver upon a showing that the mortgagor has breached a covenant contained in the mortgage relating to any of the following:

(1) Application of tenant security deposits as required by section 504.20;

(2) Payment when due of prior or current real estate taxes or

special assessments with respect to the mortgaged premises, or the periodic escrow for the payment of the taxes or special assessments;

(3) Payment when due of premiums for insurance of the type required by the mortgage, or the periodic escrow for the payment of the premiums;

(4) Keeping of the covenants required of a lessor or licensor pursuant to section 504.18, subdivision 1.

The receiver shall be an experienced property manager. The court shall determine the amount of the bond to be posted by the receiver.

The receiver shall collect the rents, profits and all other income of any kind, manage the mortgaged premises so to prevent waste, execute leases within or beyond the period of the receivership if approved by the court, pay the expenses listed in clauses (1), (2), and (3) in the priority as numbered, pay all expenses for normal maintenance of the mortgaged premises and perform the terms of any assignment of rents which complies with section 559.17, subdivision 2. Reasonable fees to the receiver shall be paid prior thereto. The receiver shall file periodic accountings as the court determines are necessary and a final accounting at the time of discharge.

The purchaser at foreclosure sale shall have the right, at any time and without limitation as provided in section 582.03, to advance money to the receiver to pay any or all of the expenses which the receiver should otherwise pay if cash were available from the mortgaged premises. Sums so advanced, with interest, shall be a part of the sum required to be paid to redeem from the sale. The sums shall be proved by the affidavit of the purchaser, an agent or attorney, stating the expenses and describing the mortgaged premises. The affidavit must be filed for record with the county recorder or the registrar of titles, and a copy thereof shall be furnished to the sheriff and the receiver at least ten days before the expiration of the period of redemption.

Any sums collected which remain in the possession of the receiver at termination of the receivership shall, in the event the termination of the receivership is due to the reinstatement of the mortgage debt or redemption of the mortgaged premises by the mortgagor, be paid to the mortgagor; and in the event termination of the receivership occurs at the end of the period of redemption without redemption by the mortgagor or any other party entitled to redeem, interest accrued upon the sale price pursuant to section 580.23 or section 581.10 shall be paid to the purchaser at foreclosure sale. Any net sum remaining shall be paid to the mortgagor, except if the receiver was enforcing an assignment of rents which complies with section 559.17, subdivision 2, in which case any net sum remaining shall be paid pursuant to the terms of the assignment.

This subdivision shall apply to all mortgages executed on or after August 1, 1977, and to amendments or modifications of such mortgages, and to amendments or modifications made on or after August 1, 1977, to mortgages executed before August 1, 1977, if the amendment or modification is duly recorded and is for the principal purpose of curing a default.

ARTICLE 6

HOUSING AND REDEVELOPMENT AUTHORITIES

Section 1. Minnesota Statutes 1990, section 469.011, subdivision 4, is amended to read:

Subd. 4. [EXPENSES; COMPENSATION.] Each commissioner may receive necessary expenses, including traveling expenses, incurred in the performance of duties. Each commissioner may be paid ~~$35~~ up to $55 for attending each regular and special meeting of the authority. ~~The aggregate of all payments to each commissioner for any one year shall not exceed $2,500.~~ Commissioners who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization. Commissioners who are elected officials or full-time state employees or full-time employees of the political subdivisions of the state may not receive the daily payment, but they may suffer no loss in compensation or benefits from the state or a political subdivision as a result of their service on the board. Commissioners who are full-time state employees or full-time employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. Commissioners who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their normal working hours.

Sec. 2. Minnesota Statutes 1990, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an

urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains, or has contained within the three years immediately preceding the exercise of the power of eminent domain, buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the Department of Housing and Urban Development or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make an agreement with the governing body or bodies creating the authority which provides exemption from all real and personal property taxes levied or imposed by the state, city, county, or other political subdivisions, for which the authority shall make payments in lieu of taxes to the state, city, county, or other political

subdivisions as provided in section 469.040. The governing body shall agree on behalf of all the applicable governing bodies affected that local cooperation as required by the federal government shall be provided by the local governing body or bodies in whose jurisdiction the project is to be located, at no cost or at no greater cost than the same public services and facilities furnished to other residents;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or

securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low- or moderate-income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5);

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual;

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, interest reduction payments, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing; ~~and~~

(31) to apply for, enter into contracts with the federal government, administer, and carry out a section 8 program. Authorization by the governing body creating the authority to administer the program at the authority's initial application is sufficient to authorize operation of the program in its area of operation for which it was created without additional local governing body approval. Approval by the governing body or bodies creating the authority constitutes approval of a housing program for purposes of any special or general law requiring local approval of section 8 programs undertaken by city, county, or multicounty authorities; and

(32) to secure a mortgage or loan by obtaining the appointment of receivers or assignments of rents and profits under sections 559.17 and 576.01, except that the limitation relating to the minimum

amounts of the original principal balances of mortgages specified in sections 559.17, subdivision 2, clause (2); and 576.01, subdivision 2, does not apply.

Sec. 3. Minnesota Statutes 1990, section 469.015, subdivision 3, is amended to read:

Subd. 3. [PERFORMANCE BONDS.] Performance bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of sections 574.26 to 574.31 except for contracts entered into by an authority for an expenditure of less than ~~$15,000~~ $25,000.

Sec. 4. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes, and provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034;

(ii) the project is located on land that is not owned by the authority at the time the contract is entered into, or is owned by the authority

only for development purposes, and provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond ~~in the case of~~ for the following projects:

(1) a contract described in paragraph (a), clause (1);

(2) a construction change order for a housing project in which 30 percent of the construction has been completed;

(3) a construction contract for a single-family housing project in which the authority acts as the general construction contractor; or

(4) a services or materials contract for a housing project.

For purposes of this paragraph, "services or materials contract" does not include construction contracts.

Sec. 5. Minnesota Statutes 1990, section 469.015, is amended by adding a subdivision to read:

Subd. 5. [SECURITY IN LIEU OF BOND.] The authority may accept a certified check, letter of credit, or cashier's check in the same amount as required for a bond in lieu of a performance bond for contracts entered into by an authority for an expenditure of less than $25,000. The check or letter of credit must be held by the authority for 90 days after the contract has been completed. If no suit is brought within the 90 days, the authority must return the amount of the check or letter of credit to the person making it. If a suit is brought within the 90-day period, the authority must disburse the amount of the check or proceeds from the letter of credit pursuant to the order of the court.

ARTICLE 7

LOCAL HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS

Section 1. [116J.986] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 3.

Subd. 2. [INCUBATOR.] "Incubator" means a facility in which units of space may be leased by a tenant and in which the management maintains or provides access to business development services for use by tenants.

Subd. 3. [SPONSOR.] "Sponsor" means a nonprofit corporation organized under chapter 317A that complies with section 2 and qualifies for tax-exempt status under United States Code, title 26, section 501(c), which enters into a written agreement with the department to establish, operate, and administer an incubator or to provide funding to an organization which operates an incubator.

Subd. 4. [TENANT.] "Tenant" means a sole proprietorship, business partnership, or corporation operating a small business as defined by section 645.445 and leasing or otherwise occupying space in an incubator.

Sec. 2. [116J.987] [SMALL BUSINESS INCUBATOR PROGRAM.]

Subdivision 1. [GENERALLY.] The commissioner shall develop and establish a small business incubator program. The purpose of the program is to make loans and grants for the establishment, operation, and administration of small business incubators.

Subd. 2. [APPLICATIONS.] Sponsors may apply to the commissioner for loans or grants awarded under subdivision 1 to establish, operate, or administer an incubator. Each application must:

(1) demonstrate that a facility exists that operates as an incubator or can be transformed into an incubator at a specified cost;

(2) demonstrate the ability to provide or arrange for the provision of business development services for tenants of the incubator;

(3) demonstrate a potential for sustained use of the incubator by eligible tenants;

(4) demonstrate the ability to manage and operate the incubator;

(5) demonstrate a financial commitment of at least 50 percent of the projected costs; and

(6) include any other information the commissioner determines necessary to award the grants or loans.

Subd. 3. [ELIGIBLE USE OF FUNDS.] (a) Loans and grants awarded under subdivision 1 shall be used only for the following purposes:

(1) the purchase or leasing of existing buildings;

(2) the rehabilitation of buildings or other facilities;

(3) the construction of new facilities;

(4) the purchase of equipment and furnishings which are necessary for the creation and operation of the incubator;

(5) paying administrative costs including the salary of the incubator manager; and

(6) establishing an incubator revolving loan fund to make loans to tenants with terms and conditions as the department determines.

(b) Loans and grants may not exceed 50 percent of total eligible project costs.

Subd. 4. [LOAN REPAYMENT.] In making loans under subdivision 1, the department must:

(1) determine the circumstances, terms, and conditions under which all or any portion of the loan will be repaid; and

(2) establish appropriate security for the loan repayment.

Subd. 5. [RESPONSIBILITIES OF SPONSORS.] Sponsors receiving assistance under subdivision 1 have the following responsibilities for establishing and operating incubators:

(1) to secure title to or a lease of the facility;

(2) to manage the physical development of the incubator facility;

(3) to provide common conference or meeting space in the incubator that can be used by tenants and community groups;

(4) to furnish and equip the facility to provide business services to the tenants;

(5) to market and promote the facility to secure eligible tenants and increase community awareness of the incubator and its tenants;

(6) to arrange for or provide financial consulting, marketing, and management assistance services for tenants;

(7) to set rental and service fees;

(8) to encourage cooperation among tenants;

(9) to establish policies and criteria to determine tenant eligibility and termination of occupancy; and

(10) to maintain an environment that supports business growth.

Subd. 6. [APPLICATIONS; PRIORITY.] The commissioner may establish criteria to establish the priority of the applications received under subdivision 1. The criteria are not subject to chapter 14 and may include the following:

(1) the ability of the sponsor to carry out the provisions of this section;

(2) the economic impact of the incubator on the community;

(3) the incubator's conformance with regional, city, or local economic development plans, if any exist;

(4) the support of the community; and

(5) the location of the incubator, in order to encourage geographic distribution of incubators across the state.

Subd. 7. [REPORTS.] Organizations receiving funds under subdivision 1 must submit an annual report to the department. Annual reports must include, but need not be limited to, a financial statement for the incubator, a list of tenants, and evidence that all tenants are eligible under this section. The commissioner must report to the legislature by January 15, 1992, with a summary of the incubator reports and recommendations for the program.

Sec. 3. Laws 1988, chapter 594, section 6, is amended to read:

Sec. 6. [SMALL BUSINESS LOANS.]

The city council or the agency may make or guarantee working capital loans in an aggregate principal amount not exceeding ~~$450,000~~ $2,000,000 outstanding at any time, subject to such terms and conditions as established by ordinance by the city, to expanding small businesses which are located in the city for the purpose of increasing the tax base and providing employment opportunities within the city. As used in this subdivision, the term "small business" has the meaning given it in Minnesota Statutes, section 645.445, subdivision 2. ~~This section expires June 30, 1991.~~

Sec. 4. [ECONOMIC DEVELOPMENT ACTIVITY.]

In addition to and supplemental to any other provisions of general or special laws or charter, the city of St. Paul and the housing and redevelopment authority of the city of St. Paul may implement a

citywide economic development program, and in connection therewith may:

(1) provide working capital financing for any for-profit or nonprofit enterprise, except from the proceeds of bonds or other obligations which may be issued only to provide the capital costs of a project;

(2) acquire an equity interest in a for-profit business entity through investment in a partnership or corporation;

(3) apply funds of the city or housing and redevelopment authority within or without the boundaries of any presently existing or future redevelopment project area, housing development project, housing project, municipal development district, economic development district, development district, mined underground space development, industrial development district, or tax increment district, except that tax increments shall only be applied in accordance with sections 469.174 to 469.179;

(4) exercise any or all of the powers of an economic development authority under sections 469.090 to 469.108, and the powers granted to a city by sections 469.090 to 469.108 or sections 469.048 to 469.068, or other law, provided that (i) only the city shall have the power under section 469.084, subdivision 11, to approve the issuance of revenue bonds by the port authority of the city of St. Paul, and (ii) the housing and redevelopment authority shall not exercise the other powers of the city under sections 469.090 to 469.108 or sections 469.048 to 469.068 until and unless the city, by resolution, delegates the exercise of all or some of those powers to the housing and redevelopment authority; and

(5) apply funds as permitted by clauses (1) to (4) to financing for any public or private parking facility, child care facility, or a project as defined by section 469.153, subdivision 2.

Nothing in this section shall be construed to authorize the city or housing and redevelopment authority to apply or expend funds derived from bonds or other obligations contrary to the terms of any resolution, indenture of trust, revenue agreement, or similar instrument entered into by the city or housing and redevelopment authority in connection with the bonds or obligations.

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Minneapolis. Section 4 is effective the day after compliance by the governing body of the city of St. Paul with Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 8

NEIGHBORHOOD LAND TRUSTS

Section 1. [462A.30] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 8.

Subd. 2. [AGENCY.] "Agency" means the Minnesota housing finance agency.

Subd. 3. [FIRST OPTION TO PURCHASE.] "First option to purchase" means a right of a neighborhood land trust or the agency to purchase all or any portion of the improvements and leasehold interest of a lessee, sublessee, or other resident of property subject to a ground lease, prior to the rights of any other party and at a limited equity price.

Subd. 4. [GROUND LEASE.] "Ground lease" means a lease of real property in which the lease does not include buildings or other improvements.

Subd. 5. [LEASEHOLD INTEREST.] "Leasehold interest" means the real property interest of a lessee in a ground lease in which the neighborhood land trust is the lessor.

Subd. 6. [LIMITED EQUITY FORMULA.] "Limited equity formula" means a method, to be determined by rule adopted by the agency, for calculation of the limited equity price, designed to maintain the affordability of the housing and the public subsidy.

Subd. 7. [LIMITED EQUITY PRICE.] "Limited equity price" means a price for the sale of any building or other improvement located on land owned by a neighborhood land trust determined by means of the limited equity formula.

Subd. 8. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" means a nonprofit corporation organized under chapter 317A that complies with section 2 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), and meets all other criteria for neighborhood land trust set by the agency.

Subd. 9. [PERSONS AND FAMILIES OF LOW AND MODERATE INCOME.] "Persons and families of low and moderate income" has the meaning specified in section 462A.03, subdivision 10.

Sec. 2. [462A.31] [NEIGHBORHOOD LAND TRUSTS.]

Subdivision 1. [PURPOSES.] A neighborhood land trust must

have as one of its purposes the holding of land and the leasing of land for the purpose of preserving the affordability of housing on that land for persons and families of low and moderate income.

Subd. 2. [POWERS.] A neighborhood land trust may have any or all of the powers permitted to a nonprofit corporation under chapter 317A, except that a neighborhood land trust must have the power to buy and sell land, to mortgage and otherwise encumber land, and to negotiate and enter into ground leases with an initial term of up to 99 years.

Subd. 3. [BYLAWS.] The bylaws of a neighborhood land trust must provide that:

(1) members of the general public who support the neighborhood land trust's purposes may become members of the trust;

(2) no more than 30 percent of the members may reside outside of the geographical area in which the neighborhood land trust operates, as specified in the bylaws;

(3) the membership has the power to elect a specified percentage of not less than 51 percent of the members of the governing board of the neighborhood land trust;

(4) lessees, residents of housing located on land owned by the neighborhood land trust, or representatives of either must constitute no less than 25 percent nor more than 40 percent of the membership of the governing board;

(5) remaining members of the governing board, if any, may be appointed by the neighborhood land trust board, to the extent specified in the bylaws; and

(6) the neighborhood land trust has the power to operate only within a geographical area specified in the bylaws.

Sec. 3. [462A.32] [LEASES.]

Subdivision 1. [LESSEES.] A neighborhood land trust shall hold title to and lease land to persons and families of low and moderate income or to other persons or corporations for purposes consistent with the goals of the neighborhood land trust.

Subd. 2. [RENT.] A neighborhood land trust may charge rent to the lessee in an amount to be determined by a method specified in the lease. The rent may include, but need not be limited to, land acquisition costs, real estate taxes, special assessments, an administrative charge, and a land use fee.

Subd. 3. [RESTRICTIONS.] A ground lease in which a neighborhood land trust is the lessor must contain provisions designed to preserve the affordability of housing on the land. Each ground lease must reserve to the neighborhood land trust the first option to purchase any building or improvement on the land, or any condominium or cooperative unit located in a building on the land, at a limited equity price specified in the ground lease. Each ground lease must grant to the Minnesota housing finance agency the right to exercise that first option to purchase if the neighborhood land trust does not, for any reason, exercise the first option. Each ground lease must exempt sales to persons and families of low and moderate income from the provisions granting the first option to purchase to the neighborhood land trust and to the Minnesota housing finance agency. Sales to persons and families of low and moderate income are not exempt from the limited equity price. A ground lease may also contain appropriate restrictions on:

(1) subletting or assigning the ground lease;

(2) construction and renovation of buildings and other improvements; and

(3) sale of buildings and improvements.

Subd. 4. [MORTGAGES.] (a) A ground lease with a neighborhood land trust must prohibit the lessee from mortgaging the lessee's interest in the lease or in buildings or other improvements without the consent of the neighborhood land trust. A ground lease may obligate a neighborhood land trust as lessor and fee title holder to consent to, join in, or subordinate its interest to, a mortgage entered into by a lessee as mortgagor for the purpose of obtaining financing for construction or renovation of housing on the land. A lease provision so obligating a neighborhood land trust must specify that the mortgage must provide to the neighborhood land trust the right to receive from the mortgagee prompt notice of default in the mortgage and the right to cure the default or to purchase the mortgagee's interest in the mortgage. The limited equity price and provisions in subdivision 3 do not apply if the lessee or the neighborhood land trust fails to cure the default or purchase the mortgagee's interest in the mortgage.

(b) A ground lease with a neighborhood land trust must provide that the neighborhood land trust will not, during the term of the lease, mortgage or otherwise encumber its interest in the property or permit any liens on its interest in the property to exist. This prohibition does not apply to mortgages that require the mortgagee to subordinate the lien of its mortgage to a mortgage entered into by a lessee as mortgagor for the purpose of obtaining financing for construction or renovation of housing on the land.

Subd. 5. [RIGHTS OF HEIRS.] A ground lease with a neighbor-

hood land trust must provide that the heirs of the lessee may assume the lease, if the heirs agree to occupy the lease property as their homestead. For purposes of this subdivision, "the heirs" means the heirs at law of a lessee who dies intestate or the devises of a lessee who dies testate.

Sec. 4. [462A.33] [NOTICE OF LEASE.]

A neighborhood ground lease must be in recordable form and may, but need not be, recorded in the office of the county recorder or filed in the office of the county registrar of titles. If the lease is not recorded or filed, the lessee shall record or file a notice of lease on a form to be prepared and made available by the agency. The notice of lease must state the names and addresses of the lessor and lessee, the beginning date and initial term of the lease, and a legal description of the property. The notice of lease must state that the lease is entered into pursuant to this chapter, must be signed by the lessor and lessee, and must be in recordable form.

Sec. 5. [462A.34] [DISSOLUTION.]

If a neighborhood land trust is dissolved, the procedure is governed by chapter 317A, except as otherwise provided in this section. If a receiver is to be appointed, the agency has priority to be appointed or to designate the appointee. The agency need not exercise its priority.

Sec. 6. [462A.35] [MORTGAGE SECURING LOANS TO TRUST.]

A neighborhood land trust may grant a mortgage on real estate to secure repayment of loans obtained from the state, any of its agencies or subdivisions, or any other entity, for the purpose of purchase, construction, or renovation of that real estate. Any such mortgage must comply with section 462A.32, subdivision 4, paragraph (b).

Sec. 7. [462A.36] [CITY OR HOUSING AUTHORITY MAY ACT AS LAND TRUST.]

Any home rule charter or statutory city, except cities of the first class, or any housing and redevelopment authority as defined by chapter 469 may exercise all of the powers granted in this chapter to neighborhood land trusts, subject to the city's or housing and redevelopment authority's ongoing compliance with all of the requirements of this chapter, except to the extent that compliance with this chapter conflicts with other law governing cities or housing and redevelopment authorities.

Sec. 8. [462A.37] [TRUST LAW NOT APPLICABLE.]

A neighborhood land trust is not subject to chapter 501B or the common law of trusts.

ARTICLE 9

FUNDING FOR NEIGHBORHOOD LAND TRUSTS

Section 1. Minnesota Statutes 1990, section 116J.984, subdivision 1, is amended to read:

Subdivision 1. [COMMUNITY AND NEIGHBORHOOD DEVELOPMENT GRANTS.] The commissioner may award matching grants to eligible organizations. Grants to any one eligible organization may not exceed $25,000 in any fiscal year and a grant may not be used for any purpose that replaces an existing community program identified by the commissioner. Each grant must be matched with at least two dollars of nonstate money or in-kind contributions to each dollar of grant money. The grants may be used for community or neighborhood public safety and human service activities, street and public property lighting, recycling efforts, repair or removal of dilapidated buildings, community or neighborhood beautification and cleanup, historic preservation of buildings, small scale park and open space development, increasing or preserving the availability of housing primarily serving low- or moderate-income persons, organizing or funding neighborhood land trusts established under section 462A.30, and other projects, programs, or activities that the commissioner determines will improve or revitalize the community or neighborhood.

Sec. 2. Minnesota Statutes 1990, section 116J.984, subdivision 5, is amended to read:

Subd. 5. [APPLICATIONS; PRIORITY.] The commissioner may establish criteria to establish the priority of the applications received for grants awarded under subdivision 1. The criteria may include:

(1) the degree of community support measured by the amount of participation in the project or activities by volunteers;

(2) the extent that the eligible organizations have participated with or solicited input from other organizations that provide community and regional assistance;

(3) the amount of nonstate matching funds identified as available for the project or activities; ~~and~~

(4) the degree to which the project will assure the long-term affordability of neighborhood housing by use of a neighborhood land trust; and

(5) any other criteria the commissioner determines necessary to carry out the purposes of this section.

Sec. 3. Minnesota Statutes 1990, section 462A.02, is amended by adding a subdivision to read:

Subd. 11. It is further declared that it is in the best interests of the citizens of the state of Minnesota that public money used for the purposes of this chapter be used in a manner that best assures the long-term affordability of housing to low- and moderate-income citizens. To achieve that public purpose, the agency shall consider, in the making of grants and loans and other uses of agency resources, the degree to which such grants, loans, and other uses will assure the long-term affordability of the housing, by use of the neighborhood land trust model or other techniques.

Sec. 4. Minnesota Statutes 1990, section 462A.03, is amended by adding a subdivision to read:

Subd. 22. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" has the meaning specified in article 8, section 1.

Sec. 5. Minnesota Statutes 1990, section 462A.201, subdivision 2, is amended to read:

Subd. 2. [LOW-INCOME HOUSING.] The agency may, in consultation with the advisory committee, use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units and homes for ownership. Projects funded under this subdivision may involve property owned by a neighborhood land trust. No more than 20 percent of available funds may be used for home ownership projects. At least 75 percent of the rental and cooperative units, and 100 percent of the homes for ownership, must be rented to or cooperatively owned, or owned by persons and families whose income does not exceed 30 percent of the median family income for the metropolitan area as defined in section 473.121, subdivision 2. Neighborhood land trusts are eligible for both home ownership project funds and rental project funds. In making the grants, the agency shall determine the terms and conditions of repayment and the appropriate security, if any, should repayment be required. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 180 days or until the permanent rules are adopted, whichever occurs first.

Sec. 6. [462A.204] [NEIGHBORHOOD LAND TRUST ACCOUNT.]

Subdivision 1. [CREATION.] (a) The neighborhood land trust account is created as a separate account in the housing development fund.

(b) The neighborhood land trust account consists of:

(1) money appropriated or transferred from other state funds;

(2) all interest, dividends, and pecuniary gains from investment of money of the neighborhood land trust account;

(3) all proceeds from the sale of land purchased with money from the neighborhood land trust account; and

(4) money made available to the agency for the purposes of the account from other sources, including the transfer of unencumbered balances from other accounts in the housing development fund.

Subd. 2. [APPLICATION OF ACCOUNT.] The agency shall make loans and grants to finance the organization of neighborhood land trusts, the purchase of land or interests in land by neighborhood land trusts, and the development of affordable housing in accordance with article 8.

Subd. 3. [AGENCY POWERS; DUTIES.] The agency shall:

(1) establish criteria to select which organizations eligible under article 8, that apply for loans and grants under this section, receive funding;

(2) establish priorities for funding neighborhood land trusts that best demonstrate the ability to provide housing for people most in need;

(3) establish requirements for matching funds for loans and grants under this section;

(4) determine the circumstances, terms, and conditions under which all or any portion of a loan made under this section will be repaid; and

(5) establish appropriate security for loan repayment.

Subd. 4. [ELIGIBLE ORGANIZATIONS; CAPACITY.] An organization eligible under article 8 must demonstrate in its application to the agency that it is able to establish and operate a neighborhood land trust by having the capacity to:

(1) organize and continue a relationship with the land trust board as required by article 8;

(2) select and acquire property for a neighborhood land trust and contract with businesses or organizations for the rehabilitation or development of the neighborhood land trust property;

(3) acquire any required matching funds;

(4) link residents of neighborhood land trusts with community self-sufficiency resources; and

(5) provide property maintenance classes and other residential assistance.

Subd. 5. [TRANSFERS.] Notwithstanding section 462A.20, subdivision 3, the agency may not transfer unencumbered balances from the neighborhood land trust account to any other account in the housing development fund.

Sec. 7. [462A.38] [NEIGHBORHOOD LAND TRUST REPORTS.]

Each neighborhood land trust that receives a grant or loan from the agency must submit an annual report to the agency by December 1 of each year. The report must describe the use of grant or loan funds received.

By January 15, 1992, and each year thereafter, the agency must prepare and submit an annual report to the legislature and the governor summarizing the reports of the neighborhood land trusts.

ARTICLE 10

APPROPRIATIONS

Section 1. [APPROPRIATION; DEPARTMENT OF JOBS AND TRAINING.]

$500,000 is appropriated from the general fund to the commissioner of jobs and training for the emergency mortgage and rental assistance pilot project to be available for the biennium ending June 30, 1993.

$750,000 is appropriated from the general fund to the commissioner of jobs and training for the operation of transitional housing programs under Minnesota Statutes, section 268.38, to be available for the biennium ending June 30, 1993.

Sec. 2. [APPROPRIATION; HOUSING TRUST FUND ACCOUNT.]

$2,000,000 is appropriated and transferred from the general fund to the housing trust fund account in the housing development fund for the purposes specified in Minnesota Statutes, section 462A.201.

Sec. 3. [APPROPRIATION; HOUSING DEVELOPMENT FUND.]

$423,000 is appropriated from the general fund to the housing development fund for the tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14.

$100,000 is appropriated from the general fund to the housing development fund to provide housing for chronic chemically dependent adults under section 462A.05. Other special needs housing funds can also be used for the purpose of providing housing for chronic chemically dependent adults.

Sec. 4. [APPROPRIATION; NEIGHBORHOOD LAND TRUST ACCOUNT.]

$100,000 is appropriated from the general fund to the commissioner of the housing finance agency for the neighborhood land trust account to be available until expended.

Sec. 5. [APPROPRIATION; HOUSING FOR HOMELESS.]

$100,000 is appropriated from the general fund to the commissioner of state planning to administer article 3, sections 2 to 8 to be available for the biennium ending June 30, 1993.

Sec. 6. [APPROPRIATION; TRADE AND ECONOMIC DEVELOPMENT.]

$50,000 is appropriated from the general fund to the commissioner of trade and economic development to fund an incubator as a pilot project. This incubator must be located in the seven-county metropolitan area in a city of the first class in a targeted neighborhood with a high population of low-income American Indian residents. The targeted neighborhood is defined by Minnesota Statutes, section 469.201. This sum is available until June 30, 1993. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

No funds shall be released for the purposes of sections 1 and 2 until the commissioner of trade and economic development has reviewed the services and determined that they do not duplicate other state programs."

Delete the title and insert:

"A bill for an act relating to housing; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; assigning tort liability to landlords for certain damages; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; creating a program for homeless persons administered by the state planning agency; modifying department of health provisions relating to lead abatement; providing for an emergency mortgage and rental assistance pilot project administered by the department of jobs and training; providing for housing finance agency funding for lead abatement; modifying the youth employment program; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for small business incubator programs; providing for the issuance of bonds by the city of St. Paul; authorizing the city of Minneapolis to make small business loans; authorizing and funding neighborhood land trusts; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 116C.04, by adding a subdivision; 116J.984, subdivisions 1 and 5; 144.871, subdivisions 2 and 7; 144.873, subdivision 1; 144.874, subdivisions 1, 2, 3, and by adding subdivisions; 268.362; 268.364, subdivision 4; 268.365, subdivision 2; 462A.02, by adding a subdivision; 462A.03, by adding a subdivision; 462A.05, by adding a subdivision; 462A.201, subdivision 2; 462A.21, by adding a subdivision; 469.011, subdivision 4; 469.012, subdivision 1; 469.015, subdivisions 3, 4, and by adding a subdivision; 481.02, subdivision 3; 504.02; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 504.33, subdivisions 3, 5, and 7; 504.34, subdivisions 3, 5, and 6; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.19, subdivision 2; 566.205, subdivisions 1, 3, and 4; 566.21, subdivision 2; 566.25; 566.29, subdivisions 2 and 4; 566.34, subdivision 2; 576.01, subdivision 2; and Laws 1988, chapter 594, section 6; proposing coding for new law in Minnesota Statutes, chapters 116J; 116K; 144; 268; 462A; 504; and 609."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1109, A bill for an act relating to economic development; creating Advantage Minnesota, Inc.; requiring a report to the legislature; appropriating money for matching funds; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 3, delete section 2

Amend the title as follows:

Page 1, line 4, delete everything after the first semicolon

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1273, A bill for an act relating to children; modifying child protection system data practices study requirements; amending Laws 1990, chapter 542, section 36.

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1377, A bill for an act relating to the city of Richfield; authorizing the city to advance money to the commissioner of transportation to expedite construction of a frontage road within the city; authorizing an agreement between the commissioner and the city; authorizing the city to issue bonds and requiring the commissioner to pay interest on the bonds up to a certain amount.

Reported the same back with the following amendments:

Page 2, line 1, before the period insert ", beginning in the year the project is scheduled for completion in the highway work program"

Page 2, line 5, after "advanced" insert "is appropriated to the commissioner for the purposes in this section and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 1387, A bill for an act relating to public buildings; requiring that legislative hearing rooms and the house and senate chambers be fitted with devices to aid the hearing-impaired; appropriating money; amending Minnesota Statutes 1990, section 16B.61, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 22, delete "$....." and insert "$30,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 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; 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.

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.]

Subdivision 1. [APPLICATION.] The definitions in this section 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.

Subd. 3. [COMMISSIONER.] "Commissioner" means the 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 governor, 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 2, 5, and 6 and section 4.

Subd. 2. [LOAN, LEASE, AND REVENUE AGREEMENTS.] (a) The commissioner may loan the proceeds of the bonds, make other 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) To reduce the risk that state general funds will be needed to pay debt service on the state guaranteed bonds, the commissioner must require that the financing arrangements include a coverage test satisfactory to the commissioner so that the sum of the value of the assets and other security pledged to the payment of bonds or the rent due under any lease of the project and taken into account by the commissioner is no less than 125 percent of the outstanding state guaranteed bonds. Assets and other security that may be taken into account include (1) net unencumbered value of the project and any collateral or third party guaranty, including a letter of credit, pledged or otherwise furnished by a user of the project or by a benefitted airline company as security for the payment of rent, (2)

bond proceeds, including earnings thereon, and (3) prepayments of rent, after making such adjustments the commissioner determines to be appropriate to take into account any outstanding bonds secured by a lien on the project or rent that is prior to the lien thereon that is securing the state guaranteed bonds. The commissioner may adopt the method of valuing the assets and other security as the commissioner determines to be appropriate, including valuation of the project as its original cost less depreciation.

"State guaranteed bonds" means all outstanding bonds secured as provided in subdivision 4, paragraph (a).

Subd. 3. [REVIEW PROCEDURE; DATA PRACTICES.] (a) Before issuing the bonds, approving financial assistance, or entering into loan, lease, or other revenue agreements for the facilities described in subdivisions 5 and 6, the commissioner of finance shall review the financial condition of the proposed lessee of the facilities, and any corporations affiliated with the lessee by common ownership, relating to the proposed debt financing. The commissioner shall exercise due diligence in the review. The commissioner shall engage a nationally recognized consultant familiar with the airline industry and its financing to prepare a written report on the financial condition of the lessee, and any corporations affiliated with the lessee by common ownership, relating to the proposed debt financing. The lessee and any corporations affiliated with the lessee by common ownership shall provide all information required for the commissioner's review and the consultant's report, including information similar to that required by an investment bank or other financial institution considering a project for debt financing.

(b) The commissioner of trade and economic development and the metropolitan airports commission shall advise the commissioner of finance on the financing of the proposed facilities, the proposed financial assistance, and related loan, lease, and other revenue agreements. The commissioner of trade and economic development and the metropolitan airports commission shall review all financial information related to the transaction. The commissioner of finance may not issue the bonds, approve the financial assistance, or enter into loan, lease, or other revenue agreements until the commissioner of trade and economic development and the metropolitan airports commission approve the proposed financial assistance.

(c) Except as otherwise provided in this subdivision, the following data required under sections 1 to 15 or submitted in connection with the provision of financial assistance 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.

(d) Before the commissioner issues bonds, approves financial assistance, or enters into loan, lease, or other revenue agreements, the commissioner shall submit a report on the proposed transaction to the governor. The report must describe: all proposed state and local government financial commitments; the financial assistance proposed to be provided; the proposed loan, lease, and revenue agreements; any other arrangements related to state and local debt, taxes, financing, and debt service; and the estimates of economic activity, air traffic, and other factors that have been used in assessing the prospective financial condition of the lessee and its affiliates. The report must contain the following findings:

(1) that the commissioners of trade and economic development and finance and the metropolitan airports commission have reviewed the current and prospective financial condition of the proposed lessee of the facilities and any corporations affiliated with the lessee by common ownership; and

(2) that, on the basis of their review, the commissioners and commission have determined that the revenues estimated to be available to the lessee for payments under the loan, lease, or other revenue agreements are at least sufficient during each year of the term of the proposed bonds to pay when due all financial obligations of the lessee under the terms of the proposed loan, lease, or other revenue agreements. Copies of the report must be filed at the legislature as provided in section 3.195 when the report is submitted to the governor.

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 or to the bonds secured by 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 one or more airline companies 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 or sold to another person for any lawful purpose, subject to the approval of the commissioner. The

approval of the commissioner is not required if the bond trustee has taken control of the facility as a result of a default.

The ownership of the facility by the owner must not create any liability of the owner for payment of the debt service on the bonds. The owner may require as a condition of entering the lease of the facility that the lessee pay all costs, expenses, or any other obligations of ownership.

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, 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 or sold to another person for any lawful purpose, subject to the approval of the commissioner. The approval of the commissioner is not required if the bond trustee has taken control of the facility as a result of a default.

Subd. 7. [AGREEMENT OF LESSEE.] Before issuing the bonds for the facilities, approving financial assistance, or entering into loan, lease, or other revenue agreements for the facilities described in subdivisions 5 and 6, the commissioner shall determine that the lessee and, if necessary, other corporations affiliated with by common ownership with the lessee have agreed to requirements satisfactory to the commissioner respecting the retention and location in the state, for at least the term of the lease, of employees, domestic and international operations, and facilities, including headquarters facilities, of the lessee or other affiliated corporation.

Subd. 8. [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.

Subd. 9. [PROJECT COST REPORT.] Before the commissioner of finance issues bonds, approves financial assistance, or enters into loan, lease, or other revenue agreements for the facilities described in subdivisions 5 and 6, the commissioner of trade and economic development shall report to the governor on total public costs related to the construction of the facilities. The report must include: an estimate of the total state and local tax costs for the project; and an estimate of the total state and local capital costs, and method of financing, of any airport and off-airport improvements related to the construction of the facilities but not included in the cost of the facilities, including any runway or taxiway improvements and road, highway, sewer, or other public facility or utility improvement costs. Copies of the report must be filed at the legislature as provided in section 3.195 when the report is submitted to the governor.

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 contracts or agreements for administration and implementation of all or part of sections 1 to 15;

(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), and section 13, subdivision 3, 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 authorized 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 of 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 2, subdivision 4, paragraph (a), the bonds are payable solely from the following sources and are appropriated, but 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;

(4) amounts in any account or accounts authorized by section 11 or 12;

(5) amounts paid by St. Louis county under its obligations referred to in section 2, subdivision 4;

(6) investment income on any of the sources specified in clauses (1) 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 but excluding state appropriations unless the appropriation was specifically designated for that purpose.

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 commissioner or 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. 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:

(1) any money appropriated by the state only for the purposes of that 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.

Sec. 14. [116R.14] [CONSTRUCTION.]

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 DEVELOPMENT 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 a quarterly basis; and provide information and assistance to the advisory committee as is reasonably necessary.

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 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. 18. 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. In financing the facilities authorized under section 2, subdivision 6, it may borrow from the state or otherwise arrange for financing of the facilities and for that purpose may exercise powers vested in a municipality under sections 469.152 to 469.165.

Sec. 19. 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. 20. 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. 21. [PURPOSE.]

The purpose of sections 1 to 16 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. 22. [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. Sections 1 to 16 are effective the day following final enactment and shall apply to bonds issued to finance a project or projects for which the lease agreement was entered into before 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 must not be 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 3, 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 affiliated by common ownership with airline 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 charge 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 by the revenue bonds, and (i) with respect to the properties 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 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 sources specified by the commission may include a portion of the proceeds of revenue bonds or payment by the airline corporation. 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 pledged 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 engaged by the commission, on the financial condition of the airline corporation, and any corporations affiliated with the corporation by common ownership, 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.] (a) 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.

(b) To reduce the risk that commission money, including a property tax levy, will be needed to pay debt service on the general obligation revenue bonds, the commission must require that the financing arrangements include a coverage test satisfactory to the commission, so that the sum of the value of the assets and other security pledged to the payment of the general obligation revenue bonds or the rent due under any lease of the facility and taken into account by the commission is no less than 125 percent of the outstanding general obligation revenue bonds. Assets and other security that may be taken into account include (1) the net unencumbered value of the facility and any collateral or third party guaranty, including a letter of credit, pledged or otherwise furnished by a user of the facility or by a benefitted airline company as security for the payment of rent, (2) general obligation revenue bond proceeds, including earnings thereon, and (3) prepayments of rent, after making such adjustments the commission determines to be appropriate to take into account any outstanding bonds secured by

a lien on the facility or rent that is prior to the lien thereon that is securing the general obligation revenue bonds. The commission may adopt the method of valuing the assets and other security it determines to be appropriate, including valuation of the facility as its original cost less depreciation.

Sec. 5. [APPROVAL REQUIRED.]

Before issuing bonds using the additional bonding authority under sections 2 and 3, the commission shall submit the proposed issuance to the commissioners of finance and revenue for their review and approval or disapproval. The commission may not issue the bonds without the commissioners' approval.

Sec. 6. [EFFECTIVE DATES; APPLICATION.]

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 article applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Amend the title accordingly

And when so amended the bill be re-referred to the Committee on Rules and Legislative Administration without further recommendation.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

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.

Reported the same back with the following amendments:

Page 1, line 25, delete everything after "(c)"

Page 2, line 1, delete everything before "The"

Page 2, line 3, delete "The commissioner"

Page 2, delete lines 4 and 5 and insert:

"Sec. 2. [APPROPRIATION.]

$50,000 is appropriated from the general fund to the city of St. Paul and the Dayton's Bluff Historic Association for the purchase and partial rehabilitation of the Warren Burger home."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 510, A bill for an act relating to agriculture; changing the egg law; imposing a penalty; amending Minnesota Statutes 1990, sections 29.21, by adding subdivisions; 29.23; 29.235; 29.26; and 29.27; proposing coding for new law in Minnesota Statutes, chapter 29.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 4. [CHECKS.] "Checks" means eggs that have cracks or breaks in the shell but have intact shell membranes that do not leak.

Sec. 2. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 5. [DIRTIES.] "Dirties" means eggs with adhering dirt, foreign material, prominent stains, or moderate stains covering more than 1/32 of the shell surface, if localized, or 1/16 of the shell surface, if scattered.

Sec. 3. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 6. [EGG HANDLER.] "Egg handler" means a person who buys, sells, transports, stores, processes, or in any other way receives or has shell eggs. This includes farmers who sell candled and graded eggs off their premises.

Sec. 4. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 7. [GRADING.] "Grading" means assigning an identifying classification to a group of eggs that demonstrates that those eggs have the same degree of quality.

Sec. 5. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 8. [INCUBATOR REJECTS.] "Incubator rejects" means eggs that have been subjected to incubation and have been removed during the hatching operation as infertile or otherwise unhatchable.

Sec. 6. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 9. [LEAKERS.] "Leakers" means eggs that have a crack or break in the shell and shell membrane to the extent that the contents pass or are free to pass through the shell.

Sec. 7. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 10. [LOSS.] "Loss" means eggs that are unfit for human consumption because they are smashed, broken, leaking, overheated, frozen, contaminated, or incubator rejects, or because they contain bloody whites, large meat spots, a large quantity of blood, or other foreign material.

Sec. 8. Minnesota Statutes 1990, section 29.21, is amended by adding a subdivision to read:

Subd. 11. [RESTRICTED EGGS.] "Restricted eggs" means eggs that contain dirties, checks, leakers, inedibles, loss, and incubator rejects.

Sec. 9. Minnesota Statutes 1990, section 29.23, is amended to read:

29.23 [GRADING; ~~GRADES, WEIGHT CLASSES AND STANDARDS FOR QUALITY~~.]

Subdivision 1. [GRADES, WEIGHT CLASSES AND STANDARDS FOR QUALITY.] All eggs purchased on the basis of grade by

the first licensed buyer shall be graded in accordance with grade and weight classes established by the commissioner. The commissioner shall establish, by rule, and from time to time, may amend or revise, grades, weight classes, and standards for quality. When grades, weight classes, and standards for quality have been fixed by the secretary of the department of agriculture of the United States, they may be accepted and published by the commissioner as definitions or standards for eggs in interstate commerce.

Subd. 2. [EQUIPMENT.] The commissioner shall also by rule provide for minimum plant and equipment requirements for candling, grading, handling and storing eggs, and shall define candling. Equipment in use before the effective date of this chapter that does not meet the design and fabrication requirements of this chapter may remain in use if it is in good repair, capable of being maintained in a sanitary condition, and capable of maintaining a temperature of 50 degrees Fahrenheit (10 degrees celsius) or less.

Subd. 3. [EGG TEMPERATURE.] ~~It shall be mandatory that~~ Eggs must be held at a temperature not to exceed ~~60~~ 50 degrees Fahrenheit (10 degrees celsius) after being received by the ~~first licensed dealer~~ egg handler except for cleaning, sanitizing, grading, and further processing when they must immediately be placed under refrigeration that is maintained at 45 degrees Fahrenheit (7 degrees celsius) or below. Eggs offered for retail sale must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees celsius). After August 1, 1992, eggs offered for retail sale must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees celsius). Equipment in use prior to August 1, 1991, is not subject to this requirement.

Subd. 4. [VEHICLE TEMPERATURE.] A vehicle used for the transportation of shell eggs from a warehouse, retail store, candling and grading facility, or egg holding facility must have an ambient air temperature of 50 degrees Fahrenheit (10 degrees celsius) or below.

Sec. 10. *Minnesota* Statutes 1990, section 29.235, is amended to read:

29.235 [SALE OF SHELL EGGS.]

Subdivision 1. [RESTRICTION.] Checks and dirties ~~as defined by the commissioner, shall~~ must not be sold for human consumption as shell eggs, but may be sold as such to be processed for human consumption by a processor licensed by the commissioner to break eggs for resale, except that a producer may sell such shell eggs of the producer's own production on the producer's premises directly to a household consumer for the consumer's own personal use.

Subd. 2. [PACKAGE LABEL.] All eggs offered for sale in cartons,

boxes or cases, racks, or other packaging materials must contain the statement: "Perishable. Keep Refrigerated."

Sec. 11. [29.236] [EGGS IN UNCOOKED OR UNDERCOOKED FOODS.]

Pasteurized eggs must be used in uncooked or undercooked food or food containing unpasteurized eggs must be processed under a method approved by the commissioner sufficient to destroy the pathogen salmonella. This section does not exclude the use of shell eggs certified free of pathogens by a process or mechanism approved by the commissioner.

Sec. 12. [29.237] [UNIFORMITY WITH FEDERAL LAW.]

Subdivision 1. [SHELL EGGS.] Federal regulations governing the grading of shell eggs and United States standards, grades, and weight classes for shell eggs, in effect on July 1, 1990, as provided by Code of Federal Regulations, title 7, part 56, are the grading and candling rules in this state, subject to amendment by the commissioner under chapter 14, the Administrative Procedure Act.

Subd. 2. [INSPECTION.] Federal regulations governing the inspection of eggs and egg products, in effect on May 1, 1990, as provided by Code of Federal Regulations, title 7, part 59, are the inspection of egg and egg products rules in this state, subject to amendment by the commissioner under chapter 14, the Administrative Procedure Act.

Sec. 13. Minnesota Statutes 1990, section 29.26, is amended to read:

29.26 [EGGS IN POSSESSION OF RETAILER.]

All eggs sold or offered for sale at retail must have been candled and graded and must be clearly labeled according to Minnesota consumer grades as established by rule under section 29.23. No eggs shall be sold or offered for sale as "ungraded," "unclassified," or by any other name that does not clearly designate the grade. All eggs in possession of the retailer, either in temporary storage or on display, must be held at a temperature not to exceed ~~60~~ 45 degrees Fahrenheit (7 degrees celsius).

Candled and graded eggs held 31 days past the coded pack date lose their grades and must be removed from sale.

Sec. 14. Minnesota Statutes 1990, section 29.27, is amended to read:

29.27 [RULES.]

The department may supervise, regulate, and, in the manner provided by law make reasonable rules relative to grading, candling, cleaning, breaking, purchasing, and selling of eggs and egg products for purpose of preserving and protecting the public health. In addition hereto, it is the express purpose herein that inasmuch as the breaking of eggs for resale is a matter of state concern, the surroundings in which such product is handled ~~should~~ must be maintained in a sanitary condition, and, therefore, the department may establish, in the manner provided by law, reasonable rules relative to the inspection of all establishments wherein the business of breaking eggs for resale is maintained, and when the sanitary conditions of any such establishment are such that the product is rendered, or is likely to be rendered, unclean, unsound, unhealthful, unwholesome, or otherwise unfit for human consumption, it may revoke such license to break eggs for resale until such time as the department is satisfied that the establishment is maintained in a sanitary condition. The department shall have the right, from time to time, to adopt ~~different~~ rules in the same manner as herein set forth. All liquid, frozen or dried egg products sold or offered for sale shall be processed under continuous supervision of an inspector of the department or of the United States Department of Agriculture.

Sec. 15. Minnesota Statutes 1990, section 29.28, is amended to read:

29.28 [VIOLATIONS, PENALTIES.]

~~Any~~ A person ~~found guilty of any violation of sections 29.21 to 29.28 shall, upon conviction for the first offense, be~~ violating this chapter is guilty of a misdemeanor ~~and shall be fined $25; for the second offense, the person shall be guilty of a misdemeanor and shall be fined $100; and for the third and subsequent offenses the person shall be guilty of a gross misdemeanor and shall be fined $200. In addition to such fines, the court for second offense shall suspend the person's license for 30 days; and for the third and any subsequent offense, such person's license shall be revoked for a period of one year~~. Each day a violation continues is a separate offense.

Sec. 16. [EFFECTIVE DATE.]

This act is effective July 1, 1991."

Delete the title and insert:

"A bill for an act relating to agriculture; changing the egg law; imposing a penalty; amending Minnesota Statutes 1990, sections 29.21, by adding subdivisions; 29.23; 29.235; 29.26; and 29.27; proposing coding for new law in Minnesota Statutes, chapter 29."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 152.01, subdivision 14a, is amended to read:

Subd. 14a. [SCHOOL ZONE.] "School zone" means:

(1) any property owned, leased, or controlled by a school district or an organization operating a nonpublic school, as defined in section 123.932, subdivision 3, where an elementary, middle, secondary school, secondary vocational center or other school providing educational services in grade one through grade 12 is located, or used for educational purposes, or where extracurricular or cocurricular activities are regularly provided;

(2) any property owned, leased, or controlled by a public or private post-secondary college, community college, or technical college, and used for educational purposes;

(3) the area surrounding school property as described in clause (1) or (2) to a distance of 300 feet or one city block, whichever distance is greater, beyond the school property; and

~~(3)~~ (4) the area within a school bus when that bus is being used to transport one or more elementary or secondary school students.

Sec. 2. Minnesota Statutes 1990, section 152.01, is amended by adding a subdivision to read:

Subd. 19. [PUBLIC HOUSING ZONE.] "Public housing zone" means any public housing project or development administered by a local housing agency, except public housing for the elderly or the handicapped, plus the area within 300 feet of the property's boundary, or one city block, whichever distance is greater.

Sec. 3. Minnesota Statutes 1990, section 152.01, is amended by adding a subdivision to read:

Subd. 20. [UNLAWFULLY.] "Unlawfully" means selling, possessing, or possessing with intent to sell a controlled substance in a manner not authorized by law.

Sec. 4. Minnesota Statutes 1990, section 152.022, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight or three grams or more containing cocaine base;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols;

(5) the person unlawfully sells any amount of a schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(6) the person unlawfully sells any amount of a schedule I or II

narcotic drug in a school zone ~~or~~, a park zone, or a public housing zone.

Sec. 5. Minnesota Statutes 1990, section 152.023, subdivision 2, is amended to read:

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing cocaine base;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug;

(3) the person unlawfully possesses one or more mixtures containing a narcotic drug with the intent to sell it;

(4) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 more dosage units; or

(5) the person unlawfully possesses any amount of a schedule I or II narcotic drug in a school zone ~~or~~, a park zone, or a public housing zone; or

(6) the person unlawfully possesses one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols.

Sec. 6. Minnesota Statutes 1990, section 244.095, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) As used in this section, "park zone" ~~and~~," "school zone"," and "public housing zone" have the meanings given them in section 152.01, subdivisions 12a ~~and~~, 14a, and 19.

(b) As used in this section, "controlled substance" has the meaning given in section 152.01, subdivision 4, but does not include a narcotic drug listed in schedule I or II.

Sec. 7. Minnesota Statutes 1990, section 244.095, subdivision 2, is amended to read:

Subd. 2. [AGGRAVATING FACTOR FOR DRUG OFFENSES COMMITTED IN PARK ZONES ~~AND~~, IN SCHOOL ZONES, AND IN PUBLIC HOUSING ZONES.] The commission shall modify the list of aggravating factors contained in the sentencing guidelines so as to authorize the sentencing judge to depart from the presumptive

sentence with respect to either disposition or duration when the following circumstances are present:

(1) the defendant was convicted of unlawfully selling or possessing controlled substances in violation of chapter 152; and

(2) the crime was committed in a park zone ~~or~~, in a school zone, or in a public housing zone.

This aggravating factor shall not apply to a person convicted of unlawfully possessing controlled substances in a private residence located within a school zone ~~or~~, a park zone, or a public housing zone if no person under the age of 18 was present in the residence when the offense was committed.

Sec. 8. Minnesota Statutes 1990, section 299A.30, *is amended to* read:

Subdivision 1. [OFFICE; ASSISTANT COMMISSIONER.] The office of drug policy is an office in the department of public safety headed by an assistant commissioner appointed by the commissioner to serve in the unclassified service. The assistant commissioner may appoint other employees in the unclassified service. The assistant commissioner shall coordinate the activities of drug program agencies and serve as staff to the alcohol and other drug abuse ~~prevention resource~~ advisory council.

Subd. 2. [DUTIES.] (a) The assistant commissioner shall gather and make available information on demand reduction and supply reduction throughout the state, foster cooperation among drug program agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of demand reduction and supply reduction.

(b) The assistant commissioner *shall coordinate* the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. The assistant commissioner may obtain technical assistance from the state planning agency to perform this function. The assistant commissioner shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34, after consultation with the alcohol and other drug abuse ~~prevention resource~~ advisory council.

(c) The assistant commissioner shall:

(1) after consultation with all drug program agencies operating in the state, develop a state drug strategy encompassing the efforts of those agencies and taking into account all money available for demand reduction and supply reduction, from any source;

(2) submit the strategy to the governor and the legislature by January 15 ~~of each year~~, 1993, along with a summary of demand reduction and supply reduction during the preceding calendar year and recommendations regarding the transfer of the functions of the office of drug policy to other state agencies;

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of demand reduction and supply reduction; ~~and~~

(4) provide information and assistance to drug program agencies, both directly and by functioning as a clearinghouse for information from other drug program agencies including information on drug trends;

(5) facilitate cooperation among drug program agencies; and

(6) coordinate the administration of prevention, criminal justice, and treatment grants.

Sec. 9. Minnesota Statutes 1990, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] ~~A~~ An alcohol and other drug abuse ~~prevention resource~~ advisory council consisting of 18 members is established. The commissioners of public safety, education, health, human services, and the state planning agency, and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who ~~shall demonstrate knowledge in the area of drug abuse prevention,~~ shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following ~~groups: parents, educators, clergy, local government, racial and ethnic minority communities, professional providers of drug abuse prevention services, volunteers in private, nonprofit drug prevention programs, and the business community~~: public health; education including preschool, elementary, and higher education; social services; financial aid services; chemical dependency treatment; law enforcement; prosecution; defense; the judiciary; corrections; treatment research professionals; drug abuse prevention professionals; the business sector; religious leaders; and community representatives. The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Sec. 10. Minnesota Statutes 1990, section 299A.32, is amended to read:

299A.32 [RESPONSIBILITIES OF COUNCIL.]

Subdivision 1. [PURPOSE OF COUNCIL.] The general purpose of the council is to ~~foster the coordination and development of a statewide drug abuse prevention policy~~ serve as an advisory body to the governor and legislature on all aspects of alcohol and drug abuse.

Subd. 2. [SPECIFIC DUTIES AND RESPONSIBILITIES.] In furtherance of the general purpose specified in subdivision 1, the council ~~has the following duties and responsibilities~~ shall:

(1) ~~it shall develop a coordinated, statewide drug abuse prevention policy~~ assist state agencies in the coordination of drug policies and programs and in the provision of services to other units of government, communities, and citizens;

(2) ~~it shall develop a mission statement that defines the roles and relationships of agencies operating within the continuum of chemical health care~~ promote among state agencies policies to achieve uniformity in state and federal grant programs and to streamline those programs;

(3) ~~it shall develop guidelines for drug abuse prevention program development and operation based on its research and program evaluation activities~~ oversee comprehensive data collection and research and evaluation of alcohol and drug program activities;

(4) ~~it shall assist local governments and groups in planning, organizing, and establishing comprehensive, community-based drug abuse prevention programs and services;~~

~~(5) it shall coordinate and provide technical assistance to organizations and individuals seeking public or private funding for drug abuse prevention programs, and to government and private agencies seeking to grant funds for these purposes;~~

~~(6) it shall assist providers of drug abuse prevention services in implementing, monitoring, and evaluating new and existing programs and services;~~

~~(7) it shall provide information on and analysis of the relative public and private costs of drug abuse prevention, enforcement, intervention, and treatment efforts; and~~

~~(8) it shall advise the assistant commissioner of the office of drug policy in awarding grants and in other duties.~~ seek the advice and counsel of appropriate interest groups and advise the assistant commissioner of the office of drug policy;

(5) seek additional private funding for community-based programs and research and evaluation;

(6) evaluate whether law enforcement narcotics task forces should be reduced in number and increased in geographic size, and whether new sources of funding are available for the task forces;

(7) continue to promote clarity of roles among federal, state, and local law enforcement activities; and

(8) establish criteria to evaluate law enforcement drug programs.

Subd. 3. [ANNUAL REPORT.] On or before February 1, ~~1991, and~~ each year ~~thereafter~~, the council shall submit a written report to the legislature describing its activities during the preceding year, describing efforts that have been made to enhance and improve utilization of existing resources and to identify deficits in prevention efforts, and recommending appropriate changes, including any legislative changes that it considers necessary or advisable in the ~~area~~ areas of alcohol and other drug abuse ~~prevention~~ policy, programs, ~~or~~ and services.

Sec. 11. Minnesota Statutes 1990, section 485.16, is amended to read:

485.16 [RECORD ALL ACTIONS FILED.]

Subdivision 1. [RECORDS KEPT.] The court administrators of the district courts of the several counties shall keep a record of all actions and proceedings, civil and criminal, filed in the court, and shall furnish to the state appellate courts any information concerning the actions as is prescribed by rule of civil procedure.

Subd. 2. [CRIMINAL DISPOSITIONS REPORTED.] The court administrator of the district court shall report to the supreme court within 30 days after a judge pronounces sentence following a felony conviction. The report must include the sentence pronounced, whether imposition was stayed, and other information requested by the supreme court.

Sec. 12. Minnesota Statutes 1990, section 609.101, is amended by adding a subdivision to read:

Subd. 3. [CONTROLLED SUBSTANCE OFFENSES; MINIMUM FINES.] (a) Notwithstanding any other law, when a court sentences a person convicted of:

(1) a first degree controlled substance crime under section 152.021, it must impose a fine of not less than $2,500 nor more than the maximum fine authorized by law;

(2) a second degree controlled substance crime under section 152.022, it must impose a fine of not less than $1,000 nor more than the maximum fine authorized by law;

(3) a third degree controlled substance crime under section 152.023, it must impose a fine of not less than $750 nor more than the maximum fine authorized by law;

(4) a fourth degree controlled substance crime under section 152.024, it must impose a fine of not less than $500 nor more than the maximum fine authorized by law; and

(5) a fifth degree controlled substance violation under section 152.025, it must impose a fine of not less than $300 nor more than the maximum fine authorized by law.

(b) The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

(c) The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

(d) The court shall collect the fine mandated by this subdivision and forward 70 percent of it to a local drug abuse prevention program existing or being implemented in the county in which the crime was committed. The court shall forward the remaining 30 percent to the state treasurer to be credited to the general fund. If more than one drug abuse prevention program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the community in which the crime was committed, the funding needs of the program, the number of peace officers in each community certified to teach the program, and the number of children served by the program in each community. If no drug abuse prevention program serves communities in that county, the court shall forward 100 percent of the fine proceeds to the state treasurer to be credited to the general fund.

(e) The minimum fines required by this subdivision shall be collected as are other fines. Fine proceeds received by a local drug abuse prevention program must be used to support that program, and may be used for salaries of peace officers certified to teach the program. The drug abuse resistance education program must report receipt and use of money generated under this subdivision as prescribed by the drug abuse resistance education advisory council.

(f) As used in this subdivision, "drug abuse prevention program" and "program" include:

(1) the drug abuse resistance education program described in sections 299A.33 and 299A.331; and

(2) any similar drug abuse education and prevention program that includes the following components:

(A) instruction for students enrolled in kindergarten through grade six that is designed to teach students to recognize and resist pressures to experiment with controlled substances and alcohol;

(B) provisions for parental involvement;

(C) classroom instruction by uniformed law enforcement personnel;

(D) the use of positive student leaders to influence younger students not to use drugs; and

(E) an emphasis on activity-oriented techniques designed to encourage student-generated responses to problem-solving situations.

Sec. 13. Minnesota Statutes 1990, section 609.115, is amended by adding a subdivision to read:

Subd. 8. [CHEMICAL USE ASSESSMENT REQUIRED.] (a) If a person is convicted of a felony, the probation officer shall determine in the report prepared under subdivision 1 whether or not alcohol or drug use was a contributing factor to the commission of the offense. If so, the report shall contain the results of a chemical use assessment conducted in accordance with this subdivision. The probation officer shall make an appointment for the defendant to undergo the chemical use assessment if so indicated.

(b) The chemical use assessment report must include a recommended level of care for the defendant in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3. The assessment must be conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An assessor providing a chemical use assessment may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the probation officer may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules

adopted by the commissioner of human services under section 254A.03, subdivision 3.

Sec. 14. [CHEMICAL USE ASSESSMENT FUNDING.]

The commissioner of human services, in consultation with the commissioner of corrections and the state court administrator, shall appoint a task force of officials of state and local agencies and the judicial branch. The task force shall calculate the additional cost of providing the chemical use assessments of convicted felons required by section 13, and shall report to the legislature by January 1, 1992, its recommendations for funding those assessments.

Sec. 15. [DRUG-IMPAIRED DRIVER STUDY.]

The commissioner of public safety shall study expanding Minnesota's implied consent law to provide for immediate revocation of the driver's license of a driver who tests positive for the presence of a controlled substance. The commissioner shall report to the judiciary committees in the senate and house of representatives by June 1, 1992. If the commissioner determines that this expansion is feasible, the commissioner shall make specific recommendations concerning the following:

(1) the controlled substances that should be included;

(2) for each controlled substance, the threshold amount that should trigger license revocation, with due consideration of the length of time after use that each controlled substance remains detectable, the level of impairment caused by the controlled substance at different levels, and the state of current testing technology for the controlled substance;

(3) the most feasible method of testing drivers for controlled substances, including a recommendation for training of law enforcement and hospital personnel who will be responsible for conducting the testing; and

(4) an estimate of the cost to the state and local governments.

Sec. 16. [GRAND JURY STUDY.]

The supreme court shall study the possibility of expanding the investigative role of the grand jury in Minnesota to facilitate the long-term investigation of complex cases involving controlled substance sales. The supreme court shall report to the judiciary committees in the senate and house of representatives by June 1, 1992, with any appropriate legislative recommendations.

Sec. 17. [APPROPRIATION.]

$145,000 is appropriated from the general fund to the drug abuse resistance education advisory council to be used to administer the drug abuse resistance education programs. This appropriation is available until June 30, 1993.

Sec. 18. [REPEALER.]

Minnesota Statutes 1990, section 244.095, subdivision 3, is repealed.

Sec. 19. [REPEALER.]

Minnesota Statutes 1990, sections 299A.29 and 299A.30, are repealed August 1, 1993.

Sec. 20. [REPEALER.]

Minnesota Statutes 1990, section 609.101, subdivision 3, is repealed effective July 1, 1993.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 6 are effective August 1, 1991, and apply to crimes committed on or after that date. Section 11 is effective August 1, 1991, and applies to convictions occurring on or after that date. Section 13 is effective July 1, 1992, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; expanding the definition of drug free zones to include post-secondary and technical colleges and public housing property; changing the name and duties of the drug abuse prevention resource council; requiring reporting of felony convictions; imposing minimum fines in certain controlled substance offenses; requiring chemical use assessments of persons convicted of felonies; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 152.01, subdivision 14a, and by adding subdivisions; 152.022, subdivision 1; 152.023, subdivision 2; 244.095, subdivisions 1 and 2; 299A.30; 299A.31, subdivision 1; 299A.32; 485.16; 609.101, by adding a subdivision; and 609.115, by adding a subdivision; repealing Minnesota Statutes 1990, sections 244.095, subdivision 3; 299A.29; 299A.30; and 609.101, subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 526, A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 244.05, subdivision 6, is amended to read:

Subd. 6. [INTENSIVE ~~COMMUNITY SUPERVISION~~ SUPERVISED RELEASE.] The commissioner may order that an inmate be placed on intensive ~~community supervision, as described in sections 244.14 and 244.15,~~ supervised release for all or part of the inmate's supervised release or parole term if the commissioner determines that the action will further the goals described in section 244.14, subdivision 1, clauses (2), (3), and (4). The commissioner may impose appropriate conditions of release on the inmate including but not limited to unannounced searches of the inmate's person, vehicle, or premises by an intensive supervised release agent; compliance with court-ordered restitution, if any; random drug testing; house arrest; daily curfews; frequent face-to-face contacts with an assigned intensive supervised release agent; work, education, or treatment requirements; and electronic surveillance. If the inmate violates the conditions of the intensive ~~community supervision~~ supervised release, the commissioner shall impose sanctions as provided in subdivision 3 ~~and section 244.14~~.

Sec. 2. Minnesota Statutes 1990, section 244.09, subdivision 2, is amended to read:

Subd. 2. The sentencing guidelines commission shall consist of the following:

(1) the chief justice of the supreme court or a designee;

(2) one judge of the court of appeals, appointed by the chief justice of the supreme court;

(3) one district court judge appointed by the chief justice of the supreme court;

(4) one public defender appointed by the governor upon recommendation of the state public defender;

(5) one county attorney appointed by the governor upon recommendation of the board of ~~governors~~ directors of the Minnesota county attorneys ~~council~~ association;

(6) the commissioner of corrections or a designee;

(7) one peace officer as defined in section 626.84 appointed by the governor;

(8) one probation officer or parole officer appointed by the governor; and

(9) three public members appointed by the governor, one of whom shall be a victim of a crime defined as a felony.

When an appointing authority selects individuals for membership on the commission, the authority shall make reasonable efforts to appoint qualified members of protected groups, as defined in section 43A.02, subdivision 33.

One of the members shall be designated by the governor as chair of the commission.

Sec. 3. Minnesota Statutes 1990, section 244.12, is amended to read:

244.12 [INTENSIVE COMMUNITY SUPERVISION.]

Subdivision 1. [GENERALLY.] ~~The commissioner may order that an inmate be placed on intensive community supervision, as described in sections 244.14 and 244.15, for all or part of the inmate's supervised release term. Additionally,~~ The commissioner may order that an offender who meets the eligibility requirements of subdivisions 2 and 3 be placed on intensive community supervision, as described in sections 244.14 and 244.15, for all or part of the offender's ~~prison~~ sentence if the offender agrees to participate in the program *and if the sentencing court* approves in writing of the offender's participation in the program.

Subd. 2. [ELIGIBILITY.] The commissioner must limit the intensive community supervision program to the following persons:

(1) ~~inmates who are serving a supervised release term;~~

~~(2)~~ offenders who are committed to the commissioner's custody following revocation of a stayed sentence; and

~~(3)~~ (2) offenders who are committed to the commissioner's custody for a ~~prison~~ sentence of 27 months or less, who did not receive a dispositional departure under the ~~sentence~~ sentencing guidelines,

and who have already served a period of incarceration as a result of the offense for which they are committed.

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following are not eligible to be placed on intensive community supervision, under subdivision 2, clause ~~(3)~~ (2):

(1) offenders who were committed to the commissioner's custody under a statutory mandatory minimum sentence;

(2) offenders who were committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct in the first or second degree, or criminal vehicular homicide or operation resulting in death; and

(3) offenders whose presence in the community would present a danger to public safety.

Sec. 4. Minnesota Statutes 1990, section 244.13, is amended to read:

244.13 [INTENSIVE COMMUNITY SUPERVISION AND INTENSIVE SUPERVISED RELEASE; ESTABLISHMENT OF PROGRAMS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of corrections shall establish programs for those designated by the commissioner to serve all or part of a ~~prison~~ sentence ~~or a supervised release term~~ on intensive community supervision or all or part of a supervised release or parole term on intensive supervised release. The adoption and modification of policies and procedures to implement sections 244.05, subdivision 6, and 244.12 to 244.15 are not subject to the rulemaking procedures of chapter 14. The commissioner shall locate the programs so that at least one-half of the money appropriated for the programs in each year is used for programs in community corrections act counties.

Subd. 2. [TRAINING.] The commissioner shall develop specialized training programs for ~~probation officers~~ intensive supervision agents assigned to the intensive community supervision ~~program~~ and intensive supervised release programs. The ~~probation officer~~ agent caseload shall not exceed the ratio of 30 offenders to two ~~probation officers~~ intensive supervision agents.

An intensive supervised release agent must have qualifications equal to those for a state corrections agent.

Subd. 3. [EVALUATION.] The commissioner shall develop a system for gathering and analyzing information concerning the value and effectiveness of the intensive community supervision and

intensive supervised release programs and shall compile a report to the chairs of the senate and house judiciary committees by January 1 of each odd-numbered year.

Sec. 5. Minnesota Statutes 1990, section 244.14, is amended to read:

244.14 [INTENSIVE COMMUNITY SUPERVISION; BASIC ELEMENTS.]

Subdivision 1. [REQUIREMENTS.] This section governs the intensive community supervision programs established under section 244.13. The commissioner shall operate the programs in conformance with this section. The commissioner shall administer the programs to further the following goals:

(1) to punish the offender;

(2) to protect the safety of the public;

(3) to facilitate employment of the offender during the intensive community supervision and afterward; and

(4) to require the payment of restitution ordered by the court to compensate the victims of the offender's crime.

Subd. 2. [GOOD TIME NOT AVAILABLE.] An offender serving a ~~prison~~ sentence on intensive community supervision does not earn good time, notwithstanding section 244.04.

Subd. 3. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of an intensive community supervision program. The commissioner shall provide for revocation of intensive community supervision of an offender who:

(1) commits a material violation of or repeatedly fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The revocation of intensive community supervision is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender whose intensive community supervision is revoked shall be imprisoned for a time period equal to the offender's original

term of imprisonment, but in no case for longer than the time remaining in the offender's sentence. "Original term of imprisonment" means a time period equal to two-thirds of the ~~prison~~ sentence originally executed by the sentencing court, minus jail credit, if any.

Subd. 4. [ALL PHASES.] Throughout all phases of an intensive community supervision program, the offender shall submit at any time to an unannounced search of the offender's person, vehicle, or premises by ~~a probation officer~~ an intensive supervision agent. If the offender received a restitution order as part of the sentence, the offender shall make weekly payments as scheduled by the ~~probation officer~~ agent until the full amount is paid.

Sec. 6. Minnesota Statutes 1990, section 244.15, is amended to read:

244.15 [INTENSIVE COMMUNITY SUPERVISION; PHASES I TO IV.]

Subdivision 1. [DURATION.] Phase I of an intensive community supervision program is six months, or one-half the ~~presumptive imprisonment sentence under the sentencing guidelines~~ time remaining in the offender's original term of imprisonment, whichever is less. Phase II lasts for at least ~~four months~~ one-third of the time remaining in the offender's original term of imprisonment at the beginning of Phase II. Phase III lasts for at least ~~two months~~ one-third of the time remaining in the offender's original term of imprisonment at the beginning of Phase III. Phase IV continues ~~indefinitely~~ until the commissioner determines that the offender has successfully completed the program or until the offender's sentence, minus jail credit, expires, whichever occurs first. If an offender successfully completes the intensive community supervision program before the offender's sentence expires, the offender shall be placed on supervised release for the remainder of the sentence.

Subd. 2. [RANDOM DRUG TESTING.] (a) During phase I, the offender will be subjected at least weekly to ~~weekly~~ urinalysis and breath tests to detect the presence of controlled substances or alcohol. The tests will be random and unannounced.

(b) During phase II, the tests will be done at least twice monthly.

(c) During phases III and IV, the tests will be done at random at the frequency determined by the ~~probation officer~~ intensive supervision agent.

Subd. 3. [HOUSE ARREST.] (a) During phase I, the offender will be under house arrest in a residence approved by the offender's ~~probation officer~~ intensive supervision agent and may not move to

another residence without permission. "House arrest" means that the offender's movements will be severely restricted and continually monitored by the assigned ~~probation officer~~ agent.

(b) During phase II, modified house arrest is imposed.

(c) During phases III and IV, the offender is subjected to a daily curfew instead of house arrest.

Subd. 4. [FACE-TO-FACE CONTACTS.] (a) During phase I, the assigned ~~probation officer~~ intensive supervision agent shall have at least four face-to-face contacts with the offender each week.

(b) During phase II, two face-to-face contacts a week are required.

(c) During phase III, one face-to-face contact a week is required.

(d) During phase IV, two face-to-face contacts a month are required.

Subd. 5. [WORK REQUIRED.] During phases I, II, III, and IV, the offender must spend at least 40 hours a week performing approved work, undertaking constructive activity designed to obtain employment, or attending a treatment or education program as directed by the commissioner. An offender may not spend more than six months in a residential treatment program that does not require the offender to spend at least 40 hours a week performing approved work or undertaking constructive activity designed to obtain employment.

Subd. 6. [ELECTRONIC SURVEILLANCE.] During any phase, the offender may be placed on electronic surveillance if the ~~probation officer~~ intensive supervision agent so directs.

Subd. 7. [OTHER REQUIREMENTS.] The commissioner may include any other conditions in the various phases of the intensive community supervision program that the commissioner finds necessary and appropriate.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day after final enactment."

Amend the title as follows:

Page 1, line 5, after the first semicolon insert "244.09, subdivision 2;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

S. F. No. 783, A bill for an act relating to health; infectious waste control; transferring responsibility for infectious waste from the pollution control agency to the department of health; clarifying that veterinarians are also covered by the act; clarifying requirements for management and generators' plans; allowing certain medical waste to be mixed with other waste under certain conditions; creating a medical waste task force; appropriating money; amending Minnesota Statutes 1990, sections 116.76, subdivision 5; 116.77; 116.78, subdivision 4; 116.79, subdivisions 1, 3, and 4; 116.80, subdivisions 2 and 3; 116.81, subdivision 1; 116.82, subdivision 3; and 116.83; repealing Minnesota Statutes 1990, sections 116.76, subdivision 2; and 116.81, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 31, before the period insert ", except hospitals or laboratories"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 543, 734, 761, 1002, 1109, 1273, 1377 and 1387 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 269, 510, 525, 526 and 783 were read for the second time.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of S. F. Nos. 132 and 350; H. F. Nos. 1129, 1246, 1009, 628, 222 and 658; S. F. No. 397; H. F. No. 695 and S. F. No. 621.

S. F. No. 132, A bill for an act relating to public safety; providing for wheelchair securement devices in transit vehicles for transporting disabled people; amending Minnesota Statutes 1990, sections 299A.11; 299A.12, subdivision 1, and by adding a subdivision; and 299A.14, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

S. F. No. 350 was reported to the House.

S. F. No. 350 was read for the third time.

Olsen, S., moved that S. F. No. 350 be temporarily laid over on Rule 1.10. The motion prevailed.

H. F. No. 1129, A bill for an act relating to agriculture; regulating genetically engineered plants, pesticides, fertilizers, soil amendments, and plant amendments; rules of the environmental quality board governing release of genetically engineered organisms; reimbursement of release permit costs; imposing a penalty; amending Minnesota Statutes 1990, sections 18B.01, by adding subdivisions; 18C.005, by adding subdivisions; 18C.425, by adding a subdivision; 18D.01, subdivisions 1 and 9; 18D.301, subdivisions 1 and 2; 18D.325, subdivisions 1 and 2; 18D.331, subdivisions 1, 2, and 3; 116C.91, by adding a subdivision; and 116C.94; proposing coding for new law in Minnesota Statutes, chapters 18B; 18C; and 116C; proposing coding for new law as Minnesota Statutes, chapter 18F.

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
Dille	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kahn	Newinski	Schreiber	
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	
Frerichs	Kinkel	Olsen, S.	Simoneau	

The bill was passed and its title agreed to.

H. F. No. 1246 was reported to the House.

Jacobs moved to amend H. F. No. 1246, the third engrossment, as follows:

Page 4, line 28, delete everything after "customers" and insert a semicolon

Page 4, delete lines 29 to 30

Page 5, line 4, after "electricity" insert "not purchased from a public utility governed by subdivision 1a or a cooperative electric association governed by this subdivision"

Page 8, line 16, delete "revenue" and insert "finance"

Page 19, delete lines 8 to 11

Renumber the remaining sections

The motion prevailed and the amendment was adopted.

Jacobs moved to amend H. F. No. 1246, the third engrossment, as amended, as follows:

Page 17, after line 6, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for applications for certificates of need filed with the public utilities commission after July 31, 1991."

The motion prevailed and the amendment was adopted.

Speaker pro tempore Krueger called Rodosovich to the Chair.

H. F. No. 1246, A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; authorizing conservation improvement financial incentive plans; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B and 216C.

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 113 yeas and 17 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Dempsey	Hugoson	McPherson	Welker
Anderson, R.	Girard	Johnson, V.	Onnen	
Anderson, R. H.	Goodno	Koppendrayer	Schafer	
Blatz	Haukoos	Krinkie	Sviggum	

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

H. F. No. 1009, A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks; authorizing nonpark use of a portion of certain parks; authorizing the sale of certain deleted lands.

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, R.	Battaglia	Beard	Bertram
Anderson, I.	Anderson, R. H.	Bauerly	Begich	Bettermann

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

The bill was passed and its title agreed to.

H. F. No. 628 was reported to the House.

Marsh and Brown moved to amend H. F. No. 628, the first engrossment, as follows:

Page 2, after line 17, insert:

"Sec. 3. [169.983] [SPEEDING VIOLATIONS; CREDIT CARD PAYMENT OF FINES.]

The officer who issues a citation for a violation by a person who does not reside in Minnesota of section 169.14 or 169.141 shall give the defendant the option to plead guilty to the violation upon issuance of the citation and to pay the fine to the issuing officer with a credit card.

The commissioner shall adopt rules to implement this section, including specifying the types of credit cards that may be used."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

Speaker pro tempore Rodosovich called Johnson, A., to the Chair.

Bishop moved to amend the Marsh and Brown amendment to H. F. No. 628, the first engrossment, as follows:

Page 1, line 6, delete "by a"

Page 1, line 7, delete "person who does not reside in Minnesota"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 36 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Goodno	Limmer	Rukavina	Tompkins
Beard	Hasskamp	Long	Sarna	Tunheim
Begich	Hausman	McEachern	Scheid	Weaver
Bertram	Janezich	Morrison	Skoglund	Welker
Bishop	Jaros	O'Connor	Smith	
Dille	Kahn	Olsen, S.	Solberg	
Erhardt	Krinkie	Onnen	Sparby	
Frerichs	Krueger	Osthoff	Thompson	

Those who voted in the negative were:

Abrams	Farrell	Kalis	Newinski	Schafer
Anderson, I.	Garcia	Kelso	Ogren	Seaberg
Anderson, R. H.	Girard	Kinkel	Olson, E.	Segal
Battaglia	Greenfield	Knickerbocker	Olson, K.	Simoneau
Bauerly	Gruenes	Koppendrayer	Omann	Stanius
Bettermann	Gutknecht	Lasley	Orenstein	Steensma
Blatz	Hanson	Lieder	Orfield	Sviggum
Bodahl	Hartle	Lourey	Ostrom	Swenson
Boo	Haukoos	Lynch	Ozment	Trimble
Brown	Heir	Macklin	Pauly	Valento
Carlson	Henry	Mariani	Pellow	Vellenga
Carruthers	Hufnagle	Marsh	Pelowski	Wagenius
Clark	Hugoson	McGuire	Peterson	Waltman
Cooper	Jacobs	McPherson	Pugh	Wejcman
Dauner	Jefferson	Milbert	Reding	Welle
Davids	Jennings	Munger	Rest	Wenzel
Dawkins	Johnson, A.	Murphy	Rice	Winter
Dempsey	Johnson, R.	Nelson, K.	Rodosovich	Spk. Vanasek
Dorn	Johnson, V.	Nelson, S.	Runbeck	

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

The question recurred on the Marsh and Brown amendment to H. F. No. 628, the first engrossment. The motion prevailed and the amendment was adopted.

H. F. No. 628, A bill for an act relating to traffic regulations;

increasing the fine for violating seat belt requirements; reallocating fine receipts; amending Minnesota Statutes 1990, section 169.686, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 169.

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

The question was taken on the passage of the bill and the roll was called. There were 70 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Garcia	Lieder	Orfield	Skoglund
Battaglia	Greenfield	Limmer	Osthoff	Smith
Bauerly	Gutknecht	Long	Ostrom	Stanius
Bishop	Hanson	Lourey	Ozment	Swenson
Boo	Hartle	Macklin	Pauly	Thompson
Brown	Hausman	Mariani	Pellow	Tompkins
Clark	Heir	McGuire	Pelowski	Trimble
Cooper	Johnson, A.	Morrison	Pugh	Valento
Dauner	Johnson, V.	Murphy	Reding	Vellenga
Davids	Kahn	Nelson, K.	Rest	Wagenius
Dille	Kalis	Nelson, S.	Schafer	Waltman
Dorn	Knickerbocker	Newinski	Scheid	Wejcman
Erhardt	Lasley	Olsen, S.	Seaberg	Welle
Frerichs	Leppik	Orenstein	Segal	Spk. Vanasek

Those who voted in the negative were:

Abrams	Dempsey	Jaros	Milbert	Sarna
Anderson, I.	Farrell	Jennings	O'Connor	Schreiber
Anderson, R.	Girard	Johnson, R.	Ogren	Simoneau
Beard	Goodno	Kelso	Olson, E.	Solberg
Begich	Gruenes	Kinkel	Olson, K.	Sparby
Bertram	Hasskamp	Koppendrayer	Omann	Steensma
Bettermann	Haukoos	Krinkie	Onnen	Sviggum
Blatz	Henry	Krueger	Peterson	Tunheim
Bodahl	Hufnagle	Lynch	Rice	Weaver
Carlson	Hugoson	Marsh	Rodosovich	Welker
Carruthers	Jacobs	McEachern	Rukavina	Wenzel
Dawkins	Janezich	McPherson	Runbeck	Winter

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

S. F. No. 350 which was temporarily laid over earlier today was again reported to the House.

UNANIMOUS CONSENT

Long requested unanimous consent to offer an amendment. The request was granted.

Long moved to amend S. F. No. 350, the unofficial engrossment, as follows:

Page 6, line 12, after the period, insert "The city shall take all reasonable actions in seeking reimbursements of any costs incurred to remediate methane at the landfill."

Page 6, delete lines 14 to 16, and insert "section to reimburse the metropolitan"

Page 6, line 20, delete everything after the period and insert "The remaining amount recovered must first be used to pay the administrative and legal expenses of the city that are incurred under the act."

Page 6, line 21, delete "the" and insert "The"

Page 6, line 21, after "must" insert "then"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 350, A bill for an act relating to the environment; adding a purpose for expenditure from the metropolitan landfill contingency action trust fund; authorizing the city of Hopkins to issue bonds to pay for environmental response costs at a landfill; authorizing the city to impose a solid waste collection surcharge; authorizing a landfill cleanup assessment against property; authorizing a service charge; appropriating money; amending Minnesota Statutes 1990, section 473.845, subdivision 3.

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

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

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

H. F. No. 222, A bill for an act relating to international trade; establishing a regional international trade service center pilot 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 123 yeas and 7 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Krinkie	Pellow	Sviggum	Welker
Onnen	Runbeck	Weaver	

The bill was passed and its title agreed to.

H. F. No. 658, A bill for an act relating to economic development; appropriating money for a federal technical procurement project and for Minnesota Project Outreach Corporation.

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 7 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey	Haukoos	Krinkie	Welker
Erhardt	Heir	Sviggum	

The bill was passed and its title agreed to.

S. F. No. 397, A bill for an act relating to capital improvements; altering the terms of a grant to the Red Lake watershed district;

amending Laws 1990, chapter 610, article 1, section 20, subdivision 5.

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	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	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
Dille	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
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. 695, A bill for an act relating to domestic violence; battered women; providing that no filing fee shall be charged for issuing a domestic abuse order for protection except under certain circumstances; increasing the penalty for violating an order for protection; authorizing warrantless arrests for violations at a place of employment; permitting the issuance of a new order based on violation of a prior order; increasing the probationary period for misdemeanor domestic assaults; clarifying and expanding the role of the battered women's advisory council; establishing a sexual assault advisory council; updating and correcting certain statutory provisions; amending Minnesota Statutes 1990, sections 518B.01, subdivision 14, and by adding a subdivision; 609.135, subdivision 2; 611A.31, subdivision 2; 611A.32, subdivisions 1 and 2; 611A.33; 611A.34; 611A.35; and 611A.36, subdivision 1; proposing coding for

new law in Minnesota Statutes, chapter 611A; repealing Minnesota Statutes 1990, section 611A.32, subdivision 4.

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

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

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	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
Dille	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kahn	Newinski	Schreiber	
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	

The bill was passed and its title agreed to.

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 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	Frerichs	Kinkel	Olsen, S.	Simoneau
Anderson, I.	Garcia	Knickerbocker	Olson, E.	Skoglund
Anderson, R.	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
Dille	Johnson, V.	Nelson, S.	Scheid	Spk. Vanasek
Dorn	Kahn	Newinski	Schreiber	
Erhardt	Kalis	O'Connor	Seaberg	
Farrell	Kelso	Ogren	Segal	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

SPECIAL ORDERS

Long moved that the 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 Trimble be added as an author on H. F. No. 27. The motion prevailed.

Long moved that H. F. No. 1655 be recalled from the Committee on

Rules and Legislative Administration and be re-referred to the Committee on Appropriations. The motion prevailed.

Carruthers moved that S. F. No. 1019 be recalled from the Committee on Appropriations and together with H. F. No. 1273, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Anderson, I., moved that H. F. No. 250 be returned to its author. The motion prevailed.

Hartle moved that H. F. No. 780 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. 21:

Bertram, McEachern and Onnen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 126:

Johnson, R.; Hasskamp and Kinkel.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 236:

Solberg, Wagenius and Seaberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 683:

Jacobs, Janezich and Boo.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 693:

Carruthers, Pugh and Swenson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 922:

Ostrom, Vellenga and Macklin.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1549:

Wenzel, Omann and Bertram.

ADJOURNMENT

Long moved that when the House adjourns today it adjourn until 1:00 p.m., Wednesday, May 15, 1991. The motion prevailed.

Long moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Wednesday, May 15, 1991.

EDWARD A. BURDICK, Chief Clerk, House of Representatives