

## STATE OF MINNESOTA

## SEVENTY-SEVENTH SESSION—1992

## EIGHTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 25, 1992

The House of Representatives convened at 1:00 p.m. and was called to order by Dee Long, 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	Olson, E.	Smith
Anderson, I.	Frerichs	Kinkel	Olson, K.	Solberg
Anderson, R.	Garcia	Knickerbocker	Omann	Sparby
Anderson, R. H.	Girard	Koppendrayner	Onnen	Stanius
Battaglia	Goodno	Krambeer	Orenstein	Steenasma
Bauerly	Greenfield	Krinkie	Orfield	Sviggum
Beard	Gruenes	Krueger	Osthoff	Swenson
Begich	Gutknecht	Lasley	Ostrom	Thompson
Bertram	Hanson	Leppik	Ozment	Tompkins
Bettermann	Hartle	Lieder	Pauly	Trimble
Bishop	Hasskamp	Lourey	Pellow	Tunheim
Blatz	Haukoos	Lynch	Pelowski	Uphus
Bodahl	Hausman	Macklin	Peterson	Valento
Boo	Heir	Mariani	Pugh	Vanasek
Brown	Henry	Marsh	Reding	Vellenga
Carlson	Hufnagle	McEachern	Rest	Wagenius
Carruthers	Hugoson	McGuire	Rice	Waltman
Clark	Jacobs	McPherson	Rodosovich	Weaver
Cooper	Janezich	Milbert	Rukavina	Wejzman
Dauner	Jaros	Morrison	Runbeck	Welker
Davids	Jefferson	Munger	Sarna	Welle
Dawkins	Jennings	Murphy	Schafer	Wenzel
Dempsey	Johnson, A.	Nelson, S.	Schreiber	Winter
Dille	Johnson, R.	Newinski	Seaberg	Spk. Long
Dorn	Johnson, V.	O'Connor	Segal	
Erhardt	Kahn	Ogren	Simoneau	
Farrell	Kalis	Olsen, S.	Skoglund	

A quorum was present.

Limmer and Nelson, K., were excused.

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

(3) any license required to practice the following occupation regulated by the following sections:

- (a) abstracters regulated pursuant to chapter 386;
- (b) accountants regulated pursuant to chapter 326;
- (c) adjusters regulated pursuant to chapter 72B;
- (d) architects regulated pursuant to chapter 326;
- (e) assessors regulated pursuant to chapter 270;
- (f) attorneys regulated pursuant to chapter 481;
- (g) auctioneers regulated pursuant to chapter 330;
- (h) barbers regulated pursuant to chapter 154;
- (i) beauticians regulated pursuant to chapter 155A;
- (j) boiler operators regulated pursuant to chapter 183;
- (k) chiropractors regulated pursuant to chapter 148;
- (l) collection agencies regulated pursuant to chapter 332;
- (m) cosmetologists regulated pursuant to chapter 155A;
- (n) dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;
- (o) detectives regulated pursuant to chapter 326;
- (p) electricians regulated pursuant to chapter 326;
- (q) embalmers regulated pursuant to chapter 149;
- (r) engineers regulated pursuant to chapter 326;
- (s) insurance brokers and salespersons regulated pursuant to chapter 60A;
- (t) certified interior designers regulated pursuant to chapter 326;
- (u) midwives regulated pursuant to chapter 148;
- (~~u~~) (v) morticians regulated pursuant to chapter 149;

~~(v)~~ (w) nursing home administrators regulated pursuant to chapter 144A;

~~(w)~~ (x) optometrists regulated pursuant to chapter 148;

~~(x)~~ (y) osteopathic physicians regulated pursuant to chapter 147;

~~(y)~~ (z) pharmacists regulated pursuant to chapter 151;

~~(z)~~ (aa) physical therapists regulated pursuant to chapter 148;

~~(aa)~~ (bb) physicians and surgeons regulated pursuant to chapter 147;

~~(bb)~~ (cc) plumbers regulated pursuant to chapter 326;

~~(cc)~~ (dd) podiatrists regulated pursuant to chapter 153;

~~(dd)~~ (ee) practical nurses regulated pursuant to chapter 148;

~~(ee)~~ (ff) professional fundraisers regulated pursuant to chapter 309;

~~(ff)~~ (gg) psychologists regulated pursuant to chapter 148;

~~(gg)~~ (hh) real estate brokers, salespersons, and others regulated pursuant to chapters 82 and 83;

~~(hh)~~ (ii) registered nurses regulated pursuant to chapter 148;

~~(ii)~~ (jj) securities brokers, dealers, agents, and investment advisers regulated pursuant to chapter 80A;

~~(jj)~~ (kk) steamfitters regulated pursuant to chapter 326;

~~(kk)~~ (ll) teachers and supervisory and support personnel regulated pursuant to chapter 125;

~~(ll)~~ (mm) veterinarians regulated pursuant to chapter 156;

~~(mm)~~ (nn) watchmakers regulated pursuant to chapter 326;

~~(nn)~~ (oo) water conditioning contractors and installers regulated pursuant to chapter 326;

~~(oo)~~ (pp) water well contractors regulated pursuant to chapter 156A;

~~(pp)~~ (qq) water and waste treatment operators regulated pursuant to chapter 115;

~~(qq)~~ (rr) motor carriers regulated pursuant to chapter 221;

~~(rr)~~ (ss) professional corporations regulated pursuant to chapter 319A;

(4) any driver's license required pursuant to chapter 171;

(5) any aircraft license required pursuant to chapter 360;

(6) any watercraft license required pursuant to chapter 86B;

(7) any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air, or water, which is required to be obtained from a state agency or instrumentality; and

(8) any pollution control rule or standard established by the pollution control agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services.

Sec. 2. Minnesota Statutes 1990, section 319A.02, subdivision 2, is amended to read:

Subd. 2. "Professional service" means personal service rendered by a professional pursuant to a license or certificate issued by the state of Minnesota to practice medicine and surgery pursuant to sections 147.01 to 147.29, chiropractic pursuant to sections 148.01 to 148.105, registered nursing pursuant to sections 148.171 to 148.285, optometry pursuant to sections 148.52 to 148.62, psychology pursuant to sections 148.88 to 148.98, dentistry pursuant to sections 150A.01 to 150A.12, pharmacy pursuant to sections 151.01 to 151.40, podiatric medicine pursuant to Laws 1987, chapter 108, sections 1 to 16, veterinary medicine pursuant to sections 156.001 to 156.14, architecture, engineering, surveying, and landscape architecture, and certified interior design pursuant to sections 326.02 to 326.15, accountancy pursuant to sections 326.17 to 326.23, or law pursuant to sections 481.01 to 481.17, or pursuant to a license or certificate issued by another state pursuant to similar laws.

Sec. 3. Minnesota Statutes 1990, section 326.02, subdivision 1, is amended to read:

Subdivision 1. [~~REGISTRATION LICENSURE OR CERTIFICATION~~ MANDATORY.] In order to safeguard life, health, and property, and to promote the public welfare, any person in either public

or private capacity practicing, or offering to practice, architecture, professional engineering, land surveying,<sup>1</sup> or landscape architecture,<sup>2</sup> or using the title certified interior designer in this state, either as an individual, a copartner, or as agent of another, shall be ~~registered licensed or certified~~ as hereinafter provided. It shall be unlawful for any person to practice, or to offer to practice, in this state, architecture, professional engineering, land surveying,<sup>2</sup> or landscape architecture, or to use the title certified interior designer, or to solicit or to contract to furnish work within the terms of sections 326.02 to 326.15, or to use in connection with the person's name, or to otherwise assume, use or advertise any title or description tending to convey the impression that the person is an architect, professional engineer (hereinafter called engineer), land surveyor or, landscape architect, or certified interior designer, unless such person is qualified by ~~registration licensure or certification~~ under sections 326.02 to 326.15.

Sec. 4. Minnesota Statutes 1990, section 326.02, is amended by adding a subdivision to read:

Subd. 4b. [CERTIFIED INTERIOR DESIGNER.] (a) For the purposes of sections 326.02 to 326.15, "certified interior designer" means a person who is certified under section 326.10, to use the title certified interior designer and who provides services in connection with the design of public interior spaces, including preparation of documents relative to non-load-bearing interior construction, space planning, finish materials, and furnishings.

(b) No person may use the title certified interior designer unless that person has been certified as an interior designer or has been exempted by the board. Registered architects may be certified without additional testing. Persons represent themselves to the public as certified interior designers if they use a title that incorporates the words certified interior designer.

(c) Nothing in this section prohibits the use of the title interior designer or the term interior design by persons not certified by the board.

(d) Nothing in this section restricts persons not certified by the board from providing interior design services and from saying that they provide such services, as long as they do not use the title certified interior designer.

(e) Nothing in this section authorizes certified interior designers to engage in the practice of architecture as defined in subdivision 2 or the practice of engineering as defined in subdivision 3.

Sec. 5. Minnesota Statutes 1990, section 326.02, subdivision 5, is amended to read:

Subd. 5. [LIMITATION.] The provisions of sections 326.02 to 326.15 shall not apply to the preparation of plans and specifications for the erection, enlargement, or alteration of any building or other structure by any person, for that person's exclusive occupancy or use, unless such occupancy or use involves the public health or safety or the health or safety of the employees of said person, or of the buildings listed in section 326.03, subdivision 2, nor to any detailed or shop plans required to be furnished by a contractor to a registered engineer, landscape architect, ~~or architect~~, or certified interior designer, nor to any standardized manufactured product, nor to any construction superintendent supervising the execution of work designed by an architect, landscape architect, ~~or engineer registered~~, or certified interior designer licensed or certified in accordance with section 326.03, nor to the planning for and supervision of the construction and installation of work by an electrical contractor or master plumber as defined in and licensed pursuant to this chapter, where such work is within the scope of such licensed activity and not within the practice of professional engineering, or architecture, or where the person does not claim to be a certified interior designer as defined in section 326.02, subdivisions subdivision 2 and, 3, or 4b.

Sec. 6. Minnesota Statutes 1990, section 326.03, subdivision 1, is amended to read:

Subdivision 1. No person, except an architect, engineer, land surveyor ~~or~~, landscape architect, or certified interior designer, licensed or certified as provided for in sections 326.02 to 326.15 shall practice architecture, professional engineering, land surveying, or landscape architecture, or use the title certified interior designer, respectively, in the preparation of plans, specifications, reports, plats or other architectural, engineering, land surveying ~~or~~, landscape architectural, or interior design documents, or in the observation of architectural, engineering, land surveying ~~or~~, landscape architectural, or interior design projects. In preparation of such documents, reasonable care shall be given to compliance with applicable laws, ordinances, and building codes relating to design.

Sec. 7. Minnesota Statutes 1990, section 326.031, is amended to read:

**326.031 [SPECIFICATIONS FOR PUBLIC FACILITIES, USE OF BRAND NAMES.]**

Any engineer, architect, certified interior designer, or other person preparing specifications with respect to a contract for the construction of any facility for the state, or any agency or department thereof, or for any county, city, town, or school district, shall at the time of submitting such specifications to the governing body of the organization requesting the specifications, submit to such body, in writing, a list showing each item in the specifications which has

been specified by brand name, unless such specifications allow for the consideration of an equal.

Sec. 8. Minnesota Statutes 1991 Supplement, section 326.04, is amended to read:

326.04 [BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING AND, LANDSCAPE ARCHITECTURE, AND INTERIOR DESIGN.]

To carry out the provisions of sections 326.02 to 326.15 there is hereby created a board of architecture, engineering, land surveying ~~and, landscape architecture, and interior design~~ (hereinafter called the board) consisting of ~~17~~ 20 members, who shall be appointed by the governor. Three members shall be licensed architects, five members shall be licensed engineers, one member shall be a licensed landscape architect, two members shall be licensed land surveyors, one member shall be a certified interior designer, and ~~six~~ eight members shall be public members. Not more than one member of said board shall be from the same branch of the profession of engineering. The first landscape architect certified interior designer member and seventh and eighth members shall be appointed as soon as possible and no later than 60 days after August 1, 1975 1992, and shall serve for a term to end on January 1, 1977 1994. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214.

Sec. 9. Minnesota Statutes 1990, section 326.05, is amended to read:

326.05 [QUALIFICATIONS OF BOARD MEMBERS.]

Each member of the board shall be a resident of this state at the time of appointment. Each member except the public members shall have been engaged in the practice of the relevant profession for at least ten years and shall have been in responsible charge of work for at least five years. Each such member shall be a member in good standing of a recognized society of architects, engineers, land surveyors ~~or, landscape architects, or interior designers;~~ and, except as provided in section 326.06, shall be a licensed architect, licensed engineer, licensed land surveyor ~~or, licensed landscape architect, or certified interior designer.~~ The certified interior design member must have passed the National Council for Interior Design Qualifications test.

Sec. 10. Minnesota Statutes 1990, section 326.06, is amended to read:

326.06 [GENERAL POWERS AND DUTIES OF BOARD.]

Each member of the board shall receive a certificate of appointment from the governor, and, before beginning a term of office, shall file with the secretary of state the constitutional oath of office. The board shall adopt and have an official seal, which shall be affixed to all licenses granted; shall make all rules, not inconsistent with law, needed in performing its duties; and shall fix standards for determining the qualifications of applicants for certificates, which shall not exceed the requirements contained in the curriculum of a recognized school of architecture, landscape architecture ~~or~~, engineering, or interior design. The board shall make rules to define classes of buildings with respect to which persons performing services described in section 326.03, subdivision 2, may be exempted from the provisions of sections 326.02 to 326.15, by a finding of no probable risk to life, health, property or public welfare.

Sec. 11. Minnesota Statutes 1990, section 326.07, is amended to read:

326.07 [BOARD, MEETINGS OF, OFFICERS, QUORUM.]

The board shall hold meetings at such times as the bylaws of the board may provide. Notice of all meetings shall be given in such manner as the bylaws may provide. The board shall elect annually from its members a chair, a vice-chair, a secretary and a treasurer. A quorum of the board shall consist of not less than ~~nine~~ ten members, of whom ~~three~~ four shall be architects ~~or~~, landscape architects ~~or~~, land surveyors, or certified interior designers, three engineers, and three public members.

Sec. 12. Minnesota Statutes 1990, section 326.08, subdivision 2, is amended to read:

Subd. 2. Any member of the board, the executive secretary of the board, or the attorney for the board may be authorized by the board to attend any architectural, engineering, land surveying ~~or~~, landscape architectural, or interior design conference or meeting held outside of this state, the major purpose of which is the consideration of problems directly associated with the registration or licensing of architects, professional engineers, land surveyors ~~or~~, landscape architects, or certified interior designers.

Sec. 13. Minnesota Statutes 1990, section 326.09, is amended to read:

326.09 [RECORDS OF BOARD.]

The board shall keep a record of its proceedings and a register of all applicants for licensing, showing for each the date of application, name, age, educational and other qualifications, place of business, and the place of residence, whether or not an examination was required and whether the applicant was rejected or a license granted, and the date of such action. The books and register of the board shall be prima facie evidence of all matters recorded therein. A roster showing the names and places of business or of residence of all licensed architects, engineers, land surveyors ~~and~~, landscape architects, and certified interior designers shall be prepared by the executive secretary of the board during the month of July, of each even numbered year. Roster supplements listing newly licensed persons shall be published semiannually between publications of the biennial roster. Rosters may be printed out of the funds of the board, as provided in section 326.08.

Sec. 14. Minnesota Statutes 1990, section 326.10, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE.] The board shall on application therefor on a prescribed form, and upon payment of a fee prescribed by rule of the board, issue a license or certificate as an architect, engineer, land surveyor ~~or~~, landscape architect, or certified interior designer. A separate fee shall be paid for each profession licensed.

(1) To any person over 25 years of age, who is of good moral character and repute, and who has the experience and educational qualifications which the board by rule may prescribe.

(2) To any person who holds an unexpired certificate of registration or license issued by proper authority in the District of Columbia, any state or territory of the United States, or any foreign country, in which the requirements for registration or licensure of architects, engineers, land surveyors ~~or~~, landscape architects, or certified interior designers, respectively, at the time of registration or licensure in the other jurisdiction, were equal, in the opinion of the board, to those fixed by the board and by the laws of this state, and in which similar privileges are extended to the holders of certificates of registration or licensure issued by this state. The board may require such person to submit a certificate of technical qualification from the National Council of Architectural Registration Boards in the case of an architect, from the National Council of Engineering Examiners in the case of an engineer, ~~and~~ from the National Council of Landscape Architects Registration Board in the case of a landscape architect, and from the National Council for Interior Design Qualifications in the case of a certified interior designer.

Sec. 15. Minnesota Statutes 1990, section 326.10, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION.] The board may subject any applicant for licensure to such examinations as may be deemed necessary to establish qualifications.

In determining the qualifications in such cases of applicants for licensure as architects, a majority vote of the architect members of the board only shall be required; in determining the qualifications in such cases of applicants for licensure as engineers, a majority vote of the engineer members of the board only, shall be required; ~~and~~ in determining the qualifications of applicants for registration as land surveyors, the affirmative vote of the land surveyor member and of one engineer of the board only, shall be required; ~~and~~ in determining the qualifications of applicants for licensure as landscape architects, the affirmative vote of the landscape architect member of the board and of one architect member or one civil engineer member of the board only, shall be required; and in determining the qualifications of applicants for certification as certified interior designers, the affirmative vote of the interior designer member of the board, of two public members, and of one architect or engineer member of the board only, is required.

Sec. 16. Minnesota Statutes 1990, section 326.10, subdivision 2a, is amended to read:

Subd. 2a. [NEEDS OF PHYSICALLY DISABLED, INCLUSION IN EXAMINATION.] Examinations for architect, civil structural engineer, ~~and~~ landscape architect, and certified interior designer shall include questions which require the applicant to demonstrate knowledge of the design needs of people with physical disabilities and of the relevant statutes and codes. The questions shall be developed by the board in consultation with the department of administration.

Sec. 17. Minnesota Statutes 1990, section 326.11, subdivision 1, is amended to read:

Subdivision 1. [REVOCATION OR SUSPENSION.] The board shall have the power to revoke or suspend the license or certificate of any architect, engineer, land surveyor ~~or~~ landscape architect, or certified interior designer, who is found guilty by the board of any fraud or deceit in obtaining a license or certificate, or of attaching the licensee's or certificate holder's seal or signature to any plan, specification, report, plat, or other architectural, engineering, land surveying ~~or~~ landscape architectural, or interior design document not prepared by the person signing or sealing it or under that person's direct supervision, or of gross negligence, incompetency, or misconduct in the practice of architecture, engineering, land surveying ~~or~~ landscape architecture, or interior design, or upon conviction of any violation of sections 326.02 to 326.15 or amendments thereof, or of any crime involving moral turpitude or upon adjudication of insanity or incompetency.

Sec. 18. Minnesota Statutes 1990, section 326.12, is amended to read:

326.12 [LICENSE AS EVIDENCE; SEAL.]

Subdivision 1. [JUDICIAL PROOF.] The issuance of a license or certificate by the board shall be evidence that the person named therein is entitled to all the rights and privileges of a licensed architect, licensed engineer, licensed land surveyor ~~or~~, licensed landscape architect, or certified interior designer while the license or certificate remains unrevoked or has not expired or has not been suspended.

Subd. 2. [SEAL.] Each licensee or certificate holder may, upon registration, obtain a seal of a design approved by the board, bearing the licensee's or certificate holder's name and the legend "licensed architect," "licensed professional engineer," "licensed land surveyor," ~~or~~ "licensed landscape architect," or "certified interior designer." Plans, specifications, plats, reports, and other documents prepared by a licensee or certificate holder may be stamped with the seal during the life of the license or certificate. A rubber stamp facsimile thereof may be used in lieu of the seal on tracings from which prints are to be made or on papers which would be damaged by the regular seal. It shall be unlawful for any one to stamp or seal any document with the stamp or seal after the license of the registrant named thereon has expired, been revoked or suspended, unless said license or certificate shall have been renewed or reissued.

Subd. 3. [CERTIFIED SIGNATURE.] Each plan, specification, plat, report, or other document which under sections 326.02 to 326.15 require be is prepared and submitted to a building official by a licensed architect, licensed engineer, licensed land surveyor ~~or~~, licensed landscape architect, or certified interior designer shall be required to bear only the signature of the licensed or certified person preparing it, or the signature of the licensed or certified person under whose direct supervision it was prepared. Each signature shall be accompanied by a certification that the signer is licensed under sections 326.02 to 326.15, by the person's license number, and by the date on which the signature was affixed. The provisions of this paragraph shall not apply to documents of an intraoffice or intra-company nature.

Sec. 19. Minnesota Statutes 1990, section 326.13, is amended to read:

326.13 [PRACTICE EXEMPT.]

Practice of architecture, engineering, landscape architecture, or land surveying, or use of the title certified interior designer in this state prior to licensure by the board shall be permitted under the following conditions and limitations:

(1) By any person or firm not a resident of and having no established place of business in this state, or any person or firm resident in this state, but whose arrival in the state is recent; provided, however, such person or a person connected with such firm:

(a) is registered or licensed and qualified to practice such profession in a state or country to which the board grants registration or licensure by comity in accordance with the provisions of section 326.10, subdivision 1, clause (2); and

(b) shall have filed an application for licensure as an architect or, an engineer, or a certified interior designer shall have paid the fee provided for in section 326.10, and shall have been notified by the board that the applicant meets the requirements for licensure or certification in this state and is entitled to receive a license or certificate;

(c) notwithstanding the provisions of paragraph (b) and prior to the notification provided for therein, an applicant who meets the requirements of paragraph (a) shall be permitted to practice in this state provided that such practice is limited solely to solicitation of work within the terms of sections 326.02 to 326.15;

(2) Practice as an architect, an engineer, a land surveyor, or a landscape architect, or use of the title certified interior designer by any person not a resident of, and having no established place of business in, this state, as a consulting associate of an architect, an engineer, a land surveyor, or a landscape architect, or use of the title certified interior designer licensed or certified under the provisions of sections 326.02 to 326.15; provided, the nonresident is licensed or certified and qualified to practice the profession in a state or country to which the board grants licensure or certification by comity in accordance with the provisions of section 326.10, subdivision 1, clause (2);

(3) Practice as an architect, an engineer, a land surveyor, or a landscape architect, or use of the title certified interior designer solely as an officer or employee of the United States.

Sec. 20. Minnesota Statutes 1990, section 326.14, is amended to read:

**326.14 [CORPORATIONS AND PARTNERSHIPS AUTHORIZED.]**

A corporation, partnership or other firm may engage in work of an architectural or engineering character, in land surveying or in landscape architecture, or use the title of certified interior designer in this state, provided the person or persons connected with such corporation, partnership or other firm in responsible charge of such

work is or are licensed or certified as herein required for the practice of architecture, engineering, land surveying, and landscape architecture, and use of the title of certified interior designer.

Sec. 21. [EXISTING INTERIOR DESIGNERS.]

Persons who on July 1, 1992, are in the business of interior design and who have filed a certification application with the board by September 1, 1993, shall be allowed to continue in that business and use the title certified interior designer as if certified under this act until final action is taken by the board on their application.

Sec. 22. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall, in Minnesota Statutes and Minnesota Rules, change the words "board of architecture, engineering, land surveying, and landscape architecture" or similar words to "board of architecture, engineering, land surveying, landscape architecture, and interior design" or similar words.

Delete the title and insert:

"A bill for an act relating to occupations and professions; requiring the certification of interior designers; defining certified interior designer; providing for administration of certification requirements; changing the name of the board of architecture, engineering, land surveying, and landscape architecture; amending Minnesota Statutes 1990, sections 116J.70, subdivision 2a; 319A.02, subdivision 2; 326.02, subdivisions 1, 5, and by adding a subdivision; 326.03, subdivision 1; 326.031; 326.05; 326.06; 326.07; 326.08, subdivision 2; 326.09; 326.10, subdivisions 1, 2, and 2a; 326.11, subdivision 1; 326.12; 326.13; and 326.14; Minnesota Statutes 1991 Supplement, section 326.04."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1680, A bill for an act relating to financial institutions; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, and clerical services; regulating the report and audit schedules and account insurance of credit unions; regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders;

providing special corporate voting and notice provisions for banking corporations; amending Minnesota Statutes 1990, sections 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3; 46.131, subdivision 4; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.52; 47.54; 47.55; 48.02; 48.89, subdivision 5; 49.34, subdivision 2; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 56.04; 56.07; 56.12; 56.125, subdivision 2; 56.131, subdivision 4; 300.23; 300.52, subdivision 1; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 46.041, subdivision 4, is amended to read:

Subd. 4. [HEARING.] In any case in which the commissioner grants a request for a hearing, the commissioner shall fix a time for a hearing conducted pursuant to chapter 14 to decide whether or not the application will be granted. A notice of the hearing must be published by the applicant in the form prescribed by the commissioner in a newspaper published in the municipality in which the proposed bank is to be located, and if there is no such newspaper, then at the county seat of the county in which the bank is proposed to be located. The notice must be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and witnesses that appear in favor of or against the granting of the application of the proposed bank. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to department of commerce to be deposited in the general fund, must be paid by the applicant and 50 percent equally by the intervening parties.

Sec. 2. Minnesota Statutes 1990, section 46.044, is amended to read:

#### 46.044 [CHARTERS ISSUED, CONDITIONS.]

If (1) the applicants are of good moral character and financial integrity, (2) there is a reasonable public demand for this bank in this location, (3) the organization expenses being paid by the subscribing shareholders bank do not exceed the necessary legal expenses incurred in drawing incorporation papers and the publication and the recording thereof, as required by law those allowed by section 46.043, (4) the probable volume of business in this location is sufficient to insure and maintain the solvency of the new bank and

the solvency of the then existing bank or banks in the locality without endangering the safety of any bank in the locality as a place of deposit of public and private money, (5) the commissioner of commerce is satisfied that the proposed bank will be properly and safely managed, and (6) the applicant, if it is an interstate bank holding company, as defined in section 48.92, has provided developmental loans as required by section 48.991, and has complied with the net new funds reporting requirements of section 48.93, the application must be granted; otherwise it must be denied. In case of the denial of the application, the commissioner of commerce shall specify the grounds for the denial. A person aggrieved, may obtain judicial review of the determination in accordance with chapter 14.

Sec. 3. Minnesota Statutes 1990, section 46.047, subdivision 2, is amended to read:

Subd. 2. [BANKING INSTITUTION.] The term "banking institution" means a bank, trust company, bank and trust company, mutual savings bank, or thrift institution, that is organized under the laws of this state or a holding company which owns or otherwise controls the banking institution.

Sec. 4. Minnesota Statutes 1990, section 46.048, subdivision 3, is amended to read:

Subd. 3. [BACKGROUND CHECKS.] In addition to any other information the commissioner may be able to obtain pursuant to section 13.82, the Minnesota bureau of criminal apprehension shall, upon the commissioner's request, provide fingerprint and background checks on all persons named in the notice required by subdivision 2 and Public Law Number 92-544.

Sec. 5. Minnesota Statutes 1990, section 46.07, subdivision 2, is amended to read:

Subd. 2. [CONFIDENTIAL RECORDS.] The commissioner shall divulge facts and information obtained in the course of examining financial institutions under the commissioner's supervision only when and to the extent required or permitted by law to report upon or take special action regarding the affairs of an institution, or ordered by a court of law to testify or produce evidence in a civil or criminal proceeding, except that the commissioner may furnish information as to matters of mutual interest to an official or examiner of the federal reserve system, the Federal Deposit Insurance Corporation, the ~~Federal Savings and Loan Insurance Corporation~~ federal office of thrift supervision, the federal home loan bank system, the National Credit Union Administration, comptroller of the currency, a legally constituted state credit union share insurance corporation approved under section 52.24, ~~the issuer of a commitment for insurance or guarantee of the certificates of an industrial loan and thrift company approved under section 53.10,~~ or state and

federal law enforcement agencies. The commissioner shall not be required to disclose the name of a debtor of a financial institution under the commissioner's supervision, or anything relative to the private accounts, ownership, or transactions of an institution, or any fact obtained in the course of an examination thereof, except as herein provided. For purposes of this subdivision, a subpoena is not an order of a court of law. These records are classified confidential or protected nonpublic for purposes of the Minnesota government data practices act and their destruction, as prescribed in section 46.21, is exempt from the provisions of chapter 138 and Laws 1971, chapter 529, so far as their deposit with the state archives.

Sec. 6. Minnesota Statutes 1990, section 47.10, is amended to read:

47.10 [REAL ESTATE; ACQUISITION, HOLDING.]

Subdivision 1. [AUTHORITY, APPROVAL, LIMITATIONS.] (a) Except as otherwise specially provided, the net book value of land and buildings for the transaction of the business of the corporation, including parking lots and premises leased to others, shall not be more than as follows:

(1) for a bank, trust company or stock savings association, if investment is for acquisition and improvements to establish a new bank, or is for improvements to existing property or acquisition and improvements to adjacent property, approval by the commissioner of commerce is not required if the total investment does not exceed 50 percent of its existing capital stock and paid-in surplus. Upon written prior approval of the commissioner of commerce, a bank, trust company or stock savings association may invest in the property and improvements in clause (1) or for acquisition of nonadjacent property for expansion or future use, if the aggregate of all such investments does not exceed 75 percent of its existing capital stock and paid-in surplus;

(2) for a savings bank, 50 percent of its net surplus;

(3) for a mutual building and loan association, five percent of its net assets.

(b) For purposes of this subdivision, an intervening highway, street, road, alley, other public thoroughfare, or easement of any kind does not cause two parcels of real property to be nonadjacent.

Subd. 2. [BOOKS AND RECORDS.] With the exception of annual amortization charges which are made in accordance with generally accepted accounting principles, no state bank, trust company, savings bank, or building and loan association shall decrease the actual

cost of the investment as shown on its books by a charge to any of its capital accounts unless approved by the commissioner.

Subd. 3. [LEASEHOLD PLACE OF BUSINESS; APPROVAL OF CERTAIN LEASE AGREEMENTS.] No bank, trust company, savings bank, or building and loan association may acquire real property and improvements of any nature to it for its place of business by lease agreement if the lessor has an existing direct or indirect interest in the management or ownership of the bank, trust company, savings bank, or building and loan association without prior written approval by the commissioner. This includes subsequent amendments and associated leasehold improvements.

Subd. 4. [APPROVAL OF CERTAIN INSIDER AGREEMENTS.] No bank, trust company, savings bank, or savings association may purchase or sell real property, personal property, improvements or equipment of a value of \$25,000 or more if the purchaser or seller other than the bank, trust company, savings bank, or savings association has an existing direct or indirect interest in the institution without prior written approval by the commissioner. Each bank, trust company, savings bank, or savings association must maintain documentation of transactions with interested parties, including personal property leases and purchases or sales of under \$25,000, which demonstrates the commercial reasonableness and fair market value of the transaction.

Sec. 7. Minnesota Statutes 1990, section 47.101, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS TO DEPARTMENT OF COMMERCE.] An application by a banking institution to relocate its main office outside a radius of three miles measured in a straight line, ~~or referred from the commissioner of commerce pursuant to subdivision 2,~~ shall be approved or disapproved by the commissioner of commerce as provided for in sections 46.041 and 46.044.

Sec. 8. Minnesota Statutes 1990, section 47.20, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section the terms defined in this subdivision have the meanings given them:

(1) "Actual closing costs" mean reasonable charges for or sums paid for the following, whether or not retained by the mortgagee or lender:

(a) Any insurance premiums including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance, but excluding any

charges or sums retained by the mortgagee or lender as self-insured retention.

(b) Abstracting, title examination and search, and examination of public records.

(c) The preparation and recording of any or all documents required by law or custom for closing a conventional or cooperative apartment loan.

(d) Appraisal and survey of real property securing a conventional loan or real property owned by a cooperative apartment corporation of which a share or shares of stock or a membership certificate or certificates are to secure a cooperative apartment loan.

(e) A single service charge, which includes any consideration, not otherwise specified herein as an "actual closing cost" paid by the borrower and received and retained by the lender for or related to the acquisition, making, refinancing or modification of a conventional or cooperative apartment loan, and also includes any consideration received by the lender for making a borrower's interest rate commitment or for making a borrower's loan commitment, whether or not an actual loan follows the commitment. The term service charge does not include forward commitment fees. The service charge shall not exceed one percent of the original bona fide principal amount of the conventional or cooperative apartment loan, except that in the case of a construction loan, the service charge shall not exceed two percent of the original bona fide principal amount of the loan. That portion of the service charge imposed because the loan is a construction loan shall be itemized and a copy of the itemization furnished the borrower. A lender shall not collect from a borrower the additional one percent service charge permitted for a construction loan if it does not perform the service for which the charge is imposed or if third parties perform and charge the borrower for the service for which the lender has imposed the charge.

(f) Charges and fees necessary for or related to the transfer of real or personal property securing a conventional or cooperative apartment loan or the closing of a conventional or cooperative apartment loan paid by the borrower and received by any party other than the lender.

(2) "Contract for deed" means an executory contract for the conveyance of real estate, the original principal amount of which is less than \$100,000. A commitment for a contract for deed shall include an executed purchase agreement or earnest money contract wherein the seller agrees to finance any part or all of the purchase price by a contract for deed.

(3) "Conventional loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made

pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a mortgage upon real property containing one or more residential units or upon which at the time the loan is made it is intended that one or more residential units are to be constructed, and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration, and which is not made pursuant to the authority granted in subdivision 1, clause (3) or (4). The term mortgage does not include contracts for deed or installment land contracts.

(4) "Cooperative apartment loan" means a loan or advance of credit, other than a loan or advance of credit made by a credit union or made pursuant to section 334.011, to a noncorporate borrower in an original principal amount of less than \$100,000, secured by a security interest on a share or shares of stock or a membership certificate or certificates issued to a stockholder or member by a cooperative apartment corporation, which may be accompanied by an assignment by way of security of the borrower's interest in the proprietary lease or occupancy agreement in property issued by the cooperative apartment corporation and which is not insured or guaranteed by the secretary of housing and urban development, by the administrator of veterans affairs, or by the administrator of the farmers home administration.

(5) "Cooperative apartment corporation" means a corporation or cooperative organized under chapter 308A or 317A, the shareholders or members of which are entitled, solely by reason of their ownership of stock or membership certificates in the corporation or association, to occupy one or more residential units in a building owned or leased by the corporation or association.

(6) "Forward commitment fee" means a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of residential units, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make conventional loans to two or more credit worthy purchasers, including future purchasers, of apartments as defined in section 515.02 to be created out of existing structures pursuant to the Minnesota condominium act, or a fee or other consideration paid to a lender for the purpose of securing a binding forward commitment by or through the lender to make cooperative apartment loans to two or more credit worthy purchasers, including future purchasers, of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation; provided, that the forward commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(7) "Borrower's interest rate commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees that, if a conventional or cooperative apartment loan is made following issuance of and pursuant to the commitment, the conventional or cooperative apartment loan shall be made at a rate of interest not in excess of the rate of interest agreed to in the commitment, provided that the rate of interest agreed to in the commitment is not in excess of the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower.

(8) "Borrower's loan commitment" means a binding commitment made by a lender to a borrower wherein the lender agrees to make a conventional or cooperative apartment loan pursuant to the provisions, including the interest rate, of the commitment, provided that the commitment rate of interest does not exceed the maximum lawful rate of interest effective as of the date the commitment is issued and the commitment when issued and agreed to shall constitute a legally binding obligation on the part of the mortgagee or lender to make a conventional or cooperative apartment loan within a specified time period in the future at a rate of interest not exceeding the maximum lawful rate of interest effective as of the date the commitment is issued by the lender to the borrower; provided that a lender who issues a borrower's loan commitment pursuant to the provisions of a forward commitment is authorized to issue the borrower's loan commitment at a rate of interest not to exceed the maximum lawful rate of interest effective as of the date the forward commitment is issued by the lender.

(9) "Finance charge" means the total cost of a conventional or cooperative apartment loan including extensions or grant of credit regardless of the characterization of the same and includes interest, finders fees, and other charges levied by a lender directly or indirectly against the person obtaining the conventional or cooperative apartment loan or against a seller of real property securing a conventional loan or a seller of a share or shares of stock or a membership certificate or certificates in a cooperative apartment corporation securing a cooperative apartment loan, or any other party to the transaction except any actual closing costs and any forward commitment fee. The finance charges plus the actual closing costs and any forward commitment fee, charged by a lender shall include all charges made by a lender other than the principal of the conventional or cooperative apartment loan. The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.

(10) "Lender" means any person making a conventional or coop-

erative apartment loan, or any person arranging financing for a conventional or cooperative apartment loan. The term also includes the holder or assignee at any time of a conventional or cooperative apartment loan.

(11) "Loan yield" means the annual rate of return obtained by a lender over the term of a conventional or cooperative apartment loan and shall be computed as the annual percentage rate as computed in accordance with sections 226.5 (b), (c), and (d) of Regulation Z, Code of Federal Regulations, title 12, section 226, but using the definition of finance charge provided for in this subdivision. For purposes of this section, with respect to wraparound mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.

~~(12) "Monthly index of the federal home loan mortgage corporation auction yields" means the net weighted average yield of accepted offers in the eight month forward commitment program of the federal home loan mortgage corporation in a month.~~

(13) "Person" means an individual, corporation, business trust, partnership or association or any other legal entity.

(14) (13) "Residential unit" means any structure used principally for residential purposes or any portion thereof, and includes a unit in a townhouse or planned unit development, a condominium apartment, a nonowner occupied residence, and any other type of residence regardless of whether the unit is used as a principal residence, secondary residence, vacation residence, or residence of some other denomination.

(15) (14) "Vendor" means any person or persons who agree to sell real estate and finance any part or all of the purchase price by a contract for deed. The term also includes the holder or assignee at any time of the vendor's interest in a contract for deed.

Sec. 9. Minnesota Statutes 1990, section 47.20, subdivision 4a, is amended to read:

Subd. 4a. [MAXIMUM INTEREST RATE.] No conventional or cooperative apartment loan or contract for deed shall be made at a rate of interest or loan yield in excess of a maximum lawful interest rate which shall be based upon the monthly index of the federal home loan mortgage corporation auction yields as compiled by the federal home loan mortgage corporation. The maximum lawful interest rate shall be computed as follows:

(1) The maximum lawful rate of interest for a conventional or cooperative apartment loan or contract for deed made or contracted for during any calendar month is equal to the monthly index of the federal home loan mortgage corporation auction yields for the first preceding calendar month plus an additional three-eighths of one percent per annum rounded off to the next highest quarter of one percent per annum.

(2) On or before the last day of each month the commissioner of commerce shall determine, based on available statistics, the monthly index of the federal home loan mortgage corporation auction yields for that calendar month and shall determine the maximum lawful rate of interest for conventional or cooperative apartment loans or contracts for deed for the next succeeding month as defined in clause (1) and shall cause the maximum lawful rate of interest to be published in a legal newspaper in Ramsey county on or before the first day of each month or as soon thereafter as practicable and in the state register on or before the last day of each month; the maximum lawful rate of interest to be effective on the first day of that month. If a federal home loan mortgage corporation eight month forward commitment purchase program is not held in any month, the maximum lawful rate of interest determined by the commissioner of commerce pursuant to the last auction is the maximum lawful rate of interest through the last day of the month in which the next auction is held of 15.75 percent per annum.

(3) (1) The maximum lawful interest rate applicable to a cooperative apartment loan or contract for deed at the time the loan or contract is made is the maximum lawful interest rate for the term of the cooperative apartment loan or contract for deed. Notwithstanding the provisions of section 334.01, a cooperative apartment loan or contract for deed may provide, at the time the loan or contract is made, for the application of specified different consecutive periodic interest rates to the unpaid principal balance, if no interest rate exceeds the maximum lawful interest rate applicable to the loan or contract at the time the loan or contract is made.

(4) (2) Contracts for deed executed pursuant to a commitment for a contract for deed, or conventional or cooperative apartment loans made pursuant to a borrower's interest rate commitment or made pursuant to a borrower's loan commitment, or made pursuant to a commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment, which commitment provides for consummation within some future time following the issuance of the commitment may be consummated pursuant to the provisions, including the interest rate, of the commitment notwithstanding the fact that the maximum lawful rate of interest at the time the contract for deed or conventional or cooperative apartment loan is actually executed or made is less than the commitment rate of interest, provided the commitment rate of

interest does not exceed the maximum lawful interest rate in effect on the date the commitment was issued. The refinancing of (a) an existing conventional or cooperative apartment loan, (b) a loan insured or guaranteed by the secretary of housing and urban development, the administrator of veterans affairs, or the administrator of the farmers home administration, or (c) a contract for deed by making a conventional or cooperative apartment loan is deemed to be a new conventional or cooperative apartment loan for purposes of determining the maximum lawful rate of interest under this subdivision. The renegotiation of a conventional or cooperative apartment loan or a contract for deed is deemed to be a new loan or contract for deed for purposes of clause (3) (1) and for purposes of determining the maximum lawful rate of interest under this subdivision. A borrower's interest rate commitment or a borrower's loan commitment is deemed to be issued on the date the commitment is hand delivered by the lender to, or mailed to the borrower. A forward commitment is deemed to be issued on the date the forward commitment is hand delivered by the lender to, or mailed to the person paying the forward commitment fee to the lender, or to any one of them if there should be more than one. A commitment for a contract for deed is deemed to be issued on the date the commitment is initially executed by the contract for deed vendor or the vendor's authorized agent.

(5) (3) A contract for deed executed pursuant to a commitment for a contract for deed, or a loan made pursuant to a borrower's interest rate commitment, or made pursuant to a borrower's loan commitment, or made pursuant to a forward commitment for conventional or cooperative apartment loans made upon payment of a forward commitment fee including a borrower's loan commitment issued pursuant to a forward commitment at a rate of interest not in excess of the rate of interest authorized by this subdivision at the time the commitment was made continues to be enforceable in accordance with its terms until the indebtedness is fully satisfied.

Sec. 10. Minnesota Statutes 1990, section 47.20, subdivision 5, is amended to read:

Subd. 5. (a) No conventional loan or loan authorized in subdivision 1 made on or after the effective date of Laws 1977, chapter 350 shall contain a provision requiring or permitting the imposition of a penalty in the event the loan or advance of credit is prepaid.

(b) A precomputed conventional loan or precomputed loan authorized in subdivision 1 shall provide for a refund of the precomputed finance charge according to the actuarial method if the loan is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date. The actuarial method for the purpose of this section is the amount of interest attributable to each fully unexpired monthly installment period of the loan contract following the date of prepayment in full calculated as if the loan was

made on an interest-bearing basis at the rate of interest provided for in the note based on the assumption that all payments were made according to schedule. A precomputed loan for the purpose of this section means a loan for which the debt is expressed as a sum comprised of the principal amount and the amount of interest for the entire term of the loan computed actuarially in advance on the assumption that all scheduled payments will be made when due and does not include a loan for which interest is computed from time to time by application of a rate to the unpaid principal balance, interest-bearing loans, or simple-interest loans. For the purpose of calculating a refund for precomputed loans under this section, any portion of the finance charge for extending the first payment period beyond one month may be ignored. Nothing in this section shall be considered a limitation on discount points or other finance charges charged or collected in advance, and nothing in this section shall require a refund of the charges in the event of prepayment. Nothing in this section shall be considered to supersede section 47.204.

Sec. 11. Minnesota Statutes 1990, section 47.52, is amended to read:

**47.52 [AUTHORIZATION.]**

(a) With the prior approval of the commissioner, any bank doing business in this state may establish and maintain not more than five detached facilities provided the facilities are located within the municipality in which the principal office of the applicant bank is located; or within 5,000 feet of its principal office measured in a straight line from the closest points of the closest structures involved; or within 100 miles of its principal office measured in a straight line from the closest points of the closest structures involved, if the detached facility is within any municipality in which no bank is located at the time of application or if the detached facility is in a municipality having a population of more than 10,000, as determined by the commissioner from the latest available data from the state demographer, or if the detached facility is located in a municipality having a population of 10,000 or less, as determined by the commissioner from the latest available data from the state demographer, and all the banks having a principal office in the municipality have consented in writing to the establishment of the facility.

(b) A detached facility shall not be closer than 50 feet to a detached facility operated by any other bank and shall not be closer than 100 feet to the principal office of any other bank, the measurement to be made in the same manner as provided above. This clause shall not be applicable if the proximity to the facility or the bank is waived in writing by the other bank and filed with the application to establish a detached facility.

(c) Any bank is allowed, in addition to other facilities, one drive-in

or walk-up facility located between 150 to 1,500 feet of the main banking house or within 1,500 feet from a detached facility. The drive-in or walk-up facility permitted by this clause is subject to clause (b) and section 47.53.

(d) With the prior approval of the commissioner, a bank may locate a detached facility in a township if:

(1) the township is in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county; and

(2) the detached facility is either:

(i) within the same township as the applicant bank's principal office;

(ii) within 5,000 feet of the applicant bank's principal office as measured in paragraph (a); or

(iii) within 100 miles of the applicant bank's principal office as measured in paragraph (a) and is no closer than two miles to any municipality having a population of 10,000 or less, as determined by the commissioner from the latest available data from the state demographer or the metropolitan council, unless the consent required by paragraph (a) has been obtained.

Sec. 12. Minnesota Statutes 1990, section 47.54, is amended to read:

#### 47.54 [NOTICES AND APPROVAL PROCEDURES.]

Subdivision 1. [APPLICATION.] Any bank desiring to establish a detached facility shall execute and acknowledge a written application in the form prescribed by the commissioner and shall file the application in the commissioner's office with a fee of \$500. If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the commissioner in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, shall be paid by the applicant and 50 percent equally by the intervening parties. The applicant shall within 30 days of the receipt of the form prescribed by the commissioner publish a notice of the filing of the application in a qualified newspaper published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then in a qualified newspaper likely to give notice in the municipality in which the proposed detached facility is to be located. In addition to the publication, the applicant must mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the detached facility, measured in the manner provided in section 47.52.

Subd. 2. [APPROVAL ORDER.] If no objection is received by the commissioner within 21 days after the publication and mailing of the notices, the commissioner shall issue an order approving the application without a hearing if it is found that (a) the applicant bank meets current industry standards of capital adequacy, management quality, and asset condition, (b) the establishment of the proposed detached facility will improve the quality or increase the availability of banking services in the community to be served, and (c) the establishment of the proposed detached facility will not have an undue adverse effect upon the solvency of existing financial institutions in the community to be served. Otherwise, the commissioner shall deny the application. Any proceedings for judicial review of an order of the commissioner issued under this subdivision without a contested case hearing shall be conducted pursuant to the provisions of the administrative procedure act relating to judicial review of agency decisions, sections 14.63 to 14.69, and the scope of judicial review in such proceedings shall be as provided therein. Nothing herein shall be construed as requiring the commissioner to conduct a contested case hearing if no written objection is timely received by the commissioner from a bank within three miles of the proposed location of the detached facility.

Subd. 3. [OBJECTIONS; HEARING.] If any bank within three miles of the proposed location of the detached facility objects in writing within 21 days, the commissioner shall ~~fix a time, within 60 days after filing of the objection, for a hearing, and the record of the hearing shall be considered by the commissioner in deciding whether or not the application shall be granted. A notice of the hearing shall be published in the form prescribed by the commissioner in a newspaper as described in subdivision 1, at the expense of the applicant, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicant and any witnesses who may appear in favor of or against the granting of the application. The hearing shall be conducted by the commissioner in accordance with the provisions of the administrative procedures act, sections 14.001 to 14.69, governing contested cases, including the provisions of the act relating to judicial review of agency decisions.~~ consider the objection. If the objection also requests a hearing, the objector must include the nature of the issues or facts to be presented and the reasons why written submissions would be insufficient to make an adequate presentation to the commissioner. Comments challenging the legality of an application should be submitted separately in writing.

Written requests for hearing must be evaluated by the commissioner who may grant or deny the request. A hearing must generally be granted only if it is determined that written submissions would be inadequate or that a hearing would otherwise be beneficial to the decision-making process. A hearing may be limited to issues considered material by the commissioner.

If a request for a hearing has been denied, the commissioner shall notify the applicant and all interested persons stating the reasons for denial. Interested parties may submit to the commissioner with simultaneous copies to the applicant additional written comments on the application within 14 days after the date of the notice of denial. The applicant shall be provided an additional seven days after the 14-day deadline has expired within which to respond to any comments submitted within the 14-day period. A copy of any response submitted by the applicant shall also be mailed simultaneously by the applicant to the interested parties. The commissioner may waive the additional seven-day comment period if so requested by the applicant.

Subd. 4. [HEARING.] In any case in which the commissioner grants a request for a hearing, the commissioner shall fix a time for a hearing conducted pursuant to chapter 14 to decide whether or not the application will be granted. A notice of the hearing must be published by the applicant in the form prescribed by the commissioner in a newspaper published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then at the county seat of the county in which the detached facility is proposed to be located. The notice must be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commissioner shall consider the application and hear the applicants and witnesses that appear in favor of or against the granting of the application of the proposed detached facility. If an application is contested and a hearing is granted, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the commissioner of commerce to be deposited in the general fund, must be paid by the applicant and 50 percent equally by the intervening parties.

Subd. 4 5. [DECISION AFTER HEARING.] If upon the hearing, it appears to the commissioner that the requirements for approval contained in subdivision 2 have been met, the commissioner shall, not later than 90 days after the hearing, issue an order approving the application. If the commissioner shall decide that the application should not be granted, the commissioner shall issue an order to that effect and forthwith give notice by certified mail to the applicant.

Subd. 5 6. [EXPIRATION AND EXTENSION OF ORDER.] If a facility is not activated within 18 months from the date of the order, the approval order automatically expires. Upon request of the applicant prior to the automatic expiration date of the order, the commissioner may grant reasonable extensions of time to the applicant to activate the facility as the commissioner deems necessary. The extensions of time shall not exceed a total of an additional 12 months. If the commissioner's order is the subject of an appeal in accordance with chapter 14, the time period referred to in this

section for activation of the facility and any extensions shall begin when all appeals or rights of appeal from the commissioner's order have concluded or expired.

Sec. 13. Minnesota Statutes 1990, section 47.55, is amended to read:

47.55 [EXISTING FACILITY BANKING FACILITIES OR BRANCHES OF SAVINGS ASSOCIATION.]

Subdivision 1. [BANKING FACILITIES IN OPERATION PRIOR TO MAY 1, 1971.] A bank may retain and operate one detached facility as it may have had in operation prior to May 1, 1971 without requirement of approval hereunder, provided that its function is limited as provided in section 47.53 and its location conforms with the provisions of section 47.52. A bank having such a retained detached facility shall be limited to operating two additional detached facilities.

Subd. 2. [FACILITIES OF BANKS OR BRANCHES OF SAVINGS ASSOCIATIONS IN OPERATION PRIOR TO ACQUISITION.] The purchase of assets and assumption of liabilities of an existing detached facility of another bank or branch of a savings and loan association or savings bank must follow the notice and approval procedures in section 47.54 to establish and maintain a new detached facility of the acquiring bank at that location but need not obtain the consent of other banks as required by section 47.52.

Sec. 14. Minnesota Statutes 1990, section 48.02, is amended to read:

48.02 [CAPITAL AND SURPLUS; PREPAYMENT OF CAPITAL.]

The capital and surplus of every state bank hereafter organized shall be at least \$250,000. In addition thereto undivided profits shall be provided for in such an amount as the commissioner shall determine to be adequate under the circumstances to avoid any possible impairment of capital and surplus. The total of these outlays shall be known as capital funds, and payment thereof shall be made in full, in cash or authorized securities, deposited in an approved custodial bank, and certified to the commissioner, under oath of the president and cashier or other chief financial officer, as well as the custodial bank, before the proposed state bank shall be authorized to commence business. The capital funds of a proposed bank shall not be less than a total amount which the commissioner considers necessary, having in mind the deposit potential for such a proposed bank and current banking industry standards of capital adequacy.

Sec. 15. Minnesota Statutes 1991 Supplement, section 48.512, subdivision 4, is amended to read:

Subd. 4. [IDENTIFICATION IS REQUIRED.] A financial intermediary shall not open or authorize signatory power over a transaction account if none of the applicants provides a driver's license, identification card, or identification document as required by subdivision 2. If the applicant provides a driver's license or identification card issued under section 171.07, the financial intermediary must confirm the identification number and name on that card through the records of the department of public safety. The financial intermediary need not confirm this information if the checking account applicant presents identification required under subdivision 2, paragraph (g), that meets the requirements of section 171.07, subdivision 9. The financial intermediary need not confirm this information if an employee of the financial intermediary has known the identity of the applicant for at least one year prior to the time of the application, and the employee provides a signed statement confirming that fact. When a minor is the applicant and the minor does not have a driver's license or identification card issued pursuant to section 171.07, the identification requirements of subdivision 2, clause (g), and this subdivision are satisfied if the minor's parent or guardian provides identification of that person's own that meets the identification requirement. The financial intermediary may waive the identification requirement if the applicant has had another type of account with the financial intermediary for at least one year immediately preceding the time of application.

Sec. 16. Minnesota Statutes 1990, section 48.89, subdivision 5, is amended to read:

Subd. 5. No bank may cause to be performed, by contract or otherwise, any clerical services for itself from a clerical service corporation or any other person, whether on or off its premises, unless assurances satisfactory to the commissioner are furnished to the commissioner by both the bank and the party performing such services that the performance thereof will be subject to regulation and examination by the commissioner to the same extent as if such services were being performed by the bank itself on its own premises.

Sec. 17. Minnesota Statutes 1990, section 49.34, subdivision 2, is amended to read:

Subd. 2. [ACQUISITION OF BANK OR SAVINGS ASSOCIATION FOR OPERATION AS DETACHED FACILITY.] (a) Notwithstanding the geographic limitations of subdivision 1, and the distance limitations and consent requirements of section 47.52, a state bank may apply to the commissioner, pursuant to the procedures contained in sections 47.51 to 47.56 and 49.35 to 49.41, to acquire another state bank or national banking association and its

detached facilities through merger, consolidation or purchase of assets and assumption of liabilities and operate them as detached facilities of the successor bank if the operation of them otherwise conforms to the limitations of section 47.52.

(b) In addition to the authority granted in paragraphs (a) and (c), and notwithstanding the geographic limitations of subdivision 1 and the limitations on number of facilities and consent requirements contained in section 47.52, a state bank whose main banking office is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington may apply to the commissioner, pursuant to the procedures contained in sections 47.51 to 47.56 and 49.35 to 49.41, to acquire another state bank or national banking association and its detached facilities through merger, consolidation, or purchase of assets and assumption of liabilities and operate them as detached facilities of the successor bank if each resulting detached facility is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

(c) Where the commissioner has determined that a merger, consolidation or purchase of assets and assumption of liabilities is necessary and in the public interest to prevent the probable failure of a state bank ~~or~~ national banking association, or state or federal savings and loan association or savings bank, the limitations on location and number of detached facilities in section 47.52 shall not apply to the establishment of a detached facility directly resulting from such acquisition. The establishment of a detached facility in order to prevent the a probable failure of a bank as provided in this subdivision paragraph shall not require the written consent of banks having a principal office in the municipality in which the resulting detached facility will be located, notwithstanding the provisions of section 47.52.

The consolidation or merger under this paragraph of a capital stock savings and loan association or savings bank and a bank shall be effected in the manner provided in sections 49.35 to 49.41. A savings and loan association or savings bank that is a mutual association may be acquired directly under this paragraph through the purchase of assets and assumption of liabilities. A state bank acquiring a savings and loan association or savings bank under this paragraph must, with the approval of the commissioner of commerce, establish a reasonable date by which the bank will cease all activities conducted by the savings and loan association or savings bank that are not authorized activities for the bank.

Sec. 18. Minnesota Statutes 1990, section 52.06, subdivision 1, is amended to read:

Subdivision 1. [REPORT AND AUDIT SCHEDULE.] Credit unions shall be under the supervision of the commissioner of commerce. Each credit union shall annually, on or before January

25, file a report with the commissioner of commerce on forms supplied by the commissioner for that purpose giving such relevant information as the commissioner may require concerning the operations during the preceding calendar year. Additional reports may be required. Credit unions shall be examined, at least once every 18 calendar months, by the commissioner of commerce, ~~except that if a credit union requests, the commissioner may accept the audit of a certified public accountant in place of this examination. Such certified public accountant must be approved by the commissioner. The qualitative type of audit examination to be performed by the certified public accountant shall be defined by rule and approved by the commissioner.~~ Further, in lieu of this examination the commissioner may accept any examination made by the National Credit Union Administration, provided a copy of the examination is furnished to the commissioner. A report of the examination by the commissioner of commerce shall be forwarded to the president, or the chair of the board if the position is so designated pursuant to section 52.09, subdivision 4, of the examined credit union within 60 days after completion of the examination. Within 60 days of the receipt of such report, a general meeting of the directors and committees shall be called to consider matters contained in the report. For failure to file reports when due, unless excused for cause, the credit union shall pay to the state treasurer \$5 for each day of its delinquency.

Sec. 19. Minnesota Statutes 1990, section 52.24, subdivision 1, is amended to read:

Subdivision 1. [INSURANCE ACCOUNTS.] Every credit union under the supervision of the commissioner of commerce shall at all times maintain in effect insurance of member share and deposit accounts under the provisions of title II of the National Credit Union Act, ~~or insurance from a legally constituted credit union share insurance corporation.~~ A credit union which fails to meet this requirement for insurance of its share and deposit accounts shall either dissolve or merge with another credit union which is insured under title II of the National Credit Union Act, ~~or by a legally constituted credit union share insurance corporation.~~

Sec. 20. Minnesota Statutes 1990, section 53.03, subdivision 5, is amended to read:

Subd. 5. [PLACE OF BUSINESS.] Not more than one place of business may be maintained under any certificate of authorization issued subsequent to the enactment of Laws 1943, chapter 67, pursuant to the provisions of this chapter, but the department of commerce may issue more than one certificate of authorization to the same corporation upon compliance with all the provisions of this chapter governing an original issuance of a certificate of authorization. To the extent that previously filed applicable information remains unchanged, the applicant need not refile this information,

unless requested. The filing fee for a branch application shall be \$500 and the investigation fee \$250. If a corporation has been issued more than one certificate of authorization, the corporation shall allocate a portion of capital stock to each office for which a certificate has been issued, in order to comply with the capital requirements of sections 53.02 and 53.05, clause (2), which sections are applicable to each office and the capital allocated thereto in the same manner as if each certificate had been issued to a separate corporation. An industrial loan and thrift corporation with deposit liabilities may change one or more of its locations upon the written approval of the commissioner of commerce. A fee of \$100 must accompany each application to the commissioner for approval to change the location of an established office. An industrial loan and thrift corporation that does not sell and issue thrift certificates for investment may change one or more locations by giving 30 days' written notice to the department of commerce which shall promptly amend the certificate of authorization accordingly. No change in place of business of a company to a location outside of its current trade area or more than 25 miles from its present location, whichever distance is greater, shall be permitted under the same certificate unless all of the applicable requirements of this section have been met.

Sec. 21. Minnesota Statutes 1990, section 53.09, subdivision 2, is amended to read:

Subd. 2. [REPORT TO COMMISSIONER.] (1) Each industrial loan and thrift company shall annually on or before the first day of February file a report with the commissioner stating in detail, under appropriate heads, its assets and liabilities at the close of business on the last day of the preceding calendar year. This report shall be made under oath in the form prescribed by the commissioner and published once, at the expense of the industrial loan and thrift company, in a newspaper of the county of its location, and proof thereof filed immediately with the commissioner of commerce.

(2) Each industrial loan and thrift company which holds authority to accept accounts pursuant to section 53.04, subdivision 5, shall in place of the requirement in clause (1) submit the reports and make the publication required of state banks pursuant to section 48.48.

(3) Within 30 days following a change in controlling ownership of the capital stock of an industrial loan and thrift company, it shall file a written report with the commissioner stating in detail the nature of such change in ownership.

Sec. 22. Minnesota Statutes 1990, section 56.04, is amended to read:

56.04 [INVESTIGATION; ISSUANCE OF LICENSE; DENIAL; REFUNDS.]

Upon the filing of the application and payment of these fees, the commissioner shall investigate the facts, and if the commissioner shall find (1) that the financial responsibility, experience, character, and general fitness of the applicant, and of the members thereof if the applicant be a copartnership or association, and of the person with direct responsibility for the operation and management of the proposed office are such as to command confidence and to warrant belief that the business will be operated honestly, fairly, and efficiently within the purposes of this chapter, and primarily for purposes other than making loans to finance the purchase of products or services, other than insurance products authorized in this chapter or chapter 62B, offered by the applicant, a person which controls or is controlled by the applicant, or a person which is controlled by persons which also control the applicant; and (2) that the applicant has available for the operation of the business, at the specified location, liquid assets of at least \$50,000 (the foregoing facts being conditions precedent to the issuance of a license under this chapter), the commissioner shall thereupon issue and deliver a license to the applicant to make loans, in accordance with the provisions of this chapter, at the location specified in the application. If the commissioner shall not so find, the commissioner shall not issue a license and shall notify the applicant of the denial and return to the applicant the sum paid by the applicant as a license fee, retaining the \$250 investigation fee to cover the costs of investigating the application. The commissioner shall approve or deny every application for license hereunder within 60 days from the filing thereof with the fees.

If the application is denied, the commissioner shall, within 20 days thereafter, file in the commissioner's office a written decision and findings with respect thereto containing the evidence and the reasons supporting the denial, and forthwith serve upon the applicant a copy thereof.

There is hereby appropriated to such persons as are entitled to such refund, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

Sec. 23. Minnesota Statutes 1990, section 56.07, is amended to read:

#### 56.07 [CONTROL OVER LOCATION.]

Not more than one place of business shall be maintained under the same license, but the commissioner may issue more than one license to the same licensee upon compliance with all the provisions of this chapter governing an original issuance of a license, for each such new license. To the extent that previously filed applicable information remains substantially unchanged, the applicant need not refile this information, unless requested.

When a licensee shall wish to change a place of business, the licensee shall give written notice thereof 30 days in advance to the commissioner, who shall within 30 days of receipt of such notice, issue an amended license approving the change. No change in the place of business of a licensee to its current trade area or more than 25 miles from its present location, whichever distance is greater, shall be permitted under the same license unless all of the requirements of section 56.04 have been met.

A licensed place of business shall be open during regular business hours each weekday, except for legal holidays and for any weekday the commissioner grants approval to the licensee to remain closed. A licensed place of business may be open on Saturday, but shall be closed on Sunday.

Sec. 24. Minnesota Statutes 1990, section 56.12, is amended to read:

**56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]**

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which the commissioner shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as the commissioner may deem necessary to prevent misunderstanding thereof by prospective borrowers. In lieu of the disclosure requirements of this section and section 56.14, a licensee may give the disclosures required by the federal Truth-in-Lending Act.

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence, unless:

(1) the proceeds of the loan are used to finance the purchase of a manufactured home; or

(2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed.

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it would facilitate evasions of this chapter or of the rules lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail or arranging for settlement and closing of real estate secured loans by an unrelated qualified closing agent at a location other than the licensed location.

Sec. 25. Minnesota Statutes 1990, section 56.131, subdivision 4, is amended to read:

Subd. 4. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) The dollar amounts in this section, sections 53.04, subdivision 3a, paragraph (c), 56.01 ~~and~~, 56.12, and 56.125 shall change periodically, as provided in this section, according to and to the extent of changes in the implicit price deflator for the gross national product, 1972 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December, 1980 is the reference base index for adjustments of dollar amounts, except that the index for December, 1984 is the reference base index for the minimum default charge of \$4. The reference base index for subdivisions 1, paragraph (a), clause (1); and 2, paragraph (d), is December 1990.

(b) The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole percentage point, between the index for December of the preceding year and the reference base index is ten percent or more, but;

(1) the portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts appearing in Laws 1981, chapter 258 on the date of enactment; and

(2) the dollar amounts shall not change if the amounts required by this section are those currently in effect pursuant to Laws 1981, chapter 258 as a result of earlier application of this section.

(c) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the department of commerce. If the index is superseded, the index referred to in this section is the one represented by the department of commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(d) The commissioner shall announce and publish:

(1) on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (b); and

(2) promptly after the changes occur, changes in the index required by paragraph (c) including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index.

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if that person relies on dollar amounts either determined according to paragraph (b), clause (2) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

(f) The adjustments provided in this section shall not be affected unless explicitly provided otherwise by law.

Sec. 26. Minnesota Statutes 1990, section 171.07, is amended by adding a subdivision to read:

Subd. 9. [SECURITY.] Beginning July 1, 1993, all drivers' licenses of any class, issued by the department, must be as impervious to alteration as is reasonably practicable in their design and quality of material and technology. The department shall give preference to a driver's license design that utilizes, to the extent possible, materials that are not generally available to the public and that provide more than one level of verification.

Sec. 27. Minnesota Statutes 1990, section 300.23, is amended to read:

### 300.23 [VOTING, HOW REGULATED.]

Unless otherwise provided in the certificate or bylaws, at every meeting each stockholder or member is entitled to one vote in person, or by proxy made within one year or other time specially limited by law, for each share or other lawful unit of representation held in an individual, corporate, or representative capacity. No stock may be voted on at an election within 20 days after its transfer on the books of the corporation. In the case of a banking corporation, the commissioner of commerce may waive the 20-day limitation.

Sec. 28. Minnesota Statutes 1990, section 300.52, subdivision 1, is amended to read:

Subdivision 1. [PRIOR NOTICE.] The first meeting of a corporation, except as otherwise prescribed in its certificate of incorporation or in the case of a banking corporation as waived in writing by the commissioner of commerce, must be called upon not less than three weeks' prior personal or published notice. The notice must be signed by one of the incorporators, to the others, and to each subscriber, if any, to its capital stock, specifying the time, place, and purpose of the meeting. Unless otherwise provided in the certificate of incorporation or corporate bylaws, an annual meeting must be called and held at its principal place of business upon three weeks' published notice, signed by its secretary. No business transacted at an annual meeting not called and held as required by this subdivision is

effective. The manner of calling and holding all meetings may be prescribed by its bylaws.

Sec. 29. Minnesota Statutes 1990, section 332.13, subdivision 2, is amended to read:

Subd. 2. "Debt prorating" means the performance of any one or more of the following:

(a) managing the financial affairs of an individual by distributing income or money to the creditors thereof;

(b) receiving funds for the purpose of distributing said funds among creditors in payment or partial payment of obligations of a debtor; or

(c) settling, adjusting, prorating, pooling, or liquidating the indebtedness of a debtor. Any person so engaged or holding out as so engaged shall be deemed to be engaged in debt prorating regardless of whether or not a fee is charged for such services. This term shall not include services performed by the following when engaged in the regular course of their respective businesses and professions:

(1) Attorneys at law, escrow agents, accountants, broker-dealers in securities;

(2) Banks, state or national, trust companies, savings and loan associations, building and loan associations, title insurance companies, insurance companies and all other lending institutions duly authorized to transact business in the state of Minnesota, provided no fee is charged for such service;

(3) Persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt prorating, perform credit services for their employer;

(4) Public officers acting in their official capacities and persons acting pursuant to court order;

(5) Nonprofit corporations, organized under Minnesota Statutes 1967, Chapter 317, giving debt prorating service, provided no fee is charged for such service;

(6) Any person while performing services incidental to the dissolution, winding up or liquidation of a partnership, corporation or other business enterprise;

(7) The state of Minnesota, its political subdivisions, public agencies and their employees;

(8) Credit unions, provided no fee is charged for such service;

(9) “Qualified organizations” designated as representative payees for purposes of the Social Security and Supplemental Security Income representative payee system and the federal Omnibus Budget Reconciliation Act of 1990, Public Law Number 101-508.

Sec. 30. [REPEALER.]

Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5, are repealed.

Sec. 31. [EFFECTIVE DATE.]

Sections 4, 17, 25, and 29 are effective the day following final enactment. If the effective date of section 25 is after the commissioner of commerce has made the announcement and publication required to be made on or before April 30 of each year under section 56.131, subdivision 4, the commissioner shall, if necessary, revise the announcement and publication to conform with section 25.”

Delete the title and insert:

“A bill for an act relating to financial institutions; regulating bank charters, the purchase and sale of property, relocations, loans, detached facilities, capital and surplus requirements, clerical services, and identification procedures; regulating the report and audit schedules and account insurance of credit unions; regulating business changes of industrial loan and thrifts; regulating business changes, license requirements, loan security, and interest rates of regulated lenders; providing special corporate voting and notice provisions for banking corporations; amending Minnesota Statutes 1990, sections 46.041, subdivision 4; 46.044; 46.047, subdivision 2; 46.048, subdivision 3; 46.07, subdivision 2; 47.10; 47.101, subdivision 3; 47.20, subdivisions 2, 4a, and 5; 47.52; 47.54; 47.55; 48.02; 48.89, subdivision 5; 49.34, subdivision 2; 52.06, subdivision 1; 52.24, subdivision 1; 53.03, subdivision 5; 53.09, subdivision 2; 56.04; 56.07; 56.12; 56.131, subdivision 4; 171.07, by adding a subdivision; 300.23; 300.52, subdivision 1; 332.13, subdivision 2; Minnesota Statutes 1991 Supplement, section 48.512, subdivision 4; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5.”

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 1823, A bill for an act relating to statutes; providing for the numbering of session law chapters; amending Minnesota Statutes 1990, section 3C.04, subdivision 5.

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. 1903, A bill for an act relating to capital improvements; authorizing bonds and appropriating money for the Minnesota Zoological Garden.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

**"Section 1. CAPITAL IMPROVEMENTS APPROPRIATIONS**

The sums in the column under "APPROPRIATIONS" in this act are appropriated from the bond proceeds fund, or other named fund, to the state agencies or officials named, to be available to acquire and to better public land and buildings and other improvements of a capital nature, as specified in the act.

**SUMMARY**

TECHNICAL COLLEGES	\$13,482,000
COMMUNITY COLLEGES	18,831,000
STATE UNIVERSITIES	14,750,000
UNIVERSITY OF MINNESOTA	60,700,000
K-12 EDUCATION CAPITAL PROGRAMS	29,130,000
HUMAN SERVICES	13,507,000
CORRECTIONS	18,950,000
HOUSING FINANCE AGENCY	5,000,000
ADMINISTRATION	44,012,500
PUBLIC FACILITIES AUTHORITY	6,600,000
CAPITOL AREA ARCHITECTURE AND PLANNING BOARD	1,643,000
TRADE AND ECONOMIC DEVELOPMENT	6,500,000
SCIENCE MUSEUM OF MINNESOTA	200,000
NATURAL RESOURCES	10,141,000

AGRICULTURE	365,000
POLLUTION CONTROL AGENCY	13,050,000
MINNESOTA ZOOLOGICAL GARDEN	1,454,000
HISTORICAL SOCIETY	2,525,000
TRANSPORTATION	33,085,000
BOND SALE EXPENSES	282,000
TOTAL	294,207,500
BOND PROCEEDS FUND	247,359,000
GENERAL FUND	869,200
TRANSPORTATION FUND	21,135,000
MAXIMUM EFFORT SCHOOL LOAN FUND	12,130,000
AIRPORT FUND	2,000,000
TRUNK HIGHWAY FUND	10,714,300

## APPROPRIATIONS

### Sec. 2. TECHNICAL COLLEGES

Subdivision 1. To the state board of technical colleges for the purposes specified in this section.

13,482,000

Notwithstanding Minnesota Statutes, section 475.61, subdivision 4, the state board of technical colleges may approve a request by a local school board to use any unobligated balance in the technical college debt redemption fund to pay the district's share of construction projects authorized in this section.

In contracting for projects funded in this section, the state board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

The state board shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

Notwithstanding Minnesota Statutes, section 136C.44, during the biennium the state board of technical colleges must not make grants to school districts but shall directly supervise and control the preparation of plans and specifications to construct, alter, or enlarge the technical college buildings,

structures, and improvements provided for in this section.

The school district must still finance 15 percent of the cost of each project, other than in a joint vocational technical district as defined in Minnesota Statutes, section 136C.60.

During the biennium, the state board of technical colleges shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

During the biennium, the state board may delegate the authority provided in this section to the campus director for repair and replacement projects with a total cost of less than \$50,000, if the state board determines that the projects can be efficiently managed at the campus level.

Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act.

The state board of technical colleges may delegate responsibilities to technical college staff.

## Subd. 2. Health and Life Safety

## (a) Systemwide Capital Improvements

5,842,000

This appropriation is for roof repair and replacement, code compliance, critically needed repair of buildings, PCB and asbestos abatement, and handicap access throughout the technical college system. This appropriation may not be used for fuel tank removal and replacement or for repair of parking facilities.

## (b) Minneapolis Technical College

5,760,000

This appropriation is for the restoration of the exterior walls and roof. The total cost of this project must not exceed \$6,776,000 whether paid from state, local, or federal money.

## Subd. 3. Brainerd Technical College

1,200,000

This appropriation is for schematics through construction documents for the joint campus with Brainerd Community College. Brainerd Technical College must consult with the community college system throughout the project.

This appropriation may not be used to relocate or replace athletic fields or facilities. Costs associated with this relocation or replacement must be paid by independent school district No. 181, Brainerd.

The state board of technical colleges may sell the current Brainerd Technical College site to independent school district No. 181, Brainerd, for the appraised value of the property.

## Subd. 4. Duluth Technical College

## (a) Planning

680,000

This appropriation is for schematics through construction documents for remodeling and constructing classroom,

lab, library, and child care space. This project will accommodate general education offered by the community college system. The total cost of this project must not exceed \$800,000 whether paid from state, local, or federal money. Duluth Technical College must consult with the community college system throughout the project.

(b) Authorization

Duluth Technical College may construct the aircraft rescue firefighter training center. The total cost of the project must be paid entirely from federal or local funds.

Subd. 5. Red Wing Technical College

Funds authorized in Laws 1988, chapter 703, article 2, section 2, subdivision 2, paragraph (d), may be used for remodeling to consolidate the campuses. The total cost of this project must not exceed \$385,000 whether paid from state, local, or federal money.

Sec. 3. COMMUNITY COLLEGES

Subdivision 1. To the commissioner of administration for the purposes specified in this section.

18,831,000

Notwithstanding Minnesota Statutes, section 16B.24, subdivision 2, the state board for community colleges shall supervise and control the making of necessary repairs to all state community college buildings and structures during the biennium.

In contracting for projects funded in this section, the state board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

The state board shall report to the house appropriations and senate finance committees by January 15 of

each year on the status of the capital improvement projects in this section.

**Subd. 2. Health and Life Safety**

(a) Systemwide Capital Improvements 4,000,000

This appropriation is for code compliance, critically needed repair of buildings, roof replacement and repair, asbestos abatement, mechanical/electrical system rehabilitation, and handicap access throughout the community college system. This appropriation may not be used for fuel tank removal and replacement or for repair of parking facilities.

(b) North Hennepin Community College 2,981,000

This appropriation is to construct and equip a new heating and cooling plant, upgrade energy control systems, install a dedicated fire suppression loop and hydrants, and make traffic modifications.

Subd. 3. Anoka-Ramsey Community College 4,700,000

This appropriation is for construction of a new facility for the Cambridge Center, including space for administration, student services, classrooms, labs, offices, a learning resource center, and a student center.

Subd. 4. Austin Community College 7,150,000

This appropriation is for the construction and remodeling of a learning resource center, offices, campus center, classrooms, lab space, and mechanical systems upgrade.

Austin Community College, in consultation with Austin Technical College, shall reexamine the proposed location of the learning resources center to determine a cost-effective strategy to lo-

cate the center on a site more readily accessible to both campuses. Prior to construction, the campuses shall report their recommendations to the chairs of the house appropriations and senate finance committees.

#### Sec. 4. STATE UNIVERSITY SYSTEM

Subdivision 1. To the state university board for the purposes specified in this section.

14,750,000

Notwithstanding Minnesota Statutes, sections 16B.30 and 16B.31, during the biennium, the state university board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of the state university buildings, structures, and improvements provided for in this section. During the biennium, the board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Plans must be paid for out of this appropriation. The remainder of the appropriation must not be spent until the board has secured suitable plans and specifications, prepared by a competent architect or engineer. The plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided in this act.

In contracting for projects funded in this section, the state board must not

restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

The board shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

Notwithstanding Minnesota Statutes, section 16B.24, subdivision 2, the state university board shall supervise and control the making of necessary repairs to all state university buildings and structures during the biennium.

Notwithstanding other law, during the biennium, the state university board may purchase property adjacent to or in the vicinity of the campuses as necessary for the development of the universities. Before taking action, the board shall consult with the chairs of the senate finance committee and the house appropriations committee about the proposed action. The board shall explain the need to acquire property, specify the property to be acquired, and indicate the source and amount of money needed for the acquisition.

During the biennium, the state university board may pay relocation costs, at its discretion, when acquiring property.

#### Subd. 2. Health and Life Safety

(a) Systemwide Capital Improvements	4,000,000
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This appropriation is for code compliance, critically needed repair of buildings, asbestos abatement, and roof repair and replacement throughout the state university system. This appropriation may not be used for fuel tank removal and replacement or for repair of parking facilities.

(b) Mankato State, Utility Tunnel	1,750,000
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This appropriation is for upgrade and extension of the campus utility system tunnel, replacement of steam system piping, electrical upgrade, and asbestos abatement.

(c) Mankato State, Nelson Hall 670,000

This appropriation is for emergency construction to repair fire damage.

(d) Moorhead State, Heating Plant 4,090,000

This appropriation is for rehabilitation of the university heating plant.

Subd. 3. Bemidji State 100,000

This appropriation is for schematic plans to remodel the library and construct an addition.

Subd. 4. Metropolitan State 140,000

This appropriation is for schematic plans to remodel buildings A and C at the Dayton's Bluff site to accommodate administrative and faculty offices, student services, and instructional space.

Subd. 5. St. Cloud State 290,000

This appropriation is for schematic plans to construct a new library.

Subd. 6. Winona State 870,000

This appropriation is for schematics through construction documents for a new library and for remodeling the existing library for office and classroom use.

Subd. 7. Library Services

It is the intention of the legislature that the regional services provided by university libraries be recognized. The state university board and the board of regents cooperatively shall study the patterns of library usage by users not affiliated with the systems. The boards

also shall analyze how they could equitably recover costs of library usage by these users and estimate potential revenues. The boards shall use this information to recommend an equitable formula for their systems' share of debt service on library facilities. The boards shall report their recommendations to the appropriations and finance committees by July 1, 1993.

Subd. 8. Systemwide Land Acquisition 2,840,000

This appropriation is to continue to acquire needed land adjacent to or in the vicinity of Metropolitan State, Moorhead State, and St. Cloud State campuses.

Sec. 5. UNIVERSITY OF MINNESOTA 60,700,000

Subdivision 1. To the regents of the University of Minnesota for the purposes specified in this section.

The regents shall report to the house appropriations and senate finance committees by January 15 of each year on the status of the capital improvement projects in this section.

Subd. 2. Health and Life Safety 8,000,000

This appropriation is for code compliance, critically needed repair of buildings, asbestos abatement, water pipe repair, and improved handicap access throughout the university system. This appropriation may not be used for fuel tank removal and replacement or for repair of parking facilities.

Subd. 3. Twin Cities Campus 51,800,000

This appropriation is for construction of a new Basic Sciences/Biomedical Engineering Center on the Minneapolis campus. To the extent allowable, the federal or other nonstate funds must be

spent before the expenditure of state bond proceeds.

Tuition revenue must not be used to meet the University's annual share of debt service for this project.

Subd. 4. Morris Campus

900,000

This appropriation is for planning for the Science Center Phase IV.

Sec. 6. K-12 EDUCATION

5,725,000

(a) \$1,325,000 is to the commissioner of administration to construct and equip at Faribault an addition to the current library for the blind and physically handicapped, remodel the existing building, and improve the utility system serving the library.

(b) \$400,000 is to the commissioner of administration for construction of an educational facility at Hoffman Center in St. Peter. The facility must be constructed to meet the educational needs of court-placed adolescent sex offenders for whom independent school district No. 508, St. Peter, has the responsibility of providing educational services. The commissioner of administration and the school district must establish a contract that provides for the operation and maintenance of the facility and that specifies that the state will retain ownership of the facility. The contract must also provide that the district will make the debt service payments on the bonds issued to construct the facility and that independent school district No. 508, St. Peter, will add these debt service payments to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. The payments by the school district to the state for debt service are to be deposited in the debt service fund. If, for any reason, the receipt of payments from resident districts is not sufficient to

make the required debt service payments, the commissioner of education shall reduce appropriations for special education aid and transfer the required amount to the debt service fund.

(c) \$4,000,000 is to the commissioner of administration for construction of an educational facility in independent school district No. 15, St. Francis. The facility must be constructed to meet the educational needs of court-placed adolescents for whom independent school district No. 15, St. Francis, has the responsibility of providing educational services. The commissioner of administration and the school district must establish a contract that provides for the operation, maintenance, and ownership of the facility, and specifies that the district will make the debt service payments on the bonds issued to construct the facility. Independent school district No. 15 may add these debt service payments to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. The payments by the school district to the state for debt service are to be deposited in the debt service fund. If, for any reason, the receipt of payments from resident districts is not sufficient to make the required debt service payments, the commissioner of education shall reduce special education aid and transfer the required amount to the debt service fund.

## Sec. 7. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for the purposes specified in this section.

13,507,000

Subd. 2. For the construction and equipping of a 50 bed addition to the Saint Peter RTC security facility to accommodate psychopathic personality commitments.

8,500,000

Subd. 3. (a) For the rehabilitation and improvement of the regional laun-

dry facility at Brainerd regional treatment center.

(b) The debt service cost on bonds sold to finance the facility described in paragraph (a) must be paid from laundry service fees charged and collected by the commissioner of human services pursuant to Minnesota Statutes, section 246.57. Laundry service fees established by the commissioner shall include appropriate charges for this debt service which shall then be paid to the commissioner of finance.

210,000

Subd. 4. For the construction of six additional state-operated community services facilities for people with developmental disabilities.

1,902,000

Subd. 5. For the construction of a 34 bed nursing facility annex and ten bed infirmary at the Rice County District Hospital location.

2,145,000

Subd. 6. For the capital remodeling of the Boswell building at Cambridge Regional Human Services Center.

500,000

Subd. 7. For the installation of air conditioning in Oakview building at Cambridge Regional Human Services Center.

250,000

## Sec. 8. CORRECTIONS

Subdivision 1. To the commissioner of administration for the purposes listed in this section.

18,950,000

Subd. 2. (a) For renovation and conversion of two residential living units on the grounds of the Faribault regional treatment center for use by the department of corrections to house up to 160 adult male inmates.

4,700,000

(b) Bonds are not authorized and may not be issued for the project described in paragraph (a) until the following projects have been approved and contracts have been awarded to carry them out:

(1) projects set forth in section 7, subdivisions 4 and 5;

(2) three remaining projects in Laws 1990, chapter 610, article 1, section 12, subdivision 3; and

(3) projects set forth in Laws 1990, chapter 610, article 1, section 12, subdivision 4.

Subd. 3. To construct and remodel space at the Minnesota Correctional Facility-Red Wing to provide a secure detention unit for the confinement of adjudicated juvenile delinquents who present a danger to the public safety. 3,000,000

Subd. 4. For planning, design, and construction of a new 100 bed residential unit and a ten bed mental health unit for female inmates at MCF-Shakopee. 11,250,000

Sec. 9. HOUSING FINANCE AGENCY 5,000,000

(a) \$1,000,000 of this appropriation is to the commissioner of the Minnesota Housing Finance Agency to make grants to the Minneapolis Public Housing Authority to pay part of the cost of the comprehensive modernization and rehabilitation of publicly owned low-income and elderly housing managed by the authority.

(b) \$4,000,000 of this appropriation is to the Minnesota housing finance agency's local government unit housing account established in Minnesota Statutes, section 462A.202, for loans with or without interest to a city to purchase or acquire land and buildings for purposes of the neighborhood land trust program under Minnesota Statutes, sections 462A.30 and 462A.31, upon terms and conditions the agency determines.

## Sec. 10. ADMINISTRATION

Subdivision 1. To the commissioner of administration for purposes specified in this section.

35,833,500

Subd. 2. Capital Asset Preservation and Repair

10,000,000

For critically needed repair of buildings, health and life safety code compliance, and preservation of capital assets throughout the state in accordance with Minnesota Statutes, section 16A.632. The commissioner shall give all state agencies, other than higher education systems an opportunity to apply for funding of urgently needed projects. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 3. Centennial Parking Ramp Repair

1,200,000

To complete the structural repair of the upper three floors of the centennial ramp, to be redesignated Central Park. The debt service cost on bonds sold to finance this repair shall be paid from parking fee revenue. Parking fees established by the commissioner, pursuant to Minnesota Statutes, section 16B.58, shall include appropriate charges for this debt service which shall then be paid to the commissioner of finance as required by law.

Subd. 4. For renovation of the old Historical Building as phase II of the Judicial Center.

12,000,000

Subd. 5. For renovation of the Ford Building to current life safety and environmental standards, including electrical distribution, HVAC systems, fire management, elevators, and exterior improvements in keeping with its historic preservation.

4,300,000

Subd. 6. For partial renovation of the Transportation Building. The balances

of \$6,392,000 from the following trunk highway fund appropriations: Laws 1981, chapter 361, section 2, clause (h); Laws 1983, chapter 344, section 2, clause (1); Laws 1984, chapter 597, section 3, subdivision 3, clauses (a) and (b); and Laws 1987, chapter 400, section 3, subdivision 1, clause (h), are transferred to be used for the first phase of this building renovation project. Renovation shall address current life safety and environmental deficiencies, electrical power distribution, and lighting.

Subd. 7. Agency Relocation

1,633,500

\$869,200 is from the general fund for relocation costs of the Attorney General, Jobs & Training, and the Department of Trade and Economic Development. \$764,300 is from the trunk highway fund for the partial relocation of the Department of Transportation.

Subd. 8. For separation and hook-up of storm and sanitary sewers in the capitol complex.

5,900,000

Subd. 9. For land acquisition in the capitol area.

800,000

Sec. 11. PUBLIC FACILITIES AUTHORITY

6,600,000

To the public facilities authority for the state match to federal grants to capitalize the state water pollution control revolving fund under Minnesota Statutes, section 446A.07.

Sec. 12. CAPITOL AREA ARCHITECTURE AND PLANNING BOARD

1,643,000

To the commissioner of administration, for Capitol building life safety and exterior restoration phase III x, to include the installation of a modern fire alarm and fire management system. This appropriation must be spent under the guidance of the CAAPB.

\$75,000 is to the CAAPB for testing, monitoring, and planning for restoration of the Capitol.

**Sec. 13. TRADE AND ECONOMIC DEVELOPMENT**

6,500,000

This appropriation is for a grant to the metropolitan council for metropolitan area regional parks acquisition and development. \$1,900,000 of this amount is for the city of Roseville to construct the John Rose Memorial Oval Speedskating/Bandy Multi-Use Facility in consultation with the amateur sports commission, contingent on the receipt of at least \$1,000,000 in matching funds from other sources, not including in-kind contributions. \$400,000 is to the national sports center for purchase of land for additional soccer fields. \$1,000,000 is to the commissioner of trade and economic development for payment to the metropolitan council for acquisition and development of the Lake Minnetonka Regional Park.

**Sec. 14. AMATEUR SPORTS COMMISSION**

\$2,500,000 allocated in Laws 1990, chapter 610, article 1, section 25, for a grant to the city of Bloomington for construction of the Holmenkollen ski jump is canceled as of July 1, 1992, if matching funds have not been obtained.

**Sec. 15. SCIENCE MUSEUM OF MINNESOTA**

200,000

This appropriation is for planning and working drawings for capital remodeling and additions to the Science Museum of Minnesota.

The planning and working drawings shall include the use of the site in the city of St. Paul on which the Public Health Building is currently located.

## Sec. 16. NATURAL RESOURCES

Subdivision 1. To the commissioner of the department of natural resources for the purposes specified in this section.

10,141,000

Subd. 2. Emergency repair of dams

1,595,000

(a) Emergency repair of publicly owned dams

1,300,000

(b) Repair or removal of dams at Welch, Stockton, and Stewartville

295,000

Money for removal of the Welch and Stockton dams is only available after the state has acquired title to the dam structures. The commissioner shall negotiate with the owners to obtain title to the structures at no cost to the state, and shall remove them immediately after obtaining title. The state is not liable for events occurring at dam sites before the state gets title.

Subd. 3. Flood hazard mitigation

This appropriation is for flood hazard mitigation grants for capital projects under Minnesota Statutes, section 103F.161.

516,000

\$206,000 is for the Jack Creek project. \$310,000 is for the Good Lake project.

Subd. 4. Field offices consolidation

2,810,000

This appropriation is for capital acquisition, construction, and renovations of field offices at Aitkin, Warroad, and Two Harbors.

Subd. 5. Parks

2,870,000

This appropriation is for development of state parks according to the management plans required in Minnesota Statutes, chapter 86A.

Subd. 6. Trails

1,000,000

This appropriation is for betterment of state trails including capital improvement construction, rehabilitation, and surfacing of the abandoned railroad bed from Willmar to New London for a multipurpose trail including a horse trail. The remaining money is for rehabilitation of Sakatah Singing Hills Trail.

Subd. 7. Fish hatcheries

1,250,000

To the commissioner of natural resources for fish hatcheries improvements including rearing ponds, security, raceways, electrical, and heating and cooling systems at the Peterson trout hatchery, the Spring Valley trout hatchery, and the New London hatchery. The commissioner may also use this appropriation for capital improvements at seasonal hatcheries. The debt service cost on bonds sold to finance this appropriation must be paid from the game and fish fund.

Subd. 8. Scientific and Natural Area Acquisition

100,000

This appropriation is for the acquisition of lands as Scientific and Natural Areas (SNA). As a first priority, lands containing great lakes white pine communities in Anoka or Washington county must be pursued for acquisition in accordance with the SNA Long Range Plan.

Sec. 17. AGRICULTURE

365,000

(a) To the commissioner of administration for the construction of a new East Grand Forks potato inspection facility to consolidate and replace inadequate facilities in Crookston and East Grand Forks.

(b) The debt service cost on bonds sold to finance the facility described in paragraph (a) must be paid from potato inspection fees charged and collected by the commissioner of agriculture pursu-

ant to Minnesota Statutes, sections 21.115 and 27.07. Inspection fees established by the commissioner of agriculture shall include appropriate charges for this debt service that shall then be paid to the commissioner of finance.

Sec. 18. POLLUTION CONTROL AGENCY

13,050,000

To the commissioner of the pollution control agency for the state share of combined sewer overflow grants under Minnesota Statutes, section 116.62.

Notwithstanding any law to the contrary, the city of St. Paul shall use all revenues derived from its clawback funding of sewer financing only for sewer separation projects that directly result in the elimination of combined sewer overflow.

Sec. 19. MINNESOTA ZOOLOGICAL GARDEN

1,454,000

To the Minnesota zoological garden board for replacement of the roof on the Tropics building and roof replacements and associated repairs on the A, B, C, and Nursery buildings. One-third of the debt service cost on bonds sold to finance this appropriation must be paid from the dedicated receipts of the zoological garden.

Sec. 20. LAKE SUPERIOR CENTER AUTHORITY

2,000,000

This appropriation is to the commissioner of administration for a grant to the Lake Superior Center authority for the costs of design and engineering of exhibition space and exhibits, offices, meeting rooms, and other capital facilities for the Lake Superior Center Authority. \$500,000 of the appropriation is available immediately. \$1,500,000 is contingent upon the authority obtaining at least \$1,500,000 in additional funding from nonstate sources to establish a construction escrow. Future ap-

propriations from the bond proceeds fund for acquisition, construction, and other costs is contingent upon the authority obtaining matching funds from nonstate sources.

Sec. 21. ENVIRONMENTAL LEARNING CENTERS 79,000

To the commissioner of administration for grants for life and safety projects at the Mounds View North ELC. The remaining money is for life and safety projects at the Long Lake ELC and for handicapped accessibility at the Kettle River ELC.

Sec. 22. CITY OF ST. CLOUD 75,000

To the commissioner of administration for a grant to the city of St. Cloud for acquisition and betterment of park land according to the Beaver Island Trail and Park Plan to preserve a scenic stretch of the Mississippi River.

Sec. 23. LAKE SUPERIOR ZOOLOGICAL GARDENS 300,000

To the commissioner of administration for a grant to the Lake Superior Zoological garden for construction cost of the Przewalski Horse/zebra and animal interaction projects.

Sec. 24. HISTORICAL SOCIETY 2,525,000

Subdivision 1. To the Minnesota historical society for the purposes specified in this section.

Subd. 2. State History Center 1,400,000

To match approximately \$4,500,000 in nonstate funds for the development and construction of major permanent exhibits in the new State History Center.

Subd. 3. Fort Snelling 375,000

For emergency life safety repairs and critical code compliance at historic Fort

Snelling, including retaining walls and public areas.

Subd. 4. St. Anthony Falls

500,000

This appropriation is for grant-in-aid purposes of the St. Anthony Falls Heritage Board in accordance with Minnesota Statutes, section 138.763. Grants may be made for public improvements of a capital nature according to the St. Anthony Falls interpretive plan for preservation. The matching requirements for the grants may be established by the St. Anthony Falls Heritage Board.

Subd. 5. Battle Point Historic Site

The appropriation for this project in Laws 1990, chapter 610, article 1, section 17, is transferred to the Minnesota Historical Society.

Subd. 6. Chisago County Historical Society

150,000

This appropriation is to the Minnesota Historical Society for a grant to the Chisago County Historical Society for design development of the St. Croix Valley Heritage Center. This appropriation must be matched equally with funds provided by the Chisago County Historical Society.

Subd. 7. Prairieland Expo Center

100,000

To the Minnesota Historical Society for schematic drawings for the Southwest Regional Development Commission's proposed Prairieland Expo facility.

Sec. 25. TRANSPORTATION

33,085,000

Subdivision 1. To the commissioner of transportation for the purposes specified in this section.

Subd. 2. Trunk Highway Facility Projects

9,950,000

To the commissioner of transportation for the purposes specified in this subdivision. The appropriations in this subdivision are from the trunk highway fund.

(a) construct additions to welding shops at Rochester, Owatonna, Windom, Morris, Virginia, and Mankato	1,104,000
(b) replace or add to chemical storage sheds at 27 locations statewide	560,000
(c) construct a new equipment storage building at Montevideo	430,000
(d) construct an addition for a resident office for the truck station and construct an addition for storage of large pieces of snow and ice removal equipment, both at Winona	450,000
(e) construct an equipment storage addition and remodel building to upgrade crew room and sanitary facilities to meet code, in Motley	300,000
(f) construct building for road maintenance equipment and bridge maintenance crew, and construct a matching chemical/cold storage structure, both at Spring Lake Park	1,950,000
(g) Owatonna radio and bridge shops addition	270,000
(h) Roseau truck station replacement	520,000
(i) Le Sueur truck station replacement	500,000
(j) MN road research project building at Monticello/Albertville	198,000
(k) design fees to complete construction documents for projects at Bemidji, Spring Lake Park, St. Cloud, Maplewood, Eden Prairie, and Thief River Falls	338,000
(l) land acquisition for new replacement truck station sites at Tracy, Effie, Glencoe, and Hutchinson	125,000

(m) plan for a facilities study to determine what space and additions should be made to headquarters building in Rochester	12,000
(n) construct pole type storage buildings at 14 truck stations headquarters sites and storage yards statewide	300,000
(o) removal of asbestos from department of transportation facilities statewide	230,000
(p) construct a metropolitan area recycling center to include buildings to store and recycle MN DOT generated hazardous and nonhazardous waste	530,000
(q) interior remodeling to convert design office space into office space for construction at Oakdale and Golden Valley headquarters buildings	75,000
(r) construct Luverne truck station addition	225,000
(s) construct truck station addition and remodel existing building to provide new crew room and sanitary facilities, both at Worthington	250,000
(t) construct an addition to garage/shop areas at the Virginia headquarters building	275,000
(u) construct Cannon Fall Class I safety rest area, (part of total project cost this request only)	256,000
(v) construct Fergus Falls truck station addition	225,000
(w) construct Olivia truck station addition	140,000
(x) construct St. Charles truck station addition	160,000
(y) construct vault type toilet facilities at the following ten class II rest areas T.H. 52 Fountain T.H. 55 Glenwood T.H. 169 Winnebago T.H. 59 Lake Shetek	395,000

T.H. 61 Cut Face Creek  
 T.H. 63 Bear Creek  
 T.H. 12 Dassel  
 T.H. 169 Tower/Soudan  
 T.H. 210 Clitherall  
 T.H. 212 Camp Release

(z) construct Nopeming truck station addition	132,000
Subd. 3. Saint Paul Airport Hangar	2,000,000

This appropriation is from the state airport fund.

To construct a state hangar facility at the Saint Paul downtown airport to house state-owned aircraft, facility of office space, and a passenger waiting area.

Subd. 4. Local Bridge Replacement and Rehabilitation	21,135,000
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To the commissioner of transportation for the purposes specified in this subdivision. The appropriations in this subdivision are from the state transportation fund.

(a) Bloomington Ferry Bridge	10,120,000
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This appropriation is to match federal discretionary bridge funds to complete the Bloomington ferry bridge.

(b) Other Bridges on Local Road Systems	11,015,000
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The commissioner shall spend this sum as grants to political subdivisions for the construction and reconstruction of key bridges on the state transportation system. This appropriation is available until spent.

Grants shall be allocated as follows:

(1) to counties, 5,904,000

(2) to cities, 2,390,000

(3) to towns, 2,721,000

(c) Political subdivisions may use grants made under this section for purposes of construction and reconstruction of bridges, including:

(1) matching federal-aid grants for the construction or reconstruction of key bridges;

(2) paying the costs of abandoning an existing bridge that is deficient and in need of replacement, but where no replacement will be made;

(3) paying the costs of constructing a road or street that would facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost-efficient than the replacement of the existing bridge; and

(4) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a.

#### Sec. 26. BOND SALE EXPENSES

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

282,000

#### Sec. 27. [BOND PROCEEDS FUND.]

To provide the money appropriated in this act from the state bond proceeds fund the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$247,359,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

#### Sec. 28. [TRANSPORTATION FUND.]

To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, on request of the

governor, shall sell and issue bonds of the state in an amount up to \$21,135,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 29. Minnesota Statutes 1991 Supplement, section 124.479, is amended to read:

124.479 [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS, 1991.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$45,065,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

~~No bonds may be sold or issued under this section until all bonds authorized by Laws 1990, chapter 610, sections 2 to 7, are sold and issued and the authorized project contracts have been initiated or abandoned.~~

Sec. 30. [124.4791] [BOND ISSUE; MAXIMUM EFFORT LOANS, 1992.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$12,130,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as

provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

Sec. 31. Minnesota Statutes 1990, section 124.495, is amended to read:

124.495 [STATE BOND AUTHORIZATION.]

Subdivision 1. [1989.] To provide money for the cooperative secondary facilities grant program, the commissioner of finance, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$14,000,000 in the manner, upon the terms and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. [1992.] To provide money for the cooperative secondary facilities grant program, the commissioner of finance, upon request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$12,000,000 in the manner, upon the terms, and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7. The amount authorized in this subdivision is in addition to bonds already authorized for this purpose.

Sec. 32. [124C.581] [ISSUANCE AND SALE OF BONDS.]

To provide money for grants under the desegregation capital improvement grant act, the commissioner of finance, upon the request of the commissioner of education, shall issue and sell bonds of the state up to the amount of \$5,000,000 in the manner, upon the terms, and with the effect prescribed by sections 16A.631 to 16A.675 and the Minnesota Constitution, article XI, sections 4 to 7. The amount authorized in this section is in addition to bonds already authorized for this purpose.

Sec. 33. [1992 MAXIMUM EFFORT LOANS.]

The commissioner of education shall make capital loans to independent school district No. 38, Red Lake, and independent school district No. 239, Rush City. Capital loans to these districts are approved.

Sec. 34. [PLANNING.]

During the biennium, in its planning for new program offerings at a particular institution, each public post-secondary education governing board shall consider the availability of physical space and the adequacy of facilities at that institution. If the board determines that new space or facilities are required, it shall examine the feasibility of developing the program at a different institution within its system or in cooperation with other systems.

Sec. 35. [DEBT SERVICE SHARE.]

For the biennium, each post-secondary governing board shall pay one-third of the debt service on state bonds sold to finance appropriations to that board for projects in this act, except for health and life safety projects under subdivision 2 of sections 2 to 5.

Sec. 36. [INSTRUCTIONS TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor is to codify Laws 1990, chapter 610, article 1, section 45, as Minnesota Statutes, section 124.478.

Sec. 37. [EFFECTIVE DATE.]

This act is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1990, section 124.495; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapters 124; and 124C."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1952, A bill for an act relating to workers' compensation; regulating benefits and insurance; establishing a permanent commission on workers' compensation; creating a health and safety fund; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 79.252, by adding a subdivision; 79A.02, by adding subdivisions; 79A.03, subdivisions 3, 4, 7, and 9; 79A.04,

subdivision 2; 79A.06, subdivision 5; 176.011, subdivisions 3, 9, 11a, and 18; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 1a, 2, 3, 3a, 4, 6, 9, and 11; 176.103, subdivision 3; 176.106, subdivision 6, and by adding a subdivision; 176.111, subdivision 18; 176.129, subdivision 10; 176.135, subdivisions 1, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.138; 176.139, subdivision 2; 176.155, subdivision 1, and by adding a subdivision; 176.181, subdivisions 3 and 7; 176.182; 176.185, subdivisions 1 and 5a; 176.191, subdivisions 1, 2, 3, and 4; 176.194, subdivision 4; 176.221, subdivisions 3, 3a, and 7; 176.231, subdivision 10; 176.261; 176.645, subdivisions 1 and 2; 176.83, subdivisions 5, 6, and by adding a subdivision; 176.84, subdivision 2; 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 79A; 175; and 176; repealing Minnesota Statutes 1990, sections 175.007; 176.136, subdivision 5; and 176.191, subdivisions 5, 6, 7, and 8, and Minnesota Statutes, chapters 79, 175A, and 176.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“ARTICLE 1  
COMPENSATION BENEFITS

Section 1. Minnesota Statutes 1990, section 176.011, subdivision 3, is amended to read:

Subd. 3. [DAILY WAGE.] “Daily wage” means the daily wage of the employee in the employment engaged in at the time of injury but does not include tips and gratuities paid directly to an employee by a customer of the employer and not accounted for by the employee to the employer. If the amount of the daily wage received or to be received by the employee in the employment engaged in at the time of injury was irregular or difficult to determine, or if the employment was part time, the daily wage shall be computed by dividing the total amount the employee actually earned in such employment in the last 26 weeks, by the total number of days in which the employee actually performed any of the duties of such employment, provided further, that. For the purpose of this computation where the wage is irregular or difficult to determine or the employment part time, holiday pay and vacation pay actually received and the corresponding days for which it is paid shall be included in the total amount actually earned and the total days actually performing duties, respectively. In the case of the construction industry, mining industry, or other industry where the hours of work are affected by seasonal conditions, the weekly wage shall not be less than five times the daily wage. Where board or allowances other than tips and gratuities are made to an employee in addition to wages as a part of

the wage contract they are deemed a part of earnings and computed at their value to the employee. In the case of persons performing services for municipal corporations in the case of emergency, then the normal working day shall be considered and computed as eight hours, and in cases where such services are performed gratis or without fixed compensation the daily wage of the person injured shall, for the purpose of calculating compensation payable under this chapter, be taken to be the usual going wage paid for similar services in municipalities where such services are performed by paid employees. If, at the time of injury, the employee was regularly employed by two or more employers, the employee's earnings in all such employments shall be included in the computation of daily wage.

Sec. 2. 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 voluntary uncompensated worker in the building and construction industry who renders services for joint labor-management nonprofit community service projects. 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;

(13) 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)~~ (14) 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)~~ (15) 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)~~ (16) 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)~~ (17) 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)~~ (18) 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)~~ (19) 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)~~ (20) 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) (21) 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) (22) 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) (23) 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

(24) 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. 3. Minnesota Statutes 1990, section 176.011, subdivision 11a, is amended to read:

Subd. 11a. [FAMILY FARM.] (a) "Family farm" means any farm operation which pays or is obligated to pay ~~less than \$8,000 in~~ cash wages, exclusive of machine hire, to farm laborers for services rendered during the preceding calendar year in an amount:

(1) less than \$8,000; or

(2) less than \$20,000 when the farm operation has total liability

and medical payment coverage equal to \$300,000 and \$5,000, respectively, under a farm liability insurance policy, and the policy covers injuries to farm laborers.

(b) For purposes of this subdivision, farm laborer does not include any spouse, parent or child, regardless of age, of a farmer employed by the farmer, or any executive officer of a family farm corporation as defined in section 500.24, subdivision 2, or any spouse, parent or child, regardless of age, of such an officer employed by that family farm corporation, or other farmers in the same community or members of their families exchanging work with the employer. Notwithstanding any law to the contrary, a farm laborer shall not be considered as an independent contractor for the purposes of this chapter; provided that a commercial baler or commercial thresher shall be considered an independent contractor.

Sec. 4. Minnesota Statutes 1990, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, ~~provided that.~~ For the purpose of this computation where the employee works less than five days per week or irregularly, holiday pay and vacation pay actually received and the corresponding days for which it is paid shall be included in the total amount actually earned and the total days actually performing duties, respectively. The weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed 66 2/3 percent of the product of the daily wage times the number of days normally worked, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or indus-

try in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 5. Minnesota Statutes 1990, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, the compensation is 66-2/3 percent of the weekly wage at the time of injury,

~~(1) provided that, during the year commencing on October 1, 1979 1992, and each year thereafter, commencing on October 1;~~

(1) the maximum weekly compensation payable is the statewide average weekly wage for the period ending December 31, of the preceding year, provided that, for injuries occurring on or after October 1, 1994, and each year thereafter, the maximum weekly compensation payable is 105 percent of the statewide average weekly wage for the period ending December 31 of the preceding year; and

~~(2) the minimum weekly compensation benefits for temporary total disability shall be not less than 50 payable for injuries occurring on or after October 1, 1992, is 35 percent of the statewide average weekly wage for the period ending December 31 of the preceding year or the injured employee's actual weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

Subject to subdivisions 3a to 3u this compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be.

Sec. 6. Minnesota Statutes 1990, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] (a) In all cases of temporary partial disability the compensation shall be 66-2/3 percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition. This compensation shall be paid during the period of disability except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a the maximum compensation equal to the statewide average weekly wage rate for temporary total compensation.

(b) Except as provided under subdivision 3k, temporary partial compensation may be paid only while the employee is employed, earning less than the employee's weekly wage at the time of the injury, and the reduced wage the employee is able to earn in the

employee's partially disabled condition is due to the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid for more than 260 weeks or after 450 weeks after the date of injury, whichever occurs first.

(c) Temporary partial compensation may not exceed the maximum rate for temporary total compensation and must be reduced to the extent that the wage the employee is able to earn in the employee's partially disabled condition plus the temporary partial disability payment otherwise payable under this subdivision exceeds 500 percent of the statewide average weekly wage.

Sec. 7. Minnesota Statutes 1990, section 176.101, subdivision 3f, is amended to read:

Subd. 3f. [LIGHT-DUTY JOB PRIOR TO THE END OF TEMPORARY TOTAL COMPENSATION.] (a) If the employer offers a job prior to the end of the 90-day period referred to in subdivision 3e, paragraph (a) and the job is consistent with an approved plan of rehabilitation or if no rehabilitation plan has been approved and the job is within the employee's physical limitations; or the employer procures a job for the employee with another employer which meets the requirements of this subdivision; or the employee accepts a job with another employer which meets the requirements of this subdivision, the employee's temporary total compensation shall cease. In this case the employee shall receive impairment compensation for the permanent partial disability which is ascertainable at that time. This impairment compensation shall be paid at the same rate that temporary total compensation was last paid. Upon the end of temporary total compensation under subdivision 3e, paragraph (a), the provisions of subdivision 3e or 3p apply, whichever is appropriate, and economic recovery compensation or impairment compensation is payable accordingly except that the compensation shall be offset by impairment compensation received under this subdivision.

(b) If an employee accepts a job under paragraph (a), begins work at that job, and is subsequently unemployed at that job through no fault of the employee, that employee shall receive temporary total compensation, subject to the provisions of subdivision 3e or paragraph (a), as may be applicable. In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner determines that rehabilitation is unnecessary. Further rehabilitation, if considered appropriate, is subject to section 176.102.

Sec. 8. Minnesota Statutes 1990, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING; COMPENSATION.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition ~~the commissioner~~ for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount ~~the commissioner determines is appropriate~~, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.

(b) If the employee is not employed during a retraining plan that has been specifically approved under this section, temporary total compensation is payable for up to 90 days after the end of the retraining plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101. If the employee is employed during the retraining plan but earning less than at the time of injury, temporary partial compensation is payable at the rate of 66-2/3 percent of the difference between the employee's weekly wage at the time of injury and the weekly wage the employee is able to earn in the employee's partially disabled condition, subject to the maximum rate for temporary total compensation. Temporary partial compensation is not subject to the 260-week or 450-week limitations provided by section 176.101, subdivision 2, during the retraining plan, but is subject to those limitations before and after the plan.

Sec. 9. Minnesota Statutes 1990, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~\$2,500~~ \$7,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, its reasonable value shall be determined and approved by the commissioner, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after reasonable notice to interested parties as is required by the commissioner. If the deceased leaves no dependents, no compensation is payable, except as provided by this chapter.

Sec. 10. Minnesota Statutes 1990, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2 and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance

with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on or after October 1, 1977 or thereafter, but prior to October 1, 1992, under this section shall exceed six percent a year; in those instances where the adjustment under the formula of this section would exceed this maximum, the increase shall be deemed to be six percent. No adjustment increase made on October 1, 1992, or thereafter under this section shall exceed four percent a year; in those instances where the adjustment under the formula of this section would exceed this maximum, the increase shall be deemed to be four percent.

Sec. 11. Minnesota Statutes 1990, section 176.645, subdivision 2, is amended to read:

Subd. 2. [TIME OF FIRST ADJUSTMENT.] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 shall be is deferred until the first anniversary of the date of the injury. For injuries occurring on or after October 1, 1992, the initial adjustment under subdivision 1 is deferred until the second anniversary of the date of injury.

Sec. 12. [EFFECTIVE DATE.]

This article is effective October 1, 1992.

## ARTICLE 2

### MEDICAL AND REHABILITATION

Section 1. Minnesota Statutes 1990, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] (a) This section applies only to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.

(b) Rehabilitation is intended to restore the injured employee, through physical and vocational rehabilitation, so the employee may

return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 2. Minnesota Statutes 1990, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation plans and services, including, but not limited to, making assuring that plans and services meet standards defined in statute and rule for timeliness and reporting and are effective in returning injured workers to suitable employment within reasonable time parameters. The commissioner shall also make determinations regarding the selection and delivery of rehabilitation services and establish and make determinations regarding the criteria used to approve qualified rehabilitation consultant interns, qualified rehabilitation consultants, qualified rehabilitation consultant firms, and rehabilitation vendors. The commissioner shall ensure that rehabilitation services are provided in conformity with professional standards for competence and ethics. The commissioner may also make determinations regarding fees for rehabilitation services and shall by rule establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. The commissioner shall annually review the fees and give notice of any adjustment in the State Register. An annual adjustment is not subject to chapter 14. By March 1, 1993, the commissioner shall report to the legislature on the status of the commission's monitoring of rehabilitation services. The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 3. Minnesota Statutes 1990, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case

may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time. A rehabilitation consultation must be provided by the employer to an injured employee upon request of the employee, the employer, or the commissioner. When the commissioner has received notice or information that an employee has sustained an injury that may be compensable under this chapter, the commissioner must notify the injured employee of the right to request a rehabilitation consultation to assist in return to work. The notice may be included in other information the commissioner gives to the employee under section 176.235, and must be highlighted in a way to draw the employee's attention to it. If a rehabilitation consultation is requested, the employer shall provide a qualified rehabilitation consultant. If the injured employee objects to the employer's selection, the employee may select a qualified rehabilitation consultant of the employee's own choosing within six months following the filing of a copy of the employee's rehabilitation plan with the commissioner. If the consultation indicates that rehabilitation services are appropriate under subdivision 1, the employer shall provide the services. If the consultation indicates that rehabilitation services are not appropriate under subdivision 1, the employer shall notify the employee of this determination within 14 days after the consultation.

(b) In order to assist the commissioner in determining whether or not to request rehabilitation consultation for an injured employee, an employer shall notify the commissioner whenever the employee's temporary total disability will likely exceed 13 weeks. The notification must be made within 90 days from the date of the injury or when the likelihood of at least a 13-week disability can be determined, whichever is earlier, and must include a current physician's report.

(c) The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest.

The consultant shall also disclose to all parties any affiliation,

business referral or other arrangement between the consultant or the firm employing the consultant and any other party to, attorney, or health care provider involved in the case, including any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

(d) After the initial provision or selection of a qualified rehabilitation consultant as provided under paragraph (a), the employee may choose request a different qualified rehabilitation consultant as follows:

(1) once during the first 60 days following the first in-person contact between the employee and the original consultant;

(2) once after the 60-day period referred to in clause (1); and

(3) subsequent requests which shall be determined granted or denied by the commissioner or compensation judge according to the best interests of the parties.

(e) The employee and employer shall enter into a program if one is prescribed in develop a rehabilitation plan within 30 days of the rehabilitation consultation if the qualified rehabilitation consultant determines that rehabilitation is appropriate. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner within 15 days after the plan has been developed.

(f) If the employer does not provide rehabilitation consultation as required by this section requested under paragraph (a), the commissioner or compensation judge shall notify the employer that if the employer fails to appoint provide a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.

(g) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(h) The commissioner or compensation judge may waive

rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 4. Minnesota Statutes 1990, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] (a) The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled.

(b) A rehabilitation consultant must file a progress report on the plan with the commissioner six months after the plan is filed. The progress report must include a current estimate of the total cost and the expected duration of the plan. The commissioner may require additional progress reports. Based on the progress reports and available information, the commissioner may take actions including, but not limited to, redirecting, amending, suspending, or terminating the plan.

Sec. 5. Minnesota Statutes 1990, section 176.102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] (a) An employer is liable for the following rehabilitation expenses under this section:

- (a) (1) cost of rehabilitation evaluation and preparation of a plan;
- (b) (2) cost of all rehabilitation services and supplies necessary for implementation of the plan;
- (c) (3) reasonable cost of tuition, books, travel, and custodial day care; and, in addition, reasonable costs of board and lodging when rehabilitation requires residence away from the employee's customary residence;
- (d) (4) reasonable costs of travel and custodial day care during the job interview process;
- (e) (5) reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present

community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury. An employee shall not be required to relocate and a refusal to relocate shall not result in a suspension or termination of compensation under this chapter; and

(f) (6) any other expense agreed to be paid.

(b) Charges for services provided by a rehabilitation consultant or vendor must be submitted on a billing form prescribed by the commissioner. No payment for the services shall be made until the charges are submitted on the prescribed form.

(c) Except as provided in this paragraph, an employer is not liable for charges for services provided by a rehabilitation consultant or vendor unless the employer or its insurer receives a bill for those services within 45 days of the provision of the services. The commissioner or a compensation judge may order payment for charges not timely billed under this paragraph if the rehabilitation consultant or vendor can prove that the failure to submit the bill as required by this paragraph was due to circumstances beyond the control of the rehabilitation consultant or vendor. A rehabilitation consultant or vendor may not collect payment from any other person, including the employee, for bills that an employer is relieved from liability for paying under this paragraph.

Sec. 6. Minnesota Statutes 1990, section 176.103, subdivision 2, is amended to read:

Subd. 2. [SCOPE.] (a) The commissioner shall monitor the medical and surgical treatment provided to injured employees, the services of other health care providers and shall also monitor hospital utilization as it relates to the treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. Insurers and self-insurers must assist the commissioner in this monitoring by reporting to the commissioner cases of suspected excessive, inappropriate, or unnecessary treatment. The commissioner shall report the results of the monitoring specific cases of suspected inappropriate, unnecessary, and excessive treatment to the medical services review board. The commissioner may, either as a result of the monitoring or as a result of an investigation following receipt of a complaint, if the commissioner believes that any provider of health care services has violated any provision of this chapter or rules adopted under this chapter, initiate a contested case proceeding under chapter 14. In these cases, The medical

services review board shall make the final decision following receipt of the report of an administrative law judge review those cases and make a determination of whether there is inappropriate, unnecessary, or excessive treatment based on its rules. The determination of the board is not subject to the contested case provisions of the administrative procedure act in chapter 14. An affected provider shall be given notice and an opportunity to be heard before the board prior to the board reporting its findings and conclusions. The board shall report its finding and conclusions to the commissioner. The findings and conclusions of the board are binding on the commissioner. The commissioner shall order a sanction if the board has concluded there was inappropriate, unnecessary, or excessive treatment. The commissioner shall adopt rules related to the sanctions to be imposed for inappropriate, unnecessary, or excessive treatment. The sanctions imposed may include, without limitation, a warning, a restriction on providing treatment, requiring preauthorization by the board for a plan of treatment, and suspension from receiving compensation for the provision of treatment under chapter 176. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section, but does not include the authority to make the initial determination of primary liability, except as provided by section 176.305.

Sec. 7. Minnesota Statutes 1990, section 176.103, is amended by adding a subdivision to read:

Subd. 2a. [APPEALS; EFFECT OF DECISION.] An order imposing sanctions on a health care provider under subdivision 2 may be appealed and has the effect provided by this subdivision.

A sanction becomes effective at the time the commissioner notifies the provider of the order of sanction. The notice shall advise the provider of the right to obtain review as provided in this subdivision. If mailed, the notice of order of sanction is deemed received three days after mailing to the last known address of the provider.

Within 30 days of receipt of a notice of order of sanction, a provider may request in writing a review by the commissioner of the order. Upon receiving a request, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request the commissioner shall report in writing the results of the review. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in chapter 14.

Within 30 days following receipt of the commissioner's decision on review, a provider may petition the workers' compensation court of appeals for review. The petition shall be filed with the court, together with proof of service of a copy on the commissioner, and accompanied by the standard filing fee for appeals from decisions of compensation judges. No responsive pleading shall be required of the commissioner, and no fees shall be charged for the appearance of the commissioner in the matter.

The petition shall be captioned in the full name of the provider making the petition as petitioner and the commissioner as respondent. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order of sanction.

The filing of the petition shall not stay the sanction. The court may order a stay of the balance of the sanction if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. To the extent applicable, review shall be conducted according to the rules of the court for review of decisions of compensation judges.

The scope of the hearing shall be limited to the issues of whether the medical services review board's findings were supported by substantial evidence in view of the record before the board and whether the sanction imposed by the commissioner was authorized by law or rule.

The workers' compensation court of appeals may adopt rules necessary to implement this subdivision.

Sec. 8. Minnesota Statutes 1990, section 176.103, subdivision 3, is amended to read:

Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, and six physicians representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board may appoint from its members whatever subcommittees it deems appropriate.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one chiropractor, one hospital administrator, three physicians, one employee representative, one employer

or insurer representative, and one representative of the general public.

The board shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.

The board shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The board shall assist the commissioner in accomplishing public education.

In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:

- (1) the clinical effectiveness of the treatment;
- (2) the clinical cost of the treatment; and
- (3) the length of time of treatment.

The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.

(b) The medical services review board may upon petition from the commissioner and after hearing, issue a penalty of \$200 per violation, disqualify, or suspend a provider from receiving payment for services rendered under this chapter if a provider has violated any part of this chapter or rule adopted under this chapter. The hearings are initiated by the commissioner under the contested case procedures of chapter 14. The board shall make the final decision following receipt of the recommendation of the administrative law judge. The board's decision is appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

(c) The board may adopt rules of procedure. The rules may be joint rules with the rehabilitation review panel.

(d) The board must adopt rules defining standards of treatment including inappropriate, unnecessary, or excessive treatment. The board may adopt by reference rules providing standards of treatment including those adopted by federal or state government agencies. The board shall adopt rules under this paragraph using the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25.

Sec. 9. Minnesota Statutes 1990, section 176.106, is amended by adding a subdivision to read:

Subd. 10. [LOCATION OF CONFERENCE.] If personal attendance is required to fully determine issues, all conferences shall be held within 150 miles of the residence of the employee unless the issues do not relate to a dispute with the employee. In the discretion of the workers' compensation division, a telephone conference may be ordered.

Sec. 10. Minnesota Statutes 1990, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, PSYCHOLOGICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, psychological, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation.

(b) The employer shall pay for the reasonable value of nursing services provided by a member of the employee's family in cases of permanent total disability.

(c) Exposure to rabies is an injury and an employer shall furnish preventative treatment to employees exposed to rabies.

(d) The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. For the purpose of this paragraph, "injury" includes damage wholly or in part to an artificial member. In case of the employer's inability or refusal seasonably to do so provide the items required to be provided under this paragraph, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and attorney fees incurred by the employee. ~~No action to recover the cost of copies may be brought until the commissioner adopts a schedule of reasonable charges under subdivision 7.~~ Attorney's fees shall be determined on an hourly basis according to the criteria in section 176.081, subdivision 5. ~~The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.~~

(e) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

(f) Unless otherwise provided by this chapter, an employer may provide the treatment and supplies required to be provided by an employer by this chapter solely through a managed care plan certified under section 176.1351.

Sec. 11. Minnesota Statutes 1990, section 176.135, subdivision 5, is amended to read:

Subd. 5. [OCCUPATIONAL DISEASE MEDICAL ELIGIBILITY.] Notwithstanding section 176.66, an employee who has contracted an occupational disease is eligible to receive compensation under this section even if the employee is not disabled from earning full wages at the work at which the employee was last employed.

Payment of compensation under this section shall be made by the employer and insurer on the date of the employee's last exposure to the hazard of the occupational disease. Reimbursement for medical benefits paid under this subdivision or subdivision 1a is allowed from the employer and insurer liable under section 176.66, subdivision 10, only in the case of disablement.

Sec. 12. Minnesota Statutes 1990, section 176.135, subdivision 6, is amended to read:

Subd. 6. [COMMENCEMENT OF PAYMENT.] As soon as reasonably possible, and no later than 30 calendar days after receiving the bill, the employer or insurer shall pay the charge or any portion of the charge which is not denied, or deny all or a part of the charge on the basis of ~~excessiveness or noncompensability, or specify the additional data needed,~~ with written notification to the employee and the provider explaining the basis for denial. All or part of a charge must be denied if any of the following conditions exist:

- (1) the injury or condition is not compensable under this chapter;
- (2) the charge or service is excessive under this section or section 176.136;
- (3) the charges are not submitted on the prescribed billing form; or
- (4) additional medical records or reports are required under subdivision 7 to substantiate the nature of the charge and its relationship to the work injury.

If payment is denied under clause (3) or (4), the employer or insurer shall pay the charges in accordance with this subdivision

within 30 calendar days after receiving the additional medical data, a prescribed billing form, or documentation of enrollment or certification as a provider.

Sec. 13. Minnesota Statutes 1990, section 176.135, subdivision 7, is amended to read:

Subd. 7. [MEDICAL BILLS AND RECORDS.] Health care providers shall submit to the insurer an itemized statement of charges on a billing form prescribed by the commissioner. Health care providers ~~other than hospitals~~ shall also submit copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury; ~~provided, however, that hospitals must submit any copies of records or reports requested under subdivision 6.~~ Health care providers may charge for copies of any records or reports that are in existence and directly relate to the items for which payment is sought under this chapter. ~~Charges for copies provided under this subdivision shall be reasonable.~~ The commissioner shall adopt a schedule of reasonable charges by emergency rules rule.

A health care provider shall not collect, attempt to collect, refer a bill for collection, or commence an action for collection against the employee, employer, or any other party until the information required by this section has been furnished.

Sec. 14. [176.1351] [MANAGED CARE.]

Subdivision 1. [APPLICATION.] Any person or entity, other than a workers' compensation insurer or an employer for its own employees, may make written application to the commissioner to have a plan certified that provides managed care to injured workers for injuries and diseases compensable under this chapter. Each application for certification shall be accompanied by a reasonable fee prescribed by the commissioner. A certificate is valid for the period the commissioner prescribes unless revoked or suspended. Application for certification shall be made in the form and manner and shall set forth information regarding the proposed plan for providing services as the commissioner may prescribe. A plan may be certified to provide services in a limited geographic area. The information shall include, but not be limited to:

(1) a list of the names of all health care providers who will provide services under the managed care plan, together with appropriate evidence of compliance with any licensing or certification requirements for those providers to practice in this state;

(2) a description of the places and manner of providing services under the plan; or

(3) satisfactory evidence of ability to comply with any financial requirements to ensure delivery of service in accordance with the plan which the commissioner may prescribe.

Subd. 2. [CERTIFICATION.] The commissioner shall certify a managed care plan if the commissioner finds that the plan:

(1) proposes to provide services that meet quality, continuity, and other treatment standards prescribed by the commissioner and all medical and health care services that may be required by this chapter in a manner that is timely, effective, and convenient for the worker;

(2) is reasonably geographically convenient to employees it serves;

(3) provides appropriate financial incentives to reduce service costs and utilization without sacrificing the quality of service;

(4) provides adequate methods of peer review, utilization review, and dispute resolution to prevent inappropriate, excessive, or not medically necessary treatment, excludes participation in the plan those individuals who violate these treatment standards;

(5) provides a procedure for the resolution of medical disputes;

(6) provides a program for early return to work and cooperative efforts by the workers, the employer, and the managed care plan to promote workplace health and safety consultative and other services;

(7) provides a timely and accurate method of reporting to the commissioner necessary information regarding medical and health care service cost and utilization to enable the commissioner to determine the effectiveness of the plan;

(8) authorizes workers to receive compensable treatment from a health care provider who is not a member of the managed care plan, if that provider maintains the employee's medical records and has a documented history of treatment with the employee and agrees to refer the employee to the managed care plan for any treatment that can only be furnished by another provider that the employee may require and if the health care provider agrees to comply with all the rules, terms, and conditions of the managed care plan;

(9) authorizes necessary emergency medical treatment for an injury provided by a health care provider not a part of the managed care plan;

(10) does not discriminate against or exclude from participation in the plan any category of health care provider and includes an

adequate number of each category of health care providers to give workers convenient geographic accessibility to all categories of providers and adequate flexibility to choose health care providers from among those who provide services under the plan;

(11) provides an employee the right to change health care providers under the plan at least once; and

(12) complies with any other requirement the commissioner determines is necessary to provide quality medical services and health care to injured workers.

Subd. 3. [DISPUTE RESOLUTION.] An employee must exhaust the dispute resolution procedure of the certified managed care plan prior to filing a petition or otherwise seeking relief from the commissioner or a compensation judge on an issue related to managed care. If an employee has exhausted the dispute resolution procedure of the managed care plan on the issue of a rating for a disability, the employee may seek a disability rating from a health care provider outside of the managed care organization. The employer is liable for the reasonable fees of the outside provider as limited by the medical fee schedule adopted under this chapter.

Subd. 4. [TREATMENT STANDARDS.] The commissioner shall consider treatment standards developed by the health care profession affected, if any, before prescribing treatment standards under subdivision 2.

Subd. 5. [ACCESS TO ALL HEALTH CARE DISCIPLINES.] The commissioner shall refuse to certify or shall revoke or suspend the certification of a managed care plan that unfairly restricts direct access within the managed care plan to any health care provider profession. Direct access within the managed care plan is unfairly restricted if direct access is denied and the treatment or service sought is within the scope of practice of the profession to which direct access is sought and is appropriate under the standards of treatment adopted by the commissioner.

Subd. 6. [REVOCATION, SUSPENSION, AND REFUSAL TO CERTIFY.] The commissioner shall refuse to certify or shall revoke or suspend the certification of a managed care plan if the commissioner finds that the plan for providing medical or health care services fails to meet the requirements of this section, or service under the plan is not being provided in accordance with the terms of a certified plan.

Subd. 7. [RULES.] (a) The commissioner shall adopt rules necessary to implement this section.

(b) The commissioner shall adopt rules under this section using

the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25. This paragraph applies to rules adopted pursuant to a notice of intention to adopt a rule without a public hearing published before July 1, 1995.

Sec. 15. Minnesota Statutes 1990, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] (a) The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups.

(b) ~~The procedures established by the commissioner shall must limit, in accordance with subdivisions 1a, 1b, and 1c, the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall must be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall must incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.~~

Sec. 16. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

Subd. 1a. [RELATIVE VALUE FEE SCHEDULE.] The liability of an employer for services included in the medical fee schedule is limited to the maximum fee allowed by the schedule in effect on the date of the medical service, or the provider's actual fee, whichever is lower. The medical fee schedule effective on October 1, 1991, shall remain in effect until the commissioner adopts a new schedule by permanent rule. The commissioner shall adopt permanent rules regulating fees allowable for medical, chiropractic, podiatric, surgical, hospital, outpatient, and other health care provider treatment or service by implementing a relative value fee schedule to be effective on October 1, 1993. The commissioner may adopt by reference the relative value schedule adopted for the federal Medicare program or a relative value schedule adopted by other federal or state agencies. The relative value fee schedule shall contain reasonable classifications including, but not limited to, classifications that differentiate among health care provider disciplines. The commis-

tioner shall adopt rules under this subdivision using the procedures of sections 14.22 to 14.28, except that no public hearing shall be required notwithstanding section 14.25. The conversion factors for the relative value fee schedule must reasonably reflect a 15 percent overall reduction from the medical fee schedule most recently in effect. The reduction need not be applied equally to all treatment or services, but must represent a gross 15 percent reduction.

After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1 by the percentage change computed under section 176.645, but without the annual cap provided by that section. The commissioner shall annually give notice in the State Register of the adjusted conversion factors. This notice shall be in lieu of the requirements of chapter 14.

Sec. 17. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

Subd. 1b. [LIMITATION OF LIABILITY.] (a) The liability of the employer for treatment, articles, and supplies provided to an employee while an inpatient or outpatient at a small hospital shall be the hospital's usual and customary charge, unless the charge is determined by the commissioner or a compensation judge to be unreasonably excessive. A "small hospital," for purposes of this paragraph, is a hospital which has 75 or fewer licensed beds.

(b) The liability of the employer for the treatment, articles, and supplies that are not limited by subdivision 1a or 1c, or paragraph (a), shall be limited to 85 percent of the provider's usual and customary charge, or 85 percent of the prevailing charges for similar treatment, articles, and supplies furnished to an injured person when paid for by the injured person, whichever is lower. On this basis, the commissioner or compensation judge may determine the reasonable value of all treatment, services, and supplies, and the liability of the employer is limited to that amount.

Sec. 18. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

Subd. 1c. [CHARGES FOR INDEPENDENT MEDICAL EXAMINATIONS.] The commissioner shall adopt rules that reasonably limit amounts which may be charged for, or in connection with, independent or adverse medical examinations requested by any party, including the amount that may be charged for depositions, witness fees, or other expenses. The scheduled amount for the examination itself may not exceed the scheduled amount for complex consultations by treating physicians, although additional reasonable charges may be permitted to reflect additional duties or activities. No party may pay fees above the amount in the schedule.

Sec. 19. Minnesota Statutes 1990, section 176.136, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVE FEES.] If the employer or insurer determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter unless the commissioner, compensation judge, or court of appeals determines otherwise. In such a case, the health care provider may initiate an action under this chapter for recovery of the amounts deemed excessive by the employer or insurer, but the employer or insurer shall have the burden of proving excessiveness.

A charge for a health service or medical service is excessive if it:

(1) exceeds the maximum permissible charge pursuant to subdivision 1, 1a, 1b, or 1c;

(2) is for a service provided at a level, duration, or frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards;

(3) is for a service that is outside the scope of practice of the particular provider or is not generally recognized within the particular profession of the provider as of therapeutic value for the specific injury or condition treated; or

(4) is otherwise deemed excessive or inappropriate pursuant to rules adopted pursuant to this chapter.

Sec. 20. Minnesota Statutes 1990, section 176.155, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER'S PHYSICIAN.] The injured employee must submit to examination by the employer's physician, if requested by the employer, and at reasonable times thereafter upon the employer's request. The examination must be scheduled at a location within 150 miles of the employee's residence unless the employer can show cause to the department to order an examination at a location further from the employee's residence. The employee is entitled upon request to have a personal physician present at any such examination. Each party shall defray the cost of that party's physician. Any report or written statement made by the employer's physician as a result of an examination of the employee, regardless of whether the examination preceded the injury or was made subsequent to the injury, shall be made available, upon request and without charge, to the injured employee or representative of the employee. The employer shall pay reasonable travel expenses in-

curred by the employee in attending the examination including mileage, parking, and, if necessary, lodging and meals. The employer shall also pay the employee for any lost wages resulting from attendance at the examination. A self-insured employer or insurer who is served with a claim petition pursuant to section 176.271, subdivision 1, or 176.291, shall schedule any necessary examinations of the employee, if an examination by the employer's physician or health care provider is necessary to evaluate benefits claimed. The examination shall be completed and the report of the examination shall be served on the employee and filed with the commissioner within 120 days of service of the claim petition.

No evidence relating to the examination or report shall be received or considered by the commissioner, a compensation judge, or the court of appeals in determining any issues unless the report has been served and filed as required by this section, unless a written extension has been granted by the commissioner or compensation judge. The commissioner or a compensation judge shall extend the time for completing the adverse examination and filing the report upon good cause shown. The extension must not be for the purpose of delay and the insurer must make a good faith effort to comply with this subdivision. Good cause shall include but is not limited to:

(1) that the extension is necessary because of the limited number of physicians or health care providers available with expertise in the particular injury or disease, or that the extension is necessary due to the complexity of the medical issues, or

(2) that the extension is necessary to gather additional information which was not included on the petition as required by section 176.291.

Sec. 21. Minnesota Statutes 1990, section 176.83, subdivision 5, is amended to read:

Subd. 5. [EXCESSIVE MEDICAL SERVICES.] In consultation with the medical services review board or the rehabilitation review panel, rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.

If it is determined by the payer that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer, and the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, ser-

vice, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program unless the commissioner or compensation judge determines at a hearing or administrative conference that the level, frequency, or cost was not excessive in which case the insurer, self-insurer, or group self-insurer shall make the payment deemed reasonable.

A health or rehabilitation provider who is determined by the rehabilitation review panel or medical services review board, after hearing, to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under this chapter. A prohibition imposed on a provider under this subdivision may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body.

~~The rules adopted under this subdivision shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this clause.~~

Sec. 22. Minnesota Statutes 1990, section 176.83, is amended by adding a subdivision to read:

Subd. 5a. [REPORTING.] Rules requiring insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this chapter.

Sec. 23. [UTILIZATION OF HIGH TECHNOLOGY MEDICAL PROCEDURES.]

The commissioner of the department of labor and industry shall appoint a committee to study the utilization of high technology medical procedures for treatment of injuries under Minnesota Statutes, chapter 176. The committee must include physicians, hospital representatives, medical device manufacturers, purchasers, consumers, and ethicists. The study must specifically examine excessive use of technology. The commissioner shall report the results of the study together with any proposals for legislation to the legislature by January 30, 1993.

Sec. 24. [REPEALER.]

Minnesota Statutes 1990, sections 176.135, subdivision 3; and 176.136, subdivision 5, are repealed.

Sec. 25. [EFFECTIVE DATE.]

The rulemaking authority granted to the commissioner of the

department of labor and industry and the medical services review board by sections 6, 8, and 14 are effective the day following final enactment. The rest of this article is effective October 1, 1992.

## ARTICLE 3 INSURANCE

### Section 1. [79.081] [MANDATORY DEDUCTIBLES.]

Subdivision 1. [PREMIUM REDUCTION.] Each insurer, including the assigned risk plan, issuing a policy of insurance, must offer an employer the option to agree to pay an amount per claim selected by the employer and specified in the policy toward the total of any claim payable under chapter 176. The amount of premium to be paid by an employer who selects a policy with a deductible shall be reduced based upon a rating schedule or rating plan filed with and approved by the commissioner of commerce. Administration of claims shall remain with the insurer as provided in the terms and conditions of the policy.

Subd. 2. [PROCEDURE FOR PAYING DEDUCTIBLE.] If an insured employer chooses a deductible, the insured employer is liable for the amount of the deductible for benefits paid for each compensable claim of work injury suffered by an employee. Regardless of any deductible amount, the insurer shall pay the entire cost of the employee's claim and then seek reimbursement from the insured employer for the deductible amount. The payment or nonpayment of deductible amounts by the insured employer to the insurer shall be treated under the policy insuring the liability for workers' compensation in the same manner as payment or nonpayment of premiums.

Subd. 3. [CREDIT RISK; EXCEPTION.] An insurer is not required to offer a deductible to an employer if, as a result of a credit investigation, the insurer determines that the employer is not sufficiently financially stable to be responsible for the payment of deductible amounts.

Subd. 4. [REPORTING REQUIREMENT.] The existence of an insurance contract with a deductible or the fact of payment as a result of a deductible does not affect the requirement of an employer to report an injury or death to an insurer or the commissioner of the department of labor and industry.

Sec. 2. Minnesota Statutes 1990, section 79.251, is amended to read:

### 79.251 [ADMINISTRATION OF ASSIGNED RISK PLAN.]

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] (1) An assigned risk plan ~~review~~ board is created for the purposes of ~~review of the operation of section 79.252 and this section~~ operating the assigned risk plan. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and ~~may~~ shall contract with individuals in discharge of those duties.

(2) The board shall consist of ~~six~~ seven members to be appointed by the commissioner of commerce. ~~Three~~ Two members shall be insureds holding policies or contracts of coverage issued pursuant to subdivision 4. Two members shall be insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b). ~~The commissioner shall be the sixth member and shall vote, and three shall be public members. One of the public members shall be a licensed physician, one shall be a certified public accountant, and the third shall be a property and casualty actuary. No public member shall be employed by, or affiliated with, an insurer.~~

~~Initial appointments shall be made by September 1, 1981, and The terms for the board members shall be for three years duration. Removal, the filling of vacancies and compensation of the members other than the commissioner shall be as provided in section 15.059, except that rate of compensation shall be \$110 a day spent on board activities, when authorized by the board. If the compensation rate in section 15.059 increases, the dollar figure in this section shall be increased by the same percentage.~~

(3) The assigned risk plan ~~review~~ board shall audit the reserves established (a) for individual cases arising under policies and contracts of coverage issued under subdivision 4 and (b) for the total book of business issued under subdivision 4.

(4) The assigned risk plan ~~review~~ board shall monitor the operations of section 79.252 and this section and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All insurers and self-insurance administrators issuing policies or contracts under subdivision 4 shall pay to the ~~commissioner~~ board a .25 percent assessment on premiums for policies and contracts of coverage issued under subdivision 4 for the purpose of defraying the costs of the assigned risk plan ~~review~~ board. Proceeds of the assessment shall be deposited in the state treasury and credited to the general fund.

(6) The assigned risk plan and the assigned risk plan ~~review~~ board shall not be deemed a state agency.

(7) The commissioner or a designated representative may attend

board meetings and shall receive notice of the meetings at the same time and in the same manner as notice is given to board members.

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] ~~The commissioner~~ board shall develop an appropriate merit rating plan which shall be applicable to all insureds holding policies or contracts of coverage issued pursuant to subdivision 4 and to the insurers or self-insurance administrators issuing those policies or contracts. The plan shall provide a maximum merit adjustment equal to ten percent of earned premium. The actual adjustment may vary with insured's loss experience.

Subd. 3. [RATES.] Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the ~~commissioner~~ by rule board and filed with the department of commerce as required by section 79.56. The commissioner may disapprove the rating plan if the premiums that result from use of the plan are unfairly discriminatory or if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to the assigned risk plan would be unreasonably high in relation to the risk undertaken by the assigned risk plan in transacting the business. The ~~commissioner~~ board shall annually, not later than January 1 of each year, establish the schedule of rates applicable to assigned risk plan business. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. ~~The commissioner shall fix the compensation received by the agent of record.~~ The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.

Subd. 4. [ADMINISTRATION.] ~~The commissioner~~ board shall enter into service contracts as necessary or beneficial for accomplishing the purposes of the assigned risk plan. Services related to the administration of policies or contracts of coverage shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), or self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2), paragraph (a). A qualified insurer or self-insurance administrator shall possess sufficient financial, professional, administrative, and personnel resources to provide the services contemplated in the contract. Services related to assignments, data management, assessment collection, and other services ~~shall~~ may be performed by a licensed data service organization. The cost of those services is an obligation of the assigned risk plan.

Subd. 4a. [MEDICAL COST CONTAINMENT.] The assigned risk plan must utilize managed care plans certified under chapter 176 to the extent possible. In addition, the assigned risk plan must implement a medical cost containment program. The program must, at a minimum, include:

(1) billings review to determine if claims are compensable under chapter 176;

(2) utilization of cost management specialists familiar with billing practice guidelines;

(3) review of treatment to determine if it is reasonable and necessary and has a reasonable chance to cure and relieve the employee's injury;

(4) a system to reduce billed charges to the maximum permitted by law or rule;

(5) review of medical care utilization; and

(6) reporting of health care providers suspected of providing unnecessary or excessive services to the commissioner of the department of labor and industry.

Subd. 4b. [GROUPS.] The assigned risk plan must create a program that attempts to group employers in the same or similar risk classification for purposes of group premium underwriting and claims management. The assigned risk plan must engage in extensive safety consultation with group members to reduce the extent and severity of injuries of group members. The consultation should include on-site inspections and specific recommendations as to safety improvements.

Subd. 5. [ASSESSMENTS.] Subject to the approval of the commissioner, the board shall assess all insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b) an amount sufficient to fully fund the obligations of the assigned risk plan, if the ~~commissioner~~ board determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of compensation insurance written in this state during the preceding calendar year by that insurer bears to the total compensation insurance written in this state during the preceding calendar year by all licensed insurers.

Subd. 6. [AGENTS.] A person licensed under section 60A.17 may submit an application for coverage to the assigned risk plan and receive a fee from the assigned risk plan for submitting the application. However, the licensee is not an agent of the assigned risk plan for purposes of state law. All checks or similar instruments submitted in payment of assigned risk plan premiums must be made payable to the assigned risk plan and not the agent.

Subd. 7. [INVESTMENT OF ASSETS.] The ~~commissioner~~ board shall certify and transfer to the state board of investment all

assigned risk plan assets which in the ~~commissioner's~~ board's judgment are not required for immediate use. The state board of investment shall invest the certified assets, and may invest the assets consistent with the provisions of section 11A.14. All investment income and losses attributable to the investment of assigned risk plan assets must be credited to the assigned risk plan. When the ~~commissioner~~ board certifies to the state board that invested assets are required for immediate use, the state board shall sell assets to provide the amount of assets the ~~commissioner~~ board certifies. The state board shall transfer the sale proceeds to the ~~commissioner~~ plan.

Subd. 8. [APPEAL AND REVIEW.] An applicant or insured may appeal an action of the board to the commissioner within 30 days of the occurrence of the action.

A final action or order of the commissioner is subject to judicial review under sections 14.63 to 14.69.

Sec. 3. Minnesota Statutes 1990, section 79.252, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a two nonaffiliated licensed insurance company companies, pursuant to subdivision 2. One of these two rejections must come from the insurance company that most recently provided workers' compensation coverage to the employer, unless the employer had no previous coverage. Each rejection must be in writing and must be obtained within 60 days before the date of application to the assigned risk plan. In addition, the rejections must also show the name of the insurance company and the representative contacted.

Sec. 4. Minnesota Statutes 1990, section 79.252, subdivision 3, is amended to read:

Subd. 3. [COVERAGE.] (a) Policies and contracts of coverage issued pursuant to section 79.251, subdivision 4, shall contain the usual and customary provisions of workers' compensation insurance policies, and shall be deemed to meet the mandatory workers' compensation insurance requirements of section 176.181, subdivision 2.

(b) Policies issued by the assigned risk plan pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The assigned risk plan board may apply for and obtain any licensure required in any other state to issue that coverage.

Sec. 5. Minnesota Statutes 1990, section 79.252, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may adopt rules, including emergency rules, as may be necessary to implement section 79.251 and this section.

Sec. 6. Minnesota Statutes 1990, section 176.181, subdivision 3, is amended to read:

Subd. 3. [FAILURE TO INSURE, PENALTY.] Any employer who fails to comply with the provisions of subdivision 2 to secure payment of compensation is liable to the state of Minnesota for a penalty of \$750, if the number of uninsured employees is less than five and for a penalty of \$1,500 if the number of such uninsured employees is five or more. If the commissioner determines that the failure to comply with the provisions of subdivision 2 was willful and deliberate, the employer shall be liable to the state of Minnesota for a penalty of \$2,500, if the number of uninsured employees is less than five, and for a penalty of \$5,000 if the number of uninsured employees is five or more. If the employer continues noncompliance, the employer is liable for five times the lawful premium for compensation insurance for such employer for the period the employer fails to comply with such provisions, commencing ten days after notice has been served upon the employer by the commissioner of the department of labor and industry by certified mail. These penalties may be recovered jointly or separately in a civil action brought in the name of the state by the attorney general in any court having jurisdiction. Whenever any such failure occurs the commissioner of the department of labor and industry shall immediately certify that fact to the attorney general. Upon receipt of such certification the attorney general shall forthwith commence and prosecute the action. All penalties recovered by the state in any such action shall be paid into the state treasury and credited to the special compensation fund. If an employer fails to comply with the provisions of subdivision 2, to secure payment of compensation after having been notified of the employer's duty, the attorney general, upon request of the commissioner, may proceed against the employer in any court having jurisdiction for an order restraining the employer from having any person in employment at any time when the employer is not complying with the provisions of subdivision 2 or for an order compelling the employer to comply with subdivision 2. (a) If the commissioner has reason to believe that an employer is in violation of subdivision 2, the commissioner may issue an order directing the employer to comply with subdivision 2, to refrain from employing any person at any time without complying with subdivision 2, and to pay a penalty of up to \$1,000 per employee per month during which the employer was not in compliance.

(b) An employer shall have ten working days to contest such an order by filing a written objection with the commissioner, stating in

detail its reasons for objecting. If the commissioner does not receive an objection within ten working days, the commissioner's order shall constitute a final order not subject to further review, and violation of that order shall be enforceable by way of civil contempt proceedings in district court. If the commissioner does receive a timely objection, the commissioner shall refer the matter to the office of administrative hearings for an expedited hearing before a compensation judge. The compensation judge shall issue a decision either affirming, reversing, or modifying the commissioner's order within ten days of the close of the hearing. If the compensation judge affirms the commissioner's order, the compensation judge may order the employer to pay an additional penalty if the employer continued to employ persons without complying with subdivision 2 while the proceedings were pending.

(c) All penalties assessed under this subdivision shall be paid into the special compensation fund. Penalties assessed under this section shall constitute a lien for government services pursuant to section 514.67, on all the employer's property and shall be subject to the provisions of the revenue recovery act.

(d) For purposes of this subdivision, the term "employer" includes any owners or officers of a corporation who direct and control the activities of employees.

Sec. 7. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 8. [DATA SHARING.] (a) The departments of labor and industry, jobs and training, and revenue are authorized to share information regarding the employment status of individuals, including, but not limited to, payroll, withholding and income tax information, and may use that information for purposes consistent with this section.

(b) The commissioner is authorized to inspect and to order the production of all payroll and other business records and documents of any alleged employer in order to determine the employment status of persons and compliance with this section. If any person or employer refuses to comply with such an order, the commissioner may apply to the district court of the county where the person or employer is located for an order compelling production of the documents.

Sec. 8. Minnesota Statutes 1990, section 176.183, is amended to read:

176.183 [UNINSURED AND SELF-INSURED EMPLOYERS; BENEFITS TO EMPLOYEES AND DEPENDENTS; LIABILITY OF EMPLOYER.]

Subdivision 1. When any employee sustains an injury arising out of and in the course of employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or the employee's dependents shall nevertheless receive benefits as provided for in this chapter from the special compensation fund, and the commissioner has a cause of action against the employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. As used in this subdivision, "employer" includes any owners or officers of corporations a corporation who have legal direct and control, either individually or jointly with another or others, of the payment of wages the activities of employees. An action to recover the moneys benefits paid shall be instituted unless the commissioner determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Subd. 2. Prior to issuing an order against the special compensation fund to pay compensation benefits to an employee, a compensation judge shall first make findings regarding the insurance status of the employer and its liability. The special compensation fund shall not be found liable in the absence of a finding of liability against the employer. Where the liable employer is found to be not insured or self-insured as provided for in this chapter, the compensation judge shall assess and order the employer to pay all compensation benefits to which the employee is entitled and a penalty to the special compensation fund in the amount of 50 percent of all compensation benefits ordered to be paid. An award issued against an employer shall constitute a lien for government services pursuant to section 514.67 on all property of the employer and shall be subject to the provisions of the revenue recovery act. The special compensation fund may enforce the terms of that award in the same manner as a district court judgment. The commissioner of labor and industry, in accordance with the terms of the order awarding compensation, shall pay compensation to the employee or the employee's dependent from the special compensation fund. The commissioner of labor and industry shall certify to the commissioner of finance and to the legislature annually the total amount of compensation paid from the special compensation fund under subdivision 1. The commissioner of finance shall upon proper certification reimburse the special compensation fund from the general fund appropriation provided for this purpose. The amount reimbursed shall be limited to the certified amount paid under this section or the appropriation made for this purpose, whichever is the lesser amount. Compensation paid under this section which is not reimbursed by the general fund shall remain a liability of the special compensation fund and shall be financed by the percentage assessed under section 176.129.

Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may

direct payment from the special compensation fund for compensation payable pursuant to subdivision 1, including benefits payable under sections 176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation. Where payment is issued pursuant to a petition for a temporary order, the terms of any resulting order shall have the same status and be governed by the same provisions as an award issued pursuant to subdivision 2 herein.

(b) The commissioner may suspend or terminate an order under clause (a) for good cause as determined by the commissioner.

Subd. 4. If the commissioner authorizes the special fund to commence payment ~~under this section~~ without the issuance of a temporary order, the commissioner shall serve by certified mail notice upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.

Sec. 9. Minnesota Statutes 1990, section 176.185, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF COVERAGE, TERMINATION, CANCELLATION.] (a) Within ten days after the issuance of a policy of insurance covering the liability to pay compensation under this chapter written by an insurer licensed to insure such liability in this state, the insurer shall file notice of coverage with the commissioner under rules and on forms prescribed by the commissioner. No policy shall be canceled by the insurer within the policy period nor terminated upon its expiration date until a notice in writing is delivered or mailed to the insured and filed with the commissioner, fixing the date on which it is proposed to cancel it, or declaring that the insurer does not intend to renew the policy upon the expiration date. A cancellation or termination is not effective until 30 days after written notice has been filed with the commissioner in a manner prescribed by the commissioner unless prior to the expiration of the 30-day period the employer obtains other insurance coverage or an order exempting the employer from carrying insurance as provided in section 176.181. Upon receipt of the notice, the

commissioner shall notify the insured that the insured must obtain coverage from some other licensed carrier and that, if unable to do so, the insured shall request the commissioner of commerce to require the issuance of a policy as provided in section 79.251, subdivision 4. Upon a cancellation or termination of a policy by the insurer, the employer is entitled to be assigned a policy in accordance with sections 79.251 and 79.252.

(b) Notice of cancellation or termination by the insured shall be served upon the insurer by written statement mailed or delivered to the insurer. Upon receipt of the notice, the insurer shall notify the commissioner of the cancellation or termination and the commissioner shall ask the employer for the reasons for the cancellation or termination and notify the employer of the duty under this chapter to insure the employer's employees.

(c) In addition to the requirements under paragraphs (a) and (b), with respect to any trucker employer in classification 7219, 7230, 7231, ~~or 7360,~~ or 8293 pursuant to the classification plan required to be filed under section 79.61, if the insurer or its agent has delivered or mailed a written certificate of insurance certifying that a policy in the name of a trucker employer under this paragraph is in force, then the insurer or its agent shall also deliver or mail written notice of any midterm cancellation to the trucker employer recipient of the certificate of insurance at the address listed on the certificate. If an insurer or its agent fails to mail or deliver notice of any midterm cancellation of the trucker employer's policy to the trucker employer recipient of the certificate of insurance, then the special compensation fund shall indemnify and hold harmless the recipient from any award of benefits or other damages under this chapter resulting from the failure to give notice.

Sec. 10. Minnesota Statutes 1990, section 176.194, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may, by rules adopted in accordance with chapter 14, specify additional illegal, misleading, deceptive, ~~or~~ fraudulent practices, or conduct which are subject to the penalties under this section.

Sec. 11. Minnesota Statutes 1990, section 176.261, is amended to read:

176.261 [EMPLOYEE OF COMMISSIONER OF THE DEPARTMENT OF LABOR AND INDUSTRY MAY ACT FOR AND ADVISE A PARTY TO A PROCEEDING.]

When requested by an employer or an employee or an employee's dependent, the commissioner of the department of labor and industry may designate one or more of the division employees to advise that party of rights under this chapter, and as far as possible to

assist in adjusting differences between the parties. The person so designated may appear in person in any proceedings under this chapter as the representative or adviser of the party. In such case, the party need not be represented by an attorney at law.

Prior to advising a person to seek assistance outside of the department, the department must refer a person seeking advice or requesting assistance in resolving a dispute to an attorney or rehabilitation and medical specialist employed by the department, whichever is appropriate.

The department must make efforts to settle problems of employees and employers by contacting third parties, including attorneys, insurers, and health care providers, on behalf of employers and employees and attempting to settle issues quickly and cooperatively.

#### Sec. 12. [176.87] [FRAUD UNIT.]

The department shall establish a workers' compensation fraud unit to investigate fraudulent and other illegal practices of health care providers, employers, insurers, attorneys, employees, and others related to workers' compensation. The unit shall review files of the department and may conduct field investigations. If the department determines there is illegal activity, the commissioner must refer the case to the attorney general or other appropriate prosecuting authority. The attorney general and other prosecuting authorities must give high priority to reviewing and prosecuting cases referred to them by the commissioner under this section.

The attorney general shall train personnel of the department of labor and industry in effective investigative practices and in the requisites for successful prosecution of illegal activity under this chapter.

Sec. 13. Minnesota Statutes 1990, section 176A.03, is amended by adding a subdivision to read:

Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue the coverage.

#### Sec. 14. [INITIAL BOARD APPOINTMENT.]

The initial appointments to the assigned risk plan board under Minnesota Statutes, section 79.251, must be made by September 1, 1992.

Of the two members who are insureds, one shall be appointed for a two-year term, and one shall be appointed for a three-year term.

Of the two members who are insurers, one shall be appointed for a one-year term, and one shall be appointed for a two-year term.

Of the three public members, one shall be appointed for a one-year term, one shall be appointed for a two-year term, and one shall be appointed for a three-year term.

#### Sec. 15. [MANDATED REDUCTIONS.]

(a) As a result of the workers' compensation law changes in this act and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of workers' compensation rates in effect on October 1, 1992, must be reduced by 15 percent and applied by the insurer to all policies with an effective date between October 1, 1992, and December 31, 1993. For purposes of this section, "insurer" includes the assigned risk plan, and "rates" include the rates approved by the commissioner of commerce for the assigned risk plan. The reduction mandated by this section must also be applied on a prorated basis to the unexpired portion of all workers' compensation policies on October 1, 1992. An insurer shall provide a written notice by November 1, 1992, to all workers' compensation policyholders having an unexpired policy with the insurer as of October 1, 1992, that reads as follows: "As a result of the changes in the workers' compensation system enacted by the 1992 legislature, you are entitled to a prorated reduction of 15 percent on your current policy premium."

(b) No rating plan increases may be filed between April 1, 1992, and January 1, 1994.

(c) The commissioner of labor and industry shall survey Minnesota employers to determine if the mandated workers' compensation insurance rate reductions required under this section have been implemented by insurers, both as to amount and in a manner that is uniform and nondiscriminatory between employers having similar risks with respect to a particular occupational classification. The commissioner shall present a report detailing the findings and conclusions to the commission on workers' compensation and the legislature by March 1, 1993.

#### Sec. 16. [TRUCK DRIVER CLASSIFICATIONS.]

The commissioner of commerce shall evaluate the current system of classification of truck drivers for workers' compensation rate purposes that separates truck drivers in classes 7219, 7380, and 8293 from the classifications for the vast majority of truck drivers employed in the private carrier industry as defined in Minnesota

Statutes, section 221.011, subdivision 26. The commissioner shall determine if the classification is fair and equitable to employers of truck drivers in those three classes. If the commissioner determines that those classifications are not fair and equitable to those three classes, the commissioner shall make findings and issue an order correcting the unfairness or inequity.

Sec. 17. [CLASSIFICATION OF AMBULANCE PERSONNEL.]

The commissioner of commerce shall evaluate whether ambulance personnel are appropriately placed in the 7380 classification for purposes of calculating workers' compensation premiums. The commissioner shall examine the rating mechanism for ambulance personnel, claims experience, and premium costs and determine if the classification is fair and equitable to employers of ambulance personnel. If the commissioner determines that the classification is not fair and equitable, the commissioner shall make findings and issue an order correcting the unfairness or inequity. The commissioner shall report to the legislature by January 15, 1993, on the results of the evaluation and any corrective action taken.

Sec. 18. [DEPARTMENT STUDY; DATA SHARING ON UNINSURED EMPLOYERS.]

The commissioner of the department of labor and industry shall study the issue of whether there is data in the possession of other state or private entities that would assist the department in identifying employers that are not complying with the insurance requirements of Minnesota Statutes, chapter 176. The department shall report the results of its studies to the legislature by January 30, 1993, together with proposed legislation that would enable the department to obtain that information.

Sec. 19. [REPETITIVE MOTION STUDY; DEPARTMENT OF EMPLOYEE RELATIONS.]

The department of employee relations shall assess the number and severity of work-related repetitive motion injuries incurred by state employees. The assessment shall include carpal tunnel and related injuries. The department shall report the results of the assessment to the legislature by January 30, 1993.

In addition, the department shall develop a plan for a pilot project to reduce repetitive motion injuries for which it shall seek funding from the 1993 legislature.

Sec. 20. [INDEPENDENT CONTRACTORS; LEASED EMPLOYEES.]

The commissioner of the department of labor and industry shall

study the practice of employee leasing and declaration of independent contract status as devices to evade or reduce premiums for workers' compensation insurance.

The commissioner shall submit a report to the legislature by January 15, 1993, with the results of the study and proposals for legislative action.

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, section 176.131, is repealed. The special compensation fund shall not reimburse an employer under Minnesota Statutes, section 176.131, for a subsequent injury occurring after June 30, 1992. The special compensation fund shall continue to reimburse employers for subsequent injuries occurring prior to July 1, 1992, and the commissioner of the department of labor and industry shall continue to assess for those reimbursements under Minnesota Statutes, section 176.129.

Sec. 22. [EFFECTIVE DATE.]

Section 1 is effective for policies insuring liability for workers' compensation that are renewed, issued, delivered, or issued for delivery on or after October 1, 1992. Section 2, subdivisions 1 to 4 and 5 to 8, are effective September 1, 1992.

ARTICLE 4

MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 176.081, subdivision 1, is amended to read:

Subdivision 1. (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent of the next \$27,500 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in clause (b) paragraph (c).

(b) If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed claims or portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. Fees for administrative conferences under section 176.239 shall be determined on an hourly basis, according to the criteria in subdivision 5.

(b) (c) An attorney who is claiming legal fees under this section for representing an employee in a workers' compensation matter shall file a statement of attorney's attorney fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner, shall report the number of hours spent on the case, and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee.

If a timely objection is filed, or the fee is determined on an hourly basis, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5.

If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

(d) An attorney representing employers or insurers shall file a statement of attorney fees or wages with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. The statement of attorney fees or wages must contain the following information: the average hourly wage or the value of hours worked on that case if the attorney is an employee of the employer or insurer, the number of hours worked on that case, and the average hourly rate or amount charged an employer or insurer for that case if the attorney is not an employee of the employer or insurer.

(e) Employers and insurers may not pay attorney fees or wages for legal services of more than \$6,500 per case unless the additional fees or wages are approved under subdivision 2.

Sec. 2. Minnesota Statutes 1990, section 176.081, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by the commissioner, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested and, the

number of hours spent on the case, the basis for the request and whether or not a hearing is requested. The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 3. Minnesota Statutes 1990, section 176.081, subdivision 3, is amended to read:

Subd. 3. [REVIEW.] An employee who A party that is dissatisfied with its attorney fees, may file an application for review by the workers' compensation court of appeals. Such The application shall state the basis for the need of review and whether or not a hearing is requested. A copy of such the application shall be served upon the party's attorney for the employee by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. The attorney for the employee shall be served with a notice of the hearing. The workers' compensation court of appeals shall have the authority to raise the question of the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 4. Minnesota Statutes 1990, section 176.105, subdivision 1, is amended to read:

Subdivision 1. (a) The commissioner of labor and industry shall by rule establish a schedule of degrees of disability resulting from different kinds of injuries. Disability ratings under the schedule for permanent partial disability must be based on objective medical evidence. The commissioner, in consultation with the medical services review board, shall periodically review the rules adopted under this paragraph to determine whether any injuries omitted from the schedule should be included and amend the rules accordingly.

(b) No permanent partial disability compensation shall be payable except in accordance with the disability ratings established under this subdivision, except as provided in paragraph (c). The schedule may provide that minor impairments receive a zero rating.

(c) If an injury for which there is objective medical evidence is not rated by the permanent partial disability schedule, the unrated injury must be assigned and compensated for at the rating for the most similar condition that is rated.

Sec. 5. [176.178] [FRAUD.]

Any person who, with intent to defraud, receives workers' com-

compensation benefits to which the person is not entitled by knowingly misrepresenting, misstating, or failing to disclose any material fact is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (2), (3)(a) and (c), (4), and (5).

Sec. 6. [176.2615] [SMALL CLAIMS COURT.]

Subdivision 1. [PURPOSE.] There is established in the department of labor and industry a small claims court, to be presided over by settlement judges for the purpose of settling small claims.

Subd. 2. [ELIGIBILITY.] The claim is eligible for determination in the small claims court if referred by the commissioner or if all parties agree to submit to its jurisdiction; and

(1) the claim is for rehabilitation benefits only under section 176.102 or medical benefits only under section 176.135; or

(2) the claim in its total amount does not equal more than \$5,000; or

(3) where the claim is for apportionment or for contribution or reimbursement, no counterclaim in excess of \$5,000 is asserted.

Subd. 3. [TESTIMONY; EXHIBITS.] At the hearing a settlement judge shall hear the testimony of the parties and consider any exhibits offered by them and may also hear any witnesses introduced by either party.

Subd. 4. [APPEARANCE OF PARTIES.] A party may appear on the party's own behalf without an attorney, or may retain and be represented by a duly admitted attorney who may participate in the hearing to the extent and in the manner that the settlement judge considers helpful. Attorney fees awarded under this subdivision are included in the overall limit allowed under section 176.081, subdivision 1.

Subd. 5. [EVIDENCE ADMISSIBLE.] At the hearing the settlement judge shall receive evidence admissible under the rules of evidence. In addition, in the interest of justice and summary determination of issues before the court, the settlement judge may receive, in the judge's discretion, evidence not otherwise admissible. The settlement judge, on the judge's own motion, may receive into evidence any documents which have been filed with the department.

Subd. 6. [SETTLEMENT.] A settlement judge may attempt to conciliate the parties. If the parties agree on a settlement, the judge shall issue an order in accordance with that settlement.

Subd. 7. [DETERMINATION.] If the parties do not agree to a

settlement, the settlement judge shall summarily hear and determine the issues and issue an order in accordance with section 176.305, subdivision 1a. Any determination by a settlement judge may not be considered as evidence in any other proceeding.

Subd. 8. [COSTS.] The prevailing party is entitled to costs and disbursements as in any other workers' compensation case.

**Sec. 7. [176.307] [COMPENSATION JUDGES; BLOCK SYSTEM.]**

The chief administrative law judge must assign workers' compensation cases to compensation judges using a block system type of assignment that, among other things, ensures that a case will remain with the same judge from commencement to conclusion unless the judge is removed from the case by exercise of a legal right of a party or by incapacity. The block system must be the principal means of assigning cases, but it may be supplemented by other systems of case assignment to ensure that cases are timely decided.

**Sec. 8. [176.325] [CERTIFIED QUESTION.]**

Subdivision 1. [WHEN CERTIFIED.] The chief administrative law judge may certify a question of workers' compensation law to the workers' compensation court of appeals as important and doubtful under the following circumstances:

(1) all parties to the case have stipulated in writing to the facts;

(2) the issue to be resolved is a question of workers' compensation law that has not been resolved by the workers' compensation court of appeals or the Minnesota supreme court; and

(3) all parties request that the matter be resolved by certification to the workers' compensation court of appeals as an important and doubtful question.

Subd. 2. [SUPREME COURT REVIEW.] Review by the supreme court of any decision of the workers' compensation court of appeals under this section shall be pursuant to section 176.471.

Subd. 3. [EXPEDITED DECISION.] It is the legislature's intent that the workers' compensation court of appeals and the Minnesota supreme court resolve the certified question as expeditiously as possible, after compliance by the parties with any requirements of the workers' compensation court of appeals or the Minnesota supreme court regarding submission of legal memoranda, oral argument, or other matters, and after the participation of amicus curiae, should the workers' compensation court of appeals or Minnesota supreme court consider such participation advisable.

Subd. 4. [NOTICE.] The chief administrative law judge shall notify all persons who request to be notified of a certification under this section.

Sec. 9. Minnesota Statutes 1990, section 480B.01, subdivision 1, is amended to read:

Subdivision 1. [JUDICIAL VACANCIES.] If a judge of the district court or workers' compensation court of appeals dies, resigns, retires, or is removed during the judge's term of office, or if a new district or workers' compensation court of appeals judgeship is created, the resulting vacancy must be filled by the governor as provided in this section.

Sec. 10. Minnesota Statutes 1990, section 480B.01, subdivision 10, is amended to read:

Subd. 10. [NOTICE TO THE PUBLIC.] Upon receiving notice from the governor that a judicial vacancy has occurred or will occur on a specified date, the chair shall provide notice of the following information:

- (1) the office that is or will be vacant;
- (2) that applications from qualified persons or on behalf of qualified persons are being accepted by the commission;
- (3) that application forms may be obtained from the governor or the commission at a named address; and
- (4) that application forms must be returned to the commission by a named date.

For a district court vacancy, the notice must be made available to attorney associations in the judicial district where the vacancy has occurred or will occur and to at least one newspaper of general circulation in each county in the district. For a workers' compensation court of appeals vacancy, the notice must be given to state attorney associations and all forms of the public media.

Sec. 11. Minnesota Statutes 1990, section 609.52, subdivision 2, is amended to read:

Subd. 2. [ACTS CONSTITUTING THEFT.] Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

- (1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another with-

out the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody, or title to property or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(a) the issuance of a check, draft, or order for the payment of money, except a forged check as defined in section 609.631, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(b) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

(c) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or

(d) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 which intentionally and falsely states the costs of or actual treatment or supplies provided; or

(e) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 for treatment or supplies that the provider knew were not medically necessary; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and:

(a) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to the owner; or

(b) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(c) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof, or any lessee of the property who sells, conveys, or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease and with intent to deprive the lessor of possession thereof. Evidence that a lessee used a false or fictitious name or address in obtaining the property or fails or refuses to return the property to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes, or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the

intent to prevent identification, if the person who alters, removes, or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal, or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property with knowledge that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by:

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or other connection, or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law Number 94-553, section 107; or

(13) except as provided in paragraphs (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio, or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

(i) made or was aware of the connection; and

(ii) was aware that the connection was unauthorized; or

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it; or

(17) intentionally takes or drives a motor vehicle without the consent of the owner or an authorized agent of the owner.

Sec. 12. [HEARINGS AT THE OFFICE OF ADMINISTRATIVE HEARINGS; REPORT OF CHIEF ADMINISTRATIVE LAW JUDGE.]

The chief administrative law judge shall reduce the formality and length of hearings in workers' compensation cases at the office of administrative hearings, with a goal of completing 50 percent of the hearings in less than two hours, 75 percent in less than four hours, and nearly all of the hearings in less than one day. Before January 1, 1994, the chief administrative law judge shall report to the legislature on the success in meeting these goals, including any recommendations for legislation needed to achieve these goals.

Sec. 13. [REPEALER.]

Minnesota Statutes, chapters 79, 175A, and 176 and section 175.007 are repealed effective July 1, 1995.

Sec. 14. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment.

## ARTICLE 5

### SELF-INSURANCE

Section 1. Minnesota Statutes 1990, section 79A.02, is amended by adding a subdivision to read:

Subd. 3. [AUDIT OF SELF-INSURANCE APPLICATION.] (a) The self-insurer's security fund shall retain a certified public accountant who shall perform services for, and report directly to, the commissioner of commerce. The certified public accountant shall review each application to self-insure, including the applicant's financial data. The certified public accountant shall provide a report to the commissioner of commerce indicating whether the applicant has

met the requirements of section 79A.03, subdivisions 2 and 3. Additionally, the certified public accountant shall provide advice and counsel to the commissioner about relevant facts regarding the applicant's financial condition.

(b) If the report of the certified public accountant is used by the commissioner as the basis for the commissioner's determination regarding the applicant's self-insurance status, the certified public accountant shall be made available to the commissioner for any hearings or other proceedings arising from that determination.

(c) The commissioner shall provide the advisory committee with the summary report by the certified public accountant and any financial data in possession of the department of commerce that is otherwise available to the public.

The cost of the review shall be the obligation of the self-insurer's security fund.

Sec. 2. Minnesota Statutes 1990, section 79A.02, is amended by adding a subdivision to read:

Subd. 4. [RECOMMENDATIONS TO COMMISSIONER REGARDING REVOCATION.] After each fifth anniversary from the date each individual and group self-insurer becomes certified to self-insure, the committee shall review all relevant financial data filed with the department of commerce that is otherwise available to the public and make a recommendation to the commissioner about whether each self-insurer's certificate should be revoked.

Sec. 3. Minnesota Statutes 1990, section 79A.03, subdivision 3, is amended to read:

Subd. 3. [NET WORTH.] Each individual self-insurer shall have and maintain a net worth at least equal to the greater of ten times the retention limit selected with the workers' compensation reinsurance association or one-third the amount of the self-insurer's current annual modified premium. The requirements of this subdivision shall be modified if the self-insurer can demonstrate through a reinsurance program, other than coverage provided by the workers' compensation reinsurance association, that it can pay expected losses without endangering the financial stability of the company. Each individual self-insurer's net worth, as presented on its audited balance sheet filed with the department of commerce, shall equal at least ten percent of the entity's total assets and shall equal at least ten times the retention level selected with the workers' compensation reinsurance association.

Sec. 4. Minnesota Statutes 1990, section 79A.03, subdivision 4, is amended to read:

Subd. 4. [ASSETS, NET WORTH, AND LIQUIDITY.] (a) Each individual self-insurer shall have and maintain sufficient assets, net worth, and liquidity to promptly and completely meet all of its obligations that may arise under chapter 176 or this chapter. In determining whether a self-insurer meets this requirement, the commissioner shall consider the self-insurer's current ratio; its long-term and short-term debt to equity ratios; its net worth; financial characteristics of the particular industry in which the self-insurer is involved; any recent changes in the management and ownership of the ~~company~~ self-insurer; any excess insurance purchased by the self-insurer from a licensed company or an authorized surplus line carrier, other than excess insurance from the workers' compensation reinsurance association; any other financial data submitted to the commissioner by the ~~company~~ self-insurer; and the ~~company's~~ self-insurer's workers' compensation experience for the last four years. Notwithstanding any other provision of this chapter, the commissioner may deny an application for self-insurance authority or terminate existing self-insurance authority if the applicant or self-insurer does not have sufficient assets, net worth, and liquidity to promptly and completely meet all of its self-insurance obligations.

(b) An individual self-insurer must have had positive net income as shown on audited income statements filed with the department of commerce during three of the last five years and cumulatively over the five-year period. If the self-insurer has been in existence less than five years, it must have had cumulative net income during the period of existence and in the most recent year.

(c) An individual self-insurer must have had cash generated from operations as shown on the audited statements of cash flows filed with the department of commerce during three of the last five years and cumulatively over the five-year period. If the self-insurer has been in existence less than five years, it shall have had cumulative cash generated from operations during the period of existence and in the most recent year.

(d) No entity shall be admitted as an individual self-insurer, or be allowed to continue its self-insurance authority, if the audit report for the most recent year includes an explanatory paragraph stating that the auditor has concluded that there is substantial doubt about the entity's ability to continue as a going concern.

Sec. 5. Minnesota Statutes 1990, section 79A.03, subdivision 7, is amended to read:

Subd. 7. [FINANCIAL STANDARDS.] A group proposing to self-insure shall have and maintain:

(a) A combined net worth of all of the members of an amount at least equal to the greater of ten times the retention selected with the

workers' compensation reinsurance association or one-third of the current annual modified premium of the members. The requirements of this paragraph shall be modified if the self-insurer can demonstrate that through excess insurance, other than coverage provided by the workers' compensation reinsurance association, it can pay expected losses.

(b) Sufficient assets, net worth, and liquidity to promptly and completely meet all obligations of its members under chapter 176 or this chapter. In determining whether a group is in sound financial condition, consideration shall be given to the combined net worth of the member companies; the consolidated long-term and short-term debt to equity ratios of the member companies; any excess insurance other than reinsurance with the workers' compensation reinsurance association, purchased by the group from an insurer licensed in Minnesota or from an authorized surplus line carrier; other financial data requested by the commissioner or submitted by the group; and the combined workers' compensation experience of the group for the last four years.

Sec. 6. Minnesota Statutes 1990, section 79A.03, subdivision 9, is amended to read:

Subd. 9. [FILING REPORTS.] (a) Incurred losses, paid and unpaid, specifying indemnity and medical losses by classification, payroll by classification, and current estimated outstanding liability for workers' compensation shall be reported to the commissioner by each self-insurer on a calendar year basis, in a manner and on forms available from the commissioner. Payroll information must be filed by April 1 of the following year, and loss information and total workers' compensation liability must be filed by August 1 of the following year.

(b) Each self-insurer shall, under oath, attest to the accuracy of each report submitted pursuant to paragraph (a). Upon sufficient cause, the commissioner shall require the self-insurer to submit a certified audit of payroll and claim records conducted by an independent auditor approved by the commissioner, based on generally accepted accounting principles and generally accepted auditing standards, and supported by an actuarial review and opinion of the future contingent liabilities. The basis for sufficient cause shall include the following factors: where the losses reported appear significantly different from similar types of businesses; where major changes in the reports exist from year to year, which are not solely attributable to economic factors; or where the commissioner has reason to believe that the losses and payroll in the report do not accurately reflect the losses and payroll of that employer. If any discrepancy is found, the commissioner shall require changes in the self-insurer's or workers' compensation service company record keeping practices.

(c) With the annual loss report due August 1, each self-insurer shall report to the commissioner any workers' compensation claim from the previous year where the full, undiscounted value is estimated to exceed \$50,000, in a manner and on forms prescribed by the commissioner.

(d) Each individual self-insurer shall, within four months after the end of its fiscal year, annually file with the commissioner its latest 10K report required by the Securities and Exchange Commission. If an individual self-insurer does not prepare a 10K report, it shall file an annual certified financial statement, together with such other financial information as the commissioner may require to substantiate data in the financial statement.

(e) Each group self-insurer shall, within four months after the end of the fiscal year for that group, annually file a statement showing the combined net worth of its members based upon an accounting review performed by a certified public accountant, together with such other financial information the commissioner may require to substantiate data in the group's summary statement. Each member of the group shall, within four months after the end of each fiscal year for that group, file the most recent annual financial statement, reviewed by a certified public accountant in accordance with the Statements on Standards for Accounting and Review Services, Volume 2, the American Institute of Certified Public Accountants Professional Standards, or audited in accordance with generally accepted auditing standards, together with such other financial information the commissioner may require. In addition, the group shall file, within four months after the end of each fiscal year for that group, combining financial statements of the group members, compiled by a certified public accountant in accordance with the Statements on Standards for Accounting and Review Services, Volume 2, the American Institute of Certified Public Accountants Professional Standards. The combining financial statements shall include, but not be limited to, a balance sheet, income statement, statement of changes in net worth, and statement of cash flow. Each combining financial statement shall include a column for each individual group member along with a total column.

Where a group has 50 or more members, the group shall file, in lieu of the combining financial statements, a combined financial statement showing only the total column for the entire group's balance sheet, income statement, statement of changes in net worth, and statement of cash flow. Additionally, the group shall disclose, for each member, the total assets, net worth, revenue, and income for the most recent fiscal year. The combining and combined financial statements may omit all footnote disclosures.

(f) In addition to the financial statements required by paragraphs (d) and (e), interim financial statements or 10Q reports required by the Securities and Exchange Commission may be required by the

commissioner upon an indication that there has been deterioration in the self-insurer's financial condition, including a worsening of current ratio, lessening of net worth, net loss of income, the downgrading of the company's bond rating, or any other significant change that may adversely affect the self-insurer's ability to pay expected losses. Any self-insurer that files an 8K report with the Securities and Exchange Commission shall also file a copy of the report with the commissioner within 30 days of the filing with the Securities and Exchange Commission.

Sec. 7. Minnesota Statutes 1990, section 79A.04, subdivision 2, is amended to read:

Subd. 2. [MINIMUM DEPOSIT.] The minimum deposit is 110 percent of the private self-insurer's estimated future liability. Up to ten percent of that deposit may be used to secure payment of all administrative and legal costs relating to or arising from the employer's self-insuring. As used in this section, "private self-insurers' estimated future liability" means the private self-insurers' total of estimated future liability as determined by a member of the casualty actuarial society every two years for nongroup member private self-insurers, and every year for group member private self-insurers and, for a nongroup member private self-insurer's authority to self-insure, every year for the first five years. After the first five years, the nongroup member's total shall be as determined by a member of the casualty actuarial society every two years, and each such actuarial study shall include a projection of future losses during the two-year period until the next scheduled actuarial study, less payments anticipated to be made during that time. Estimated future liability is determined by first taking the total amount of the self-insured's future liability of workers' compensation claims and then deducting the total amount which is estimated to be returned to the self-insurer from any specific excess insurance coverage, aggregate excess insurance coverage, and any supplementary benefits or second injury benefits which are estimated to be reimbursed by the special compensation fund. Supplementary benefits or second injury benefits will not be reimbursed by the special compensation fund unless the special compensation fund assessment pursuant to section 176.129 is paid and the reports required thereunder are filed with the special compensation fund. In the case of surety bonds, bonds shall secure administrative and legal costs in addition to the liability for payment of compensation reflected on the face of the bond. In no event shall the security be less than the last retention limit selected by the self-insurer with the workers' compensation reinsurance association. The posting or depositing of security pursuant to this section shall release all previously posted or deposited security from any obligations under the posting or depositing and any surety bond so released shall be returned to the surety. Any other security shall be returned to the depositor or the person posting the bond.

Sec. 8. Minnesota Statutes 1990, section 79A.06, subdivision 5, is amended to read:

Subd. 5. [PRIVATE EMPLOYERS WHO HAVE CEASED TO BE SELF-INSURED.] Private employers who have ceased to be private self-insurers shall discharge their continuing obligations to secure the payment of compensation which is accrued during the period of self-insurance, for purposes of Laws 1988, chapter 674, sections 1 to 21, by compliance with all of the following obligations of current certificate holders:

(1) Filing reports with the commissioner to carry out the requirements of this chapter;

(2) Depositing and maintaining a security deposit for accrued liability for the payment of any compensation which may become due, pursuant to chapter 176. However, if a private employer who has ceased to be a private self-insurer purchases an insurance policy from an insurer authorized to transact workers' compensation insurance in this state which provides coverage of all claims for compensation arising out of injuries occurring during the period the employer was self-insured, whether or not reported during that period, the policy will discharge the obligation of the employer to maintain a security deposit for the payment of the claims covered under the policy. The policy may not be issued by an insurer unless it has previously been approved as to form and substance by the commissioner; and

(3) Paying within 30 days all assessments of which notice is sent by the security fund, for a period of seven years from the last day its certificate of self-insurance was in effect. Thereafter, the private employer who has ceased to be a private self-insurer may either: (a) continue to pay within 30 days all assessments of which notice is sent by the security fund until it has no incurred liabilities for the payment of compensation arising out of injuries during the period of self-insurance; or (b) pay the security fund a cash payment equal to four percent of the net present value of all remaining incurred liabilities for the payment of compensation under sections 176.101 and 176.111 as certified by a member of the casualty actuarial society. Assessments shall be based on the benefits paid by the employer during the ~~last full~~ calendar year of self-insurance on ~~claims incurred during that year immediately preceding the calendar year in which the employer's right to self-insure is terminated or withdrawn.~~

In addition to proceedings to establish liabilities and penalties otherwise provided, a failure to comply may be the subject of a proceeding before the commissioner. An appeal from the commissioner's determination may be taken pursuant to the contested case procedures of chapter 14 within 30 days of the commissioner's written determination.

Any current or past member of the self-insurers' security fund is subject to service of process on any claim arising out of chapter 176 or this chapter in the manner provided by section 303.13, subdivision 1, clause (3), or as otherwise provided by law. The issuance of a certificate to self-insure to the private self-insured employer shall be deemed to be the agreement that any process which is served in accordance with this section shall be of the same legal force and effect as if served personally within this state.

Sec. 9. [79A.071] [CUSTODIAL ACCOUNTS.]

Subdivision 1. [DEPOSIT.] All securities shall be deposited with the state treasurer or in a custodial account with a depository institution acceptable to the state treasurer. Surety bonds shall be filed with the commissioner. The commissioner and the state treasurer may sell or collect, in the case of default of the employer or fund, the amount that yields sufficient funds to pay compensation due under the workers' compensation act.

Subd. 2. [ASSIGNMENT.] Securities in physical form deposited with the state treasurer must bear the following assignment, which shall be signed by an officer, partner, or owner: "Assigned to the state of Minnesota for the benefit of injured employees of the self-insured employer under the Minnesota workers' compensation act." Any securities held in a custodial account, whether in physical form, book entry, or other form, need not bear the assignment language. The instrument or contract creating and governing any custodial account must contain the following assignment language: "This account is assigned to the state treasurer by the Company to pay compensation and perform the obligations of employers imposed under Minnesota Statutes, chapter 176. A depositor or other party has no right, title, or interest in the security deposited in the account until released by the state."

Subd. 3. [CUSTODY.] All securities in physical form on deposit with the state treasurer and surety bonds on deposit shall remain in the custody of the state treasurer or the commissioner for a period of time dictated by the applicable statute of limitations provided in the workers' compensation act. All original instruments and contracts creating and governing custodial accounts shall remain with the state treasurer or the commissioner for a period of time dictated by the applicable statute of limitations provided in the workers' compensation act.

Subd. 4. [RELEASE.] No securities in physical form on deposit with the state treasurer or custodial accounts assigned to the state shall be released without an order from the commissioner.

Subd. 5. [EXCHANGING OR REPLACING.] Any securities deposited with the state treasurer or with a custodial account assigned to the state treasurer or surety bonds held by the commissioner may be

exchanged or replaced by the depositor with other acceptable securities or surety bonds of like amount so long as the market value of the securities or amount of the surety bond equals or exceeds the amount of deposit required. If securities are replaced by a surety bond, the self-insurer must maintain securities on deposit in an amount sufficient to meet all outstanding workers' compensation liability arising during the period covered by the deposit of the replaced securities, subject to the limitations on maximum security deposits established in Minnesota Rules.

Sec. 10. [REPEALER.]

Minnesota Rules, part 2780.0400, subparts 2, 3, 6, 7, and 8, are repealed.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective August 1, 1992. For insurers that have Minnesota self-insurance authority on August 1, 1992, section 4 is effective August 1, 1995."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating benefits, providers, dispute resolution, and insurance; providing rights and duties; permitting the adoption of administrative rules; requiring studies; providing penalties; amending Minnesota Statutes 1990, sections 79.251; 79.252, subdivisions 1, 3, and 5; 79A.02, by adding subdivisions; 79A.03, subdivisions 3, 4, 7, and 9; 79A.04, subdivision 2; 79A.06, subdivision 5; 176.011, subdivisions 3, 9, 11a, and 18; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivisions 1, 2, 4, 6, 9, and 11; 176.103, subdivisions 2, 3, and by adding a subdivision; 176.105, subdivision 1; 176.106, by adding a subdivision; 176.111, subdivision 18; 176.135, subdivisions 1, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.155, subdivision 1; 176.181, subdivision 3, and by adding a subdivision; 176.183; 176.185, subdivision 1; 176.194, subdivision 5; 176.261; 176.645, subdivisions 1 and 2; 176.83, subdivision 5, and by adding a subdivision; 176A.03, by adding a subdivision; 480B.01, subdivisions 1 and 10; and 609.52, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 79, 79A, and 176; repealing Minnesota Rules, part 2780.0400, subparts 2, 3, 6, 7, and 8; Minnesota Statutes 1990, sections 175.007; 176.131; 176.135, subdivision 3; 176.136, subdivision 5; and Minnesota Statutes, chapter 79, 175A, and 176."

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2041, A bill for an act relating to the treatment of juvenile offenders; establishing pilot projects for mental health and chemical dependency screening and treatment of juveniles in detention; appropriating money; amending Minnesota Statutes 1990, section 260.185, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 260.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [260.152] [MENTAL HEALTH AND CHEMICAL DEPENDENCY SCREENING OF JUVENILES IN DETENTION.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services, in cooperation with the commissioner of corrections, shall establish four pilot programs in counties to reduce the recidivism rates of juvenile offenders, by identifying and treating underlying mental health and chemical dependency problems that contribute to delinquent behavior.

Subd. 2. [PROGRAM COMPONENTS.] The commissioners of corrections and human services shall, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, provide grants to counties to establish pilot projects that identify juvenile offenders who have mental health and chemical dependency needs. Pilot projects shall build upon the existing service capabilities in the community and must include:

(1) screening for mental health problems of all juveniles admitted to a secure detention facility as defined in section 260.015, subdivision 16, and any juvenile alleged to be a delinquent child as that term is defined in section 260.015, subdivision 5, who is admitted to a shelter care facility, as defined in section 260.015, subdivision 17;

(2) screening for chemical dependency problems for juveniles specified in clause (1), unless they are already subject to mandatory chemical use assessments under this chapter;

(3) referral for mental health and chemical dependency assessment of all youth for whom the screening indicates a need. This assessment is to be provided by the appropriate mental health or chemical dependency professional. If the youth is of a minority race or minority ethnic heritage, the mental health or chemical dependency professional must be skilled in and knowledgeable about the youth's racial and ethnic heritage, or must consult with a special

mental health or chemical dependency consultant who has such knowledge so that the assessment is relevant, culturally specific, and sensitive to the youth's cultural needs; and

(4) upon completion of the assessment, access to or provision of mental health or chemical dependency services identified as needed in the assessment.

The screening tool must be developed by, or approved by, the commissioner of human services and must meet the qualifications and standards of subdivision 3.

Subd. 3. [SCREENING TOOL.] The commissioner of human services and the commissioner of corrections shall jointly develop a model screening tool that can be used to screen youth held in juvenile detention to determine if a mental health or chemical dependency assessment is needed. This tool should contain specific questions which indicate potential mental health or chemical dependency problems. Counties, in implementing this program, may use this model tool or may develop their own, so long as the screening tool is approved by the commissioner of human services and meets the requirements of this section.

Subd. 4. [PROGRAM REQUIREMENTS.] To receive funds, the county program proposal shall be a joint proposal with all affected local agencies, resulting in part from consultation with the local coordinating council established under section 245.4873, subdivision 3, and the local mental health advisory council established under section 245.4875, subdivision 5, and shall contain the following:

(1) evidence of interagency collaboration by all publicly funded agencies serving children with emotional disturbances or chemical dependency, including evidence of consultation with the agencies listed in this section;

(2) a signed agreement by the local court services and local mental health and county social service agencies to work together on the following: development of program; development of written interagency agreements and protocols to ensure that the mental health and chemical dependency needs of juvenile offenders are identified, addressed, and treated; and development of a procedure for joint evaluation of the program;

(3) a description of existing services that will be used in this program; and

(4) a description of additional services that will be developed with program funds, including estimated costs and numbers of children to be served.

The commissioner of human services and the commissioner of corrections shall jointly determine the application form, information needed, deadline for application, criteria for awards, and a process for providing technical assistance and training to counties. The technical assistance shall include information about programs that have been successful in reducing recidivism by juvenile offenders.

Subd. 5. [INTERAGENCY AGREEMENTS.] To receive funds, the county must agree to develop written interagency agreements between local court services agencies, local county mental health agencies, and the agency with responsibility for assessing chemical dependency treatment needs within six months of receiving the initial program funds. These agreements shall include a description of each local agency's responsibilities, with a detailed assignment of the tasks necessary to implement the program. The agreement shall state how they will comply with the confidentiality requirements of the participating local agencies.

Subd. 6. [EVALUATION.] The commissioner of human services and the commissioner of corrections shall, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, develop systems and procedures for evaluating the pilot projects. The agencies must develop an interagency management information system to track minors in custody who receive mental health and chemical dependency services. The system must be designed to meet the information needs of the agencies involved and to provide a basis for evaluating outcome data. The system must be designed to track the mental health and chemical dependency treatment of minors in custody and to improve the planning, delivery, and evaluation of services and increase interagency collaboration. The evaluation protocol must be designed to measure the impact of the program on juvenile recidivism, school performance, and state and county budgets.

Subd. 7. [REPORT.] On January 1, 1994, and annually after that, the commissioner of corrections and the commissioner of human services shall present a joint report to the legislature on the pilot projects funded under this section. The report shall include information on the following:

- (1) the number of juvenile offenders screened and assessed;
- (2) the number of youths referred for mental health or chemical dependency services, types of services provided, and costs;
- (3) the number of subsequently adjudicated juveniles that received mental health or chemical dependency services under this program; and

(4) the estimated cost savings of the program and the impact on crime.

Sec. 2. Minnesota Statutes 1990, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for the child's conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) a child placing agency; or

(2) the county welfare board; or

(3) a reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245A.01 to 245A.16; or

(4) a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment

schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

If the child is petitioned and found by the court to have committed or attempted to commit an act in violation of section 609.342, 609.343, 609.344, or 609.345, the court shall order an independent professional assessment of the child's need for sex offender treatment. An assessor providing an assessment for the court may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If the assessment indicates that the child is in need of and amenable to sex offender treatment, the court shall include in its disposition order a requirement that the child undergo treatment.

If the child is found delinquent due to the commission of a level offense that would be a felony if committed by an adult, the court shall make a specific finding on the record regarding the juvenile's mental health and chemical dependency treatment needs.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) why the best interests of the child are served by the disposition ordered; and

(b) what alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

### Sec. 3. [APPROPRIATIONS.]

Subdivision 1. [COMMISSIONER OF HUMAN SERVICES.]  
\$. . . . . is appropriated from the general fund to the commissioner of

human services for purposes of implementing section 1 for the fiscal year ending June 30, 1993.

Subd. 2. [COMMISSIONER OF JOBS AND TRAINING.] §..... is appropriated from the general fund to the commissioner of jobs and training for the fiscal year ending June 30, 1993, to provide additional funding for youth intervention programs under section 268.30.

Subd. 3. [USE OF APPROPRIATIONS.] Money appropriated by this section may not be used to pay for out-of-home placement or to replace current funding for programs presently in operation, but must be used to expand existing programs or initiate new ones."

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

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2121, A bill for an act relating to education; providing for general education and related revenue, transportation, special programs, other aids, levies, and programs; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivision 5; 120.102, subdivision 1; 120.17, subdivisions 3a, 8a, 12, 14, 16, and by adding subdivisions; 121.148, subdivision 3; 121.11, by adding a subdivision; 121.16, subdivision 1; 121.935, by adding subdivisions; 122.22, by adding a subdivision; 122.23, subdivisions 13, 16, and by adding a subdivision; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, and 2c; 122.532, subdivision 2; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding a subdivision; 123.39, subdivision 8d; 123.58, by adding a subdivision; 123.744, as amended, as reenacted; 124.243, subdivision 2, and by adding a subdivision; 124.2725, subdivision 13; 124.331, subdivisions 1 and 3; 124.431, by adding a subdivision; 124.493, subdivision 1; 124.494, subdivisions 2, 4, and 5; 124.73, subdivision 1; 124.83, subdivisions 2, 6, and by adding subdivisions; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2, and by adding a subdivision; 124C.07; 124C.08, subdivision 2; 124C.09; 124C.61; 125.05, subdivisions 1, 7, and by adding subdivisions; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 126.12, subdivision 2; 126.22, by adding a subdivision; 127.46; 128A.09, subdivision 2, and by adding a subdivision; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136D.75; 182.666, subdivisions 6 and 7; 275.125, subdivision 10, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections

120.062, subdivision 8a; 120.064, subdivision 4; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 121.585, subdivision 3; 121.831; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.932, subdivisions 2 and 5; 121.935, subdivisions 1 and 6; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.531, subdivision 4a; 123.3514, subdivisions 4 and 11; 123.702, subdivisions 1, 1a, and 1b; 124.155, subdivision 2; 124.19, subdivisions 1, 1b, and 7; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124.2721, subdivision 3b; 124.2727, subdivision 6, and by adding subdivisions; 124.493, subdivision 3; 124.646, subdivision 4; 124.83, subdivision 1; 124.95, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124A.03, subdivisions 1c, 2, 2a, and by adding a subdivision; 124A.23, subdivisions 1 and 4; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 125.185, subdivisions 4 and 4a; 125.62, subdivision 6; 126.70; 135A.03, subdivision 3a; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.76, subdivision 2; 136D.82, subdivision 3; 245A.03, subdivision 2; 275.065, subdivision 1; 275.125, subdivisions 6j and 11g; 364.09; and 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapter 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 5, sections 18, 23, and 24, subdivision 4; 6, sections 64, subdivision 6, 67, subdivision 3, and 68; 7, sections 37, subdivision 6, 41, subdivision 4, and 44; 8, sections 14 and 19, subdivision 6; and 9, sections 75 and 76; proposing coding for new law in Minnesota Statutes, chapters 121; 123; 124; 124C; and 135A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 122.23, subdivisions 16a and 16b; 124.274; 125.03, subdivision 5; 128A.022, subdivision 5; 134.34, subdivision 2; 136C.06; 136D.74, subdivision 3; 136D.76, and subdivision 3; Minnesota Statutes 1991 Supplement, sections 121.935, subdivisions 7 and 8; 123.35, subdivision 19; 124.2721, subdivisions 5a and 5b; 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2; Laws 1990, chapters 562, article 12; and 604, article 8, section 12; and Laws 1991, chapter 265, article 9, section 73.

Reported the same back with the following amendments:

Page 15, line 19, delete "15" and insert "14"

Page 37, line 12, delete "(3)" and insert "(4)"

Page 102, after line 10, insert:

"Sec. 4. Minnesota Statutes 1990, section 136C.69, subdivision 3, is amended to read:

Subd. 3. [LEVY.] (a) A member district that has transferred a technical college facility to the joint board may levy upon all taxable property in the member district, the following:

(1) in the first levy certified after the transfer, 75 percent of the amount of the district's most recent service fee allocation;

(2) in the second levy certified after the transfer, 50 percent of the amount of the district's service fee allocation under clause (1); and

(3) in the third levy certified after the transfer, 25 percent of the amount of the district's service fee allocation under clause (1).

(b) The proceeds of the levy may be placed in the general fund or any other fund of the district. Any unexpended portion of the proceeds so received must not be considered in the net undesignated fund balance of the member district for the three fiscal years to which the levy is attributable.

(c) Notwithstanding section 121.904, the proceeds of this levy must be recognized in the fiscal year in which it is certified.

Page 114, line 33, delete "one year"

Page 119, line 13, after "upon" insert "specific"

Page 122, line 19, delete "annually" and insert "develop a process for"

Page 122, line 20, delete "devote at least one school assembly to"

Page 122, line 21, after "policy" insert "with students and school employees"

Page 127, line 3, delete "2" and insert "34"

Page 135, line 16, reinstate the stricken language

Page 136, line 5, delete "of this section"

Renumber the sections in Article 7 in sequence

Correct internal references

Amend the title as follows:

Page 1, line 34, after the semicolon insert "136C.69, subdivision 3;"

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

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2282, A bill for an act relating to natural resources; specifying certain provisions applicable to recipients of snowmobile grant funds; exempting snowmobile testing activities from applicable speed limits under certain conditions; allowing the use of snowmobiles on certain conservation lands unless prohibited by rule of the commissioner of natural resources; amending Minnesota Statutes 1990, sections 84.83, by adding a subdivision; 84.87, by adding a subdivision; and 84A.55, by adding a subdivision.

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

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2316, A bill for an act relating to living wills; adding certain information to the suggested health care declaration form; amending Minnesota Statutes 1990, section 145B.04.

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

The report was adopted.

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

H. F. No. 2421, A bill for an act relating to wetlands; making technical and other minor changes to the wetland conservation act of 1991; appropriating money; amending Minnesota Statutes 1991 Supplement, sections 84.036; 103F.612, subdivision 2; 103F.616; 103F.901, subdivisions 5 and 8; 103F.902; 103F.903, subdivisions 1 and 4; 103F.904; 103G.005, subdivisions 10a and 19; 103G.222; 103G.2241, subdivision 1; 103G.2242, subdivisions 6 and 7; 103G.2369, subdivisions 2 and 3; 103G.237, subdivision 4, and by adding a subdivision; and 275.295.

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

The report was adopted.

Segal from the Committee on Economic Development to which was referred:

H. F. No. 2482, A bill for an act relating to economic development; authorizing the commissioner of trade and economic development to certify designated cities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing the establishment of business opportunity districts; requiring regional development commissions to establish permit information centers; amending Minnesota Statutes 1990, section 116C.34, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116C; proposing coding for new law as Minnesota Statutes, chapter 116S.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## “CHAPTER 116S DESIGNATED COUNTIES

### Section 1. [116S.01] [DESIGNATED COUNTIES.]

The commissioner of trade and economic development shall certify counties which are designated counties. A county is a designated county if the county has had a decline in population from 1980 to 1990, as determined by the 1990 federal decennial census.

For purposes of sections 1 to 3, “designated county” means a county designated by the commissioner of trade and economic development as provided under this section and a city of the second class that is designated as an economically depressed area by the United States Department of Commerce.

### Sec. 2. [116S.02] [CREDIT FOR JOB CREATION.]

(a) A business with operations located in a designated county may take a credit against the tax due under chapter 290 for five taxable years. For purposes of this section, “business” means a business entity organized for profit, including a sole proprietorship, partnership, or corporation.

(b) The credit is equal to \$2,500 multiplied by the number of persons paid an annual wage of at least \$15,000 and employed by the business within the designated county on a full-time basis on the last day of the taxable year, not to exceed the number of persons paid an annual wage of at least \$15,000 and employed by the business on a full-time basis within the designated county on the date 90 days before the last day of the taxable year.

(c) For the first taxable year in which the credit is allowed, the credit must not exceed 80 percent of the wages paid to or incurred for persons paid an annual wage of at least \$15,000 and employed by the taxpayer in the designated county during the taxable year. For the succeeding four taxable years, the credit must not exceed 20 percent of the wages paid to or incurred for persons paid an annual wage of at least \$15,000 and employed by the taxpayer in the designated county during the taxable year. For purposes of this subdivision, "wages" has the meaning given under section 3121(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991, except the limitation to the contribution and benefit base does not apply.

(d) If the credit provided under this subdivision exceeds the tax liability of the business for the taxable year, the excess amount of the credit may be carried over to each of the ten taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than ten years after the taxable year in which the credit was earned.

(e) The credit authorized under this section is increased to \$5,000 if the business utilizes fiber optics in its operations in the designated county.

(f) Tax credits under this section shall only be taken for new job creation through expansion of jobs in the state. No tax credits shall be taken for jobs moved from one area of Minnesota to another area of the state.

### Sec. 3. [116S.03] [RESEARCH AND DEVELOPMENT CREDIT.]

(a) A business with operations located in a designated county may take a credit of \$2,500 against the tax due under chapter 290 for up to five taxable years if the business spends at least ten percent of its revenue for research and development activities for each of the taxable years that the credit is taken. For purposes of this section, "business" means a business entity organized for profit, including a sole proprietorship, partnership, or corporation.

(b) The carryforward provisions authorized in section 2, paragraph (d), apply to the research and development credit.

Sec. 4. [116S.04] [SALES TAX EXEMPTION.]

Materials, equipment, and supplies used or consumed in constructing or incorporated into the construction of a new manufacturing facility or expansion of an existing one in a designated county are exempt from the taxes imposed under chapter 297A. Except for equipment owned or leased by a contractor, all machinery, equipment, and tools necessary to the construction, expansion, or equipping of the facility are also exempt.

Sec. 5. [116S.05] [BUSINESS OPPORTUNITY DISTRICTS.]

Subdivision 1. [AUTHORIZATION.] A city located in a designated county or a city of the second class that is designated as an economically depressed area by the United States Department of Commerce may create business opportunity districts within which the powers of tax increment financing as provided in sections 469.174 to 469.179 may be exercised. Except as otherwise provided in this section, the provisions of sections 469.174 to 469.179 apply to the districts. For purposes of this section, "city" has the meaning given for "authority" in section 469.174, subdivision 2.

Subd. 2. [REDEVELOPMENT DISTRICT.] For the purposes of exercising tax increment financing powers under this section, "redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the city finds by resolution that one of the following conditions, reasonably distributed throughout the district, exists:

(1) parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance; or

(2) at least 25 percent of the area of the district is tax-forfeited land.

Subd. 3. [EXEMPTION.] Section 273.1399 does not apply to a district created under this section.

Sec. 6. [APPLICATION AND EFFECTIVE DATE.]

Section 2 is effective for taxable years beginning after December 31, 1992, and only applies to new jobs created after December 31, 1992."

Delete the title and insert:

“A bill for an act relating to economic development; authorizing the commissioner of trade and economic development to certify designated counties; providing tax credits for job creation and research and development activities; providing an exemption from sales tax for certain equipment and materials; authorizing the establishment of business opportunity districts; proposing coding for new law as Minnesota Statutes, chapter 116S.”

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

The report was adopted.

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

H. F. No. 2532, A bill for an act relating to human services; limiting the powers and duties of public guardian or conservator to the commissioner; amending Minnesota Statutes 1990, section 252A.111, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. [252.431] [SUPPORTED EMPLOYMENT SERVICES; DEPARTMENTAL DUTIES; COORDINATION.]

The commissioners of jobs and training, human services, and education shall ensure that supported employment services provided as part of a comprehensive service system will:

(1) provide the necessary supports to assist persons with severe disabilities to obtain and maintain employment in normalized work settings available to the general work force that:

(i) maximize community and social integration; and

(ii) provide job opportunities that meet the individual's career potential and interests;

(2) allow persons with severe disabilities to actively participate in the planning and delivery of community-based employment services at the individual, local, and state level; and

(3) be coordinated among the departments of human services, jobs and training, and education to:

- (i) promote the most efficient and effective funding;
- (ii) avoid duplication of services; and
- (iii) improve access and transition to employability services.

The commissioners of jobs and training, human services, and education shall report to the legislature by January 1993 on the steps taken to implement this section.

Sec. 2. [PUBLIC GUARDIANSHIP; REPORT.]

Except as specified in this section, the commissioner of human services shall, within 90 days of the effective date of this section, submit for publication in the State Register, the rule parts proposed under the authority of section 252A.21, subdivision 2. Notwithstanding the contrary requirements of section 252A.21, subdivision 2, the commissioner of human services shall not adopt any rule provision under this section requiring that the county staff that performs public guardianship or conservatorship duties on behalf of a person with mental retardation cannot be the same worker that provides case management services, unless the state provides sufficient new state funding to cover the additional county costs of complying with this requirement.

The commissioner shall submit a report to the legislature by January 15, 1993, which contains alternative proposals for providing services to public wards and which includes recommendations on the establishment of an independent public guardianship office."

Delete the title and insert:

"A bill for an act relating to human services; defining supported employment services; prohibiting the commissioner from adopting rules requiring counties to separate their public guardianship function from their case management function, unless state funding is provided to cover county costs; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 252."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce to which was referred:

H. F. No. 2645, A bill for an act relating to commerce; regulating residential building contractors and remodelers; providing licensing requirements; amending Minnesota Statutes 1991 Supplement, sections 326.83, subdivision 10, and by adding subdivisions; and 326.84, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 4, is amended to read:

Subd. 4. [LICENSEE.] “Licensee” means a residential building contractor; ~~or residential remodeler; or specialty contractor~~ licensed under sections 326.83 to 326.98.

Sec. 2. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 6, is amended to read:

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

Sec. 3. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 7, is amended to read:

Subd. 7. [RESIDENTIAL REMODELER.] “Residential Remodeler” means a person in the business of contracting or offering to contract with an owner to improve existing residential real estate. A remodeler has two or more special skills by providing two or more special skills as defined in this section.

Sec. 4. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 8, is amended to read:

Subd. 8. [RESIDENTIAL BUILDING CONTRACTOR.] “Residential building contractor” means a person in the business of ~~building residential real estate or of contracting or offering to contract with an owner to build residential real estate or improve existing residential real estate by providing two or more special skills as defined in this section. A residential building contractor may also contract~~

or offer to contract with an owner to improve existing residential real estate.

Sec. 5. Minnesota Statutes 1991 Supplement, section 326.83, subdivision 10, is amended to read:

Subd. 10. [SPECIALTY CONTRACTOR.] “Specialty contractor” means a person ~~other than a residential building contractor, remodeler, or material supplier~~ in the business of contracting or offering to contract ~~with an owner to make part of an improvement to residential real estate, including roofing build or improve residential real estate by providing one special skill as defined in this section.~~

Sec. 6. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 11. [SPECIAL SKILL.] “Special skill” means one of the following nine categories:

(a) [EXCAVATION.] Excavation includes work in any of the following areas:

- (1) excavation;
- (2) trenching;
- (3) grading;
- (4) site grading; and
- (5) septic systems.

(b) [MASONRY AND CONCRETE.] Masonry and concrete includes work in any of the following areas:

- (1) drain systems;
- (2) poured walls;
- (3) slabs and poured-in-place footings;
- (4) masonry walls;
- (5) masonry fireplaces;
- (6) masonry veneer; and
- (7) water resistance and waterproofing.

(c) [CARPENTRY.] Carpentry includes work in any of the following areas:

- (1) rough framing;
- (2) finish carpentry;
- (3) siding;
- (4) door, windows, and skylights;
- (5) exterior covering and trim;
- (6) porches and decks;
- (7) wood foundations;
- (8) insulation and vapor barrier;
- (9) drywall installation, excluding taping and finishing;
- (10) cabinet and counter top installation;
- (11) wood floors; and
- (12) installation of roofing materials, excluding reroofing.

(d) [INTERIOR FINISHING.] Interior finishing includes work in any of the following areas:

- (1) floor covering;
- (2) wood floors;
- (3) cabinet installation;
- (4) insulation and vapor barriers;
- (5) counter tops;
- (6) painting and decorating;
- (7) ceramic, marble, and quarry tile; and
- (8) ornamental guardrail and prefabricated stairs.

(e) [EXTERIOR FINISHING.] Exterior finishing includes work in any of the following areas:

(1) siding;

(2) doors and windows;

(3) soffit fascia and trim;

(4) exterior plaster and stucco;

(5) painting;

(6) rain carrying systems, including gutters and down spouts; and

(7) roofing.

(f) [DRYWALL AND PLASTER.] Drywall and plaster includes work in any of the following areas:

(1) installation;

(2) taping;

(3) finishing; and

(4) interior plaster.

(g) [ROOFING.] Roofing includes work in any of the following areas:

(1) roof coverings;

(2) roof sheathing;

(3) roof weatherproofing and insulation;

(4) repair of roof support system, but not construction of new roof support system; and

(5) skylights.

(h) [GENERAL INSTALLATION SPECIALTIES.] Installation includes work in any of the following areas:

(1) garage doors and openers;

(2) pools, spas, and hot tubs;

(3) fireplaces and wood stoves; and

(4) asphalt paving and seal coating.

Sec. 7. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 12. [PERSON.] "Person" means a natural person, firm, partnership, corporation, or association, and the officers, directors, employees, or agents of that person.

Sec. 8. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 13. [QUALIFYING PERSON.] "Qualifying person" means the individual who fulfills the examination and education requirements for licensure on behalf of the licensee.

Sec. 9. Minnesota Statutes 1991 Supplement, section 326.83, is amended by adding a subdivision to read:

Subd. 14. [GROSS ANNUAL RECEIPTS.] "Gross annual receipts" means the total amount derived from contracting activities, and must not be reduced by cost of goods sold, expenses, losses, or any other amount.

Sec. 10. Minnesota Statutes 1991 Supplement, section 326.84, subdivision 1, is amended to read:

Subdivision 1. [PERSONS REQUIRED TO BE LICENSED.] A person who offers to provide two or more special skills as defined in section 326.83 must be licensed as a residential building contractor or residential remodeler, unless the person is licensed by the state as a specialty contractor for each of those special skills.

Subd. 1a. [PROHIBITION.] Except as provided in subdivision 3, no person may engage in the work of a persons required to be licensed by subdivision 1 may act or hold themselves out as residential building contractor, remodeler, or specialty contractor contractors or residential remodelers for compensation without a valid license issued by the commissioner. The commissioner shall recommend which types of one skill competency or single special skill groups must be licensed as specialty contractors and report to the legislature by January 31, 1992, with the recommended types of specialty groups, the licensing procedures, and potential continuing education requirements.

Subd. 1b. [LICENSING CRITERIA.] The examination and education requirements for licensure under sections 326.84 to 326.98 must be fulfilled by a qualifying person designated by the potential

licensee. For a sole proprietorship, the qualifying person must be the proprietor or managing employee. For a partnership, the qualifying person must be a general partner or managing employee. For a corporation, the qualifying person must be a chief executive officer or managing employee. If the qualifying person is a managing employee, the qualifying person must be an employee who is regularly employed by the licensee and is actively engaged in the classification of work for which the managing employee qualifies on behalf of the licensee. A qualifying person for a corporation may act as a qualifying person for one additional corporation if one of the following conditions exists:

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

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

Sec. 11. Minnesota Statutes 1991 Supplement, section 326.84, subdivision 3, is amended to read:

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

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

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

(3) an owner or owners of residential real estate ~~who improve the residential real estate or who build or improve a structure on the residential real estate and who do the work themselves or jointly with the owner's own employees or agents. This exemption does not apply to an owner who engages in a pattern of building or improving real estate for purposes of resale. Such a pattern is presumed to exist if the owner sells more than one property so built or improved within any 12-month period;~~

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

(5) a person engaging in any project by one or more contracts, for which the aggregate contract price, including labor, materials, installation, and all other items, is less than \$2,500. The \$2,500 limit may be exceeded by the unlicensed person if the person's total

gross annual receipts from projects regulated under this section do not exceed \$15,000;

(6) a mechanical contractor;

(7) a plumber, ~~or~~ electrician, or other person whose profession is otherwise subject to statewide licensing, when engaged in the activity authorized by that license;

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

(8) all specialty contractors that were required to be licensed by the state before the effective date of Laws 1991, chapter 306, sections 7 to 22; and

(9) specialty contractors that are not required to be licensed, as determined by the legislature who provide only one special skill as defined in section 326.83;

(9) a school district, technical college, or a school district or technical college instructor acting within the scope of employment; and

(10) manufactured housing installers.

To qualify for the exemption in clause (5), a person must obtain a certificate of exemption from licensing from the commissioner.

A certificate of exemption will be issued upon the applicant's filing with the commissioner, an affidavit stating that the applicant does not expect to engage in any project with a contract price over \$2,500 or to exceed \$15,000 in gross annual receipts derived from contracting activities during the calendar year for which the exemption is requested.

To renew the exemption in clause (5), the applicant must file an affidavit stating that:

(i) the applicant did not engage in any project with a contract price over \$2,500, and did not exceed \$15,000 in gross annual receipts during the past calendar year; and

(ii) does not expect to engage in any project with a contract price over \$2,500 or to exceed \$15,000 in gross annual receipts during the calendar year for which the exemption is requested.

If a person, operating under the exemption in clause (5), engages in a project with a contract price over \$2,500 or exceeds \$15,000 in gross receipts during any calendar year, the person must immedi-

ately apply for the appropriate license. The person must remain licensed until such time as the person's gross annual receipts during a calendar year fall below \$15,000 and do not include any projects with a contract price over \$2,500. The person may then apply for this exemption for the next calendar year.

Sec. 12. Minnesota Statutes 1991 Supplement, section 326.85, subdivision 1, is amended to read:

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

Sec. 13. Minnesota Statutes 1991 Supplement, section 326.86, is amended to read:

#### 326.86 [FEES.]

Subdivision 1. [~~LICENSING FEE.~~] The licensing fee for ~~residential building contractors and remodelers~~ persons licensed pursuant to sections 326.83 to 326.98 is \$60 ~~for the license period ending March 31, 1993, and \$75 for each per year thereafter.~~ The commissioner may adjust the fees under section 16A.128 to recover the costs of administration and enforcement. ~~The commissioner shall establish licensing fees for specialty contractors under section 16A.128. The fees must be limited to the cost of license administration and enforcement and must be deposited in the state treasury and credited to the general fund.~~

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

Sec. 14. Minnesota Statutes 1991 Supplement, section 326.87, subdivision 2, is amended to read:

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

extent the commissioner considers it appropriate, courses or parts of courses may be considered to satisfy both continuing education requirements under this section and continuing real estate education requirements.

Sec. 15. [326.875] [NOTICE OF CHANGE.]

Written notice must be given to the commissioner by each licensee of any change in personal name, trade name, qualifying person, address or business location not later than 15 business days after the change. The commissioner shall issue an amended license, if required, for the unexpired period.

Sec. 16. Minnesota Statutes 1991 Supplement, section 326.88, is amended to read:

326.88 [TEMPORARY LICENSES LOSS OF QUALIFYING PERSON.]

A temporary license must be issued to residential building contractors, remodelers, or specialty contractors if the person who obtained a license under section 326.84, subdivision 2, clause (2) or (3), leaves the partnership or corporation because of death, disability, retirement, or position change. A temporary license expires after one year and may not be renewed. Upon the departure of a licensee's qualifying person because of death, disability, retirement, or position change, the licensee must notify the commissioner within 15 business days. The licensee shall have 120 days from the departure of the qualifying person to obtain a new qualifying person. Failure to secure a new qualifying person within 120 days will result in the automatic termination of the license.

Sec. 17. Minnesota Statutes 1991 Supplement, section 326.89, subdivision 2, is amended to read:

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

- (1) Minnesota workers' compensation insurance account number;
- (2) employment insurance account number;
- (3) certificate of liability insurance;
- (4) type of license requested;

(4) (5) name and address of the applicant if the applicant is a sole proprietorship; name and address of each partner if the applicant is a partnership; or name and address of each of the corporate officers,

directors, and all shareholders holding more than five percent of the outstanding stock in the corporation;

(i) name and address of the applicant's qualifying person, if other than applicant; and

(ii) if the applicant is a sole proprietorship, the name and address of the sole proprietor; if applicant is a partnership, name and address of each partner; if applicant is a corporation, name and address of each of the corporate officers, directors, and all shareholders holding more than ten percent of the outstanding stock in the corporation;

(5) (6) whether the applicant or qualifying person has ever been licensed in this or any other state and has had a professional or vocational license refused, suspended, or revoked, or has been the subject of any administrative action;

(6) (7) whether the applicant, qualifying person, or any of its the applicant's corporate or partnership directors, officers, limited or general partners, managers, or all shareholders holding more than five ten percent of the outstanding stock of the corporation has been convicted of a crime that either related directly to the business for which the license is sought or involved fraud, misrepresentation, or misuse of funds; has suffered a judgment in a civil action involving fraud, misrepresentation, negligence, or breach of contract, or conversion within the ten years prior to the submission of the application; or has had any government license or permit suspended or revoked as a result of an action brought by a federal, state, or local governmental unit or agency in this or any other state;

(7) the applicant's education and experience as they relate to the requested type of license; and

(8) the applicant's and qualifying person's business history for the past five years and whether the applicant or qualifying person has ever filed for bankruptcy or protection from creditors or has any unsatisfied judgments against the applicant or qualifying person; and

(9) whether the qualifying person is the qualifying person for more than one licensee.

For purposes of this subdivision, "applicant" includes employees who exercise management or policy control over the company, estimators, partnership directors, officers, limited or general partners, managers, or all shareholders holding more than ten percent of the outstanding stock of the corporation.

The commissioner may require further information as the com-

missioner deems appropriate to administer the provisions and further the purposes of this chapter.

Sec. 18. Minnesota Statutes 1991 Supplement, section 326.89, subdivision 3, is amended to read:

Subd. 3. [EXAMINATION.] ~~All individual applicants~~ Each qualifying person must satisfactorily complete a written examination for the type of license requested. The commissioner may establish the examination qualifications, including related education experience and education, the examination procedure, and the examination for each licensing group. The examination must include at a minimum the following areas:

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

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

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

Sec. 19. Minnesota Statutes 1991 Supplement, section 326.89, is amended by adding a subdivision to read:

Subd. 3a. [ELIGIBILITY.] Any person may take the license examination. After satisfactorily completing the examination, an individual may be designated as the qualifying person for a licensee at any time, provided the individual has also fulfilled the continuing education requirements set forth in section 326.87 in the manner required for the qualifying person of a licensee.

Sec. 20. Minnesota Statutes 1991 Supplement, section 326.89, is amended by adding a subdivision to read:

Subd. 6. [ADDITIONAL LICENSING REQUIREMENTS.] Unless the commissioner denies the application for licensure pursuant to section 326.91, subdivision 1, the commissioner shall, as a condition of licensure and based upon information received pursuant to section 326.89, subdivision 2, clauses (5), (6), and (8), or a finding pursuant to section 326.91, subdivision 1, clauses (1) to (9), impose additional bonding, insurance, reporting, record keeping, and other requirements on the applicant as are necessary to protect the public.

Sec. 21. Minnesota Statutes 1991 Supplement, section 326.91, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATIVE ACTION.] Section 45.027 applies to any action taken by the commissioner in connection with the administration of sections 326.83 to 326.98.

Nothing in this section prevents the commissioner from denying, suspending, revoking, or restricting a license, or from censuring a licensee based on acts or omissions not specifically enumerated in this subdivision.

Sec. 22. Minnesota Statutes 1991 Supplement, section 326.92, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR.] A person required to be licensed under sections 326.83 to 326.98 who performs unlicensed work as a residential building contractor, remodeler, or specialty contractor is guilty of a misdemeanor.

Sec. 23. Minnesota Statutes 1991 Supplement, section 326.92, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER ACTION.] The commissioner may bring actions, including cease and desist actions, against ~~an unlicensed or licensed residential building contractor, remodeler, or specialty contractor~~ any person required to be licensed under sections 326.83 to 326.98 to protect the public health, safety, and welfare.

Sec. 24. Minnesota Statutes 1991 Supplement, section 326.93, subdivision 1, is amended to read:

Subdivision 1. [LICENSE.] A nonresident of Minnesota may be licensed as a residential building contractor, or residential remodeler, ~~or specialty contractor~~ upon compliance with all the provisions of sections 326.83 to 326.98.

Sec. 25. Minnesota Statutes 1991 Supplement, section 326.94, subdivision 2, is amended to read:

Subd. 2. [INSURANCE.] ~~Residential building contractors, remodelers, and specialty contractors~~ Licensees must have public liability insurance with limits of at least \$100,000 per occurrence ~~and \$10,000 property damage insurance.~~ The commissioner may increase the minimum amount of insurance required ~~based on the type of license and the annual gross receipts of the licensee for any licensee or class of licensees~~ if the commissioner considers it to be in the public interest and necessary to protect the interests of Minnesota consumers.

Sec. 26. Minnesota Statutes 1991 Supplement, section 326.97, subdivision 1, is amended to read:

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

Sec. 27. [326.975] [CONTRACTOR'S RECOVERY FUND.]

In addition to any other fees, each applicant shall pay a fee to the contractor's recovery fund. The contractor's recovery fund is created in the state treasury and must be administered by the commissioner in the manner provided by section 82.34 with the following exceptions:

(1) each licensee who renews a license shall pay in addition to the appropriate renewal fee an additional fee of \$50 which shall be credited to the contractor's recovery fund. Any person who receives a new license shall pay a fee of \$100 in addition to all other fees payable. Anyone licensed prior to the effective date of this section shall, on their next renewal date, pay a fee of \$100 to the contractor's recovery fund;

(2) the sole purpose of this fund is to compensate any aggrieved person who obtains a final judgment in any court of competent jurisdiction against a licensee licensed under section 324.84, on grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or negligence or failure of performance arising directly out of any transaction when the judgment debtor was licensed and performed acts for which a license is required under section 324.84 and which cause of action arose on or after March 31, 1993; and

(3) nothing may obligate the fund for more than \$50,000 per claimant, nor more than \$50,000 per licensee. If claims against a licensee exceed \$50,000, payment will be prorated among claimants.

Sec. 28. Minnesota Statutes 1991 Supplement, section 326.99, is amended to read:

326.99 [INITIAL TEMPORARY LICENSES.]

Residential building contractors and residential remodelers must obtain a temporary license, which is effective as of January 1, 1992. The commissioner may stagger the temporary licenses so that approximately one-half of the licenses will expire on March 31, 1993, and the other one-half on March 31, 1994.

Sec. 29. Minnesota Statutes 1991 Supplement, section 326.991, is amended to read:

326.991 [~~EXEMPTION~~ EXCEPTION.]

The license requirement under section 326.84 does not apply to a residential building contractor, residential remodeler, or specialty contractor licensed by the city of St. Paul or the city of Minneapolis and who is performing work within the legal boundaries of one of those municipalities. ~~The two cities shall adopt and administer the tests for the residential building contractors and remodelers established in section 326.89 within six months of the effective date of the rules establishing the examinations.~~ The commissioner may by rule establish a procedure for contract with the city of Minneapolis and the city of St. Paul to administer this licensing program ~~on a contract basis.~~

Sec. 30. [REPEALER.]

Minnesota Statutes 1991 Supplement, sections 326.83, subdivision 7; 326.84, subdivision 2; 326.88, subdivision 2; and 326.94, subdivision 1, are repealed.

Minnesota Statutes 1991 Supplement, section 326.991, is repealed July 31, 1994."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2804, A bill for an act relating to agriculture; requiring labels for packaged wild rice offered for wholesale or retail sale in Minnesota to customers or consumers in Minnesota to include the place of origin and the method of harvesting; eliminating annual reporting requirements and modifying record keeping requirements; amending Minnesota Statutes 1990, section 30.49, subdivisions 1, 2, 3, and by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 16, delete the new language

Page 1, line 27, strike "may" and insert "must"

Page 2, lines 13 and 14, delete "to consumers or customers in this state"

Page 2, line 24, delete "to consumers or customers in this state"

Page 3, delete lines 28 to 36

Page 4, delete lines 1 to 3, and insert:

"(c) The records for persons who sell or offer wild rice for sale at retail must include an invoice indicating:

(1) the actual name of the product;

(2) the amount purchased;

(3) the date of the purchase; and

(4) the name, address, zip code, and telephone number of the supplier."

Page 4, after line 23, insert:

"Sec. 7. Minnesota Statutes 1990, section 30.49, is amended by adding a subdivision to read:

Subd. 8. [EXCEPTION.] This section does not apply to cultivated or natural lake or river wild rice sold at wholesale or retail outside this state."

Renumber the remaining section in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Vellenga from the Committee on Judiciary to which was referred:

H. F. No. 2896, A bill for an act relating to crimes; increasing the distance an accused or convicted person may be transferred without an escort of the same sex; amending Minnesota Statutes 1990, section 631.412.

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

The report was adopted.

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

S. F. No. 976, A bill for an act relating to animals; classifying domestic European ferrets as domestic animals; providing for their health and welfare; proposing coding for new law in Minnesota Statutes, chapter 346.

Reported the same back with the following amendments:

Page 1, line 7, delete “[346.415]” and insert “[343.341]” and delete “DOMESTIC”

Page 1, delete lines 8 to 10 and insert:

“Subdivision 1. [DEFINITION.] For purposes of this section, European ferret, also known as the domestic European ferret, means the mustela putorius furo ferret.”

Page 1, lines 11 and 14, delete “Domestic”

Page 1, line 17, delete “domestic”

Page 2, lines 2, 5, 8, and 10, delete “domestic”

Page 2, after line 11, insert:

“Subd. 8. [NEGLECT OF FERRETS.] Cases of abuse or neglect shall be the responsibility of local animal control authorities.

Subd. 9. [LOCAL ORDINANCES.] This section shall not preempt local ordinances that prohibit or regulate the ownership of european ferrets or wild animals or exotic animals.”

Amend the title as follows:

Page 1, line 2, delete “domestic”

Page 1, line 5, delete “346” and insert “343”

With the recommendation that when so amended the bill pass.

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 217, 1680, 1823, 1903, 1952, 2282, 2316, 2421, 2532, 2645, 2804 and 2896 were read for the second time.

## **SECOND READING OF SENATE BILLS**

S. F. Nos. 1722 and 976 were read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

McEachern and Bauerly introduced:

H. F. No. 3001, A resolution memorializing the Congress of the United States to fund special education costs in the amount originally intended under Public Law Number 94-142.

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

Wenzel; Nelson, S.; Rodosovich; Steensma and Krueger introduced:

H. F. No. 3002, A bill for an act relating to agriculture; establishing a state over-order premium milk price for dairy farmers for certain milk; requiring an annual report.

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

Vanasek; Welle; Anderson, I.; Runbeck and Bauerly introduced:

H. F. No. 3003, A resolution making application to the Congress of the United States to adopt an amendment to the Constitution of the United States, for submission to the States, to require, with certain exceptions, that the Federal budget be balanced.

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

Winter; Johnson, R.; Janezich and Bodahl introduced:

H. F. No. 3004, A bill for an act relating to lawful gambling; taxes; exempting lawful gambling profits from the unrelated business income tax; amending Minnesota Statutes 1991 Supplement, section 290.05, subdivision 3.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

Ogren, Dawkins, Ostrom, Uphus and Jaros introduced:

H. F. No. 3005, A bill for an act relating to taxation; reducing the income tax deduction for personal exemptions; changing certain income tax rates; amending Minnesota Statutes 1990, section 290.01, subdivision 19b; Minnesota Statutes 1991 Supplement, section 290.01, subdivision 19a; 290.06, subdivision 2c; 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 Advisories were introduced:

Solberg introduced:

H. A. No. 41, A proposal to study the options for a Swan Lake Sanitary District in Itasca County.

The advisory was referred to the Committee on Local Government and Metropolitan Affairs.

O'Connor; McEachern; Anderson, I., and Boo introduced:

H. A. No. 42, A proposal to study motor vehicle deputy registrars.

The advisory was referred to the Committee on Governmental Operations.

O'Connor, McEachern, Knickerbocker and Schreiber introduced:

H. A. No. 43, A proposal to study the desirability of a change to biennial sessions.

The advisory was referred to the Committee on Rules and Legislative Administration.

O'Connor, Reding, Hanson, McEachern and Uphus introduced:

H. A. No. 44, A proposal to study regulated occupations and professions.

The advisory was referred to the Committee on Governmental Operations.

O'Connor, Orenstein, Begich, Lourey and Vellenga introduced:

H. A. No. 45, A proposal to study classification of independent subcontractors to avoid payment of workers' compensation insurance.

The advisory was referred to the Committee on Labor-Management Relations.

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 1013, A bill for an act repealing certain pipeline approval authority of the commissioner of natural resources; repealing Minnesota Statutes 1990, section 117.49.

H. F. No. 1744, A bill for an act relating to retirement; public employees retirement association; providing entitlement for optional annuities to certain surviving spouses of certain deceased disabilitants; mandating a study of coordinated program survivorship benefit gaps.

H. F. No. 2744, A bill for an act relating to the department of employee relations; modifying expense account terms and uses;

amending Minnesota Statutes 1991 Supplement, section 43A.48.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 1567, A bill for an act relating to retirement; Falcon Heights volunteer firefighters relief associations; authorizing full vesting with five years of service.

PATRICK E. FLAHAVEN, Secretary of the Senate

S. F. No. 1300, as amended by Conference, was in possession of the House when the 1991 Session adjourned.

Mr. Speaker:

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

S. F. No. 1300.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1300

A bill for an act relating to agriculture; allowing exemption of certain garbage from requirements for feeding to livestock or poultry; amending Minnesota Statutes 1990, section 35.73, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 35.

May 20, 1991

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S. F. No. 1300, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1300 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 35.73, subdivision 4, is amended to read:

Subd. 4. [GARBAGE.] “Garbage” means animal or vegetable refuse, including all waste material, by-products of a kitchen, restaurant, or slaughter house, and refuse accumulation of animal, fruit, or vegetable matter, liquid or solid, but does not mean vegetable waste or by-products resulting from the manufacture or processing of canned or frozen vegetables or materials exempted under section 2.

Sec. 2. [35.751] [EXEMPT MATERIALS PERMIT.]

Subdivision 1. [PERMIT REQUIRED.] If it is considered by the board to be in the best interest of the livestock industry of the state and not detrimental to the public health, safety, or general welfare, the board may adopt rules authorizing an exempt materials permit for specified materials of a nonmeat nature. No person may feed material exempted under section 35.73, subdivision 4, to livestock or poultry without first securing a permit from the board, and no person may transport exempted material over the public highways of the state for the purpose of feeding it to livestock or poultry unless the person has a permit. A permit must be renewed on or before July 1 each year.

Subd. 2. [APPLICATION.] A person desiring a permit or the renewal of a permit under this section shall make written application to the board in accordance with its rules.

Subd. 3. [REVOCATION; DENIAL.] Upon determination that a person who has a permit or who has applied for a permit issued under this section has violated sections 35.73 to 35.79 or any rules made under those sections, the board may revoke the permit or refuse to issue a permit to the applicant.

Sec. 3. Minnesota Statutes 1990, section 41.55, is amended to read:

41.55 [ELIGIBILITY.]

A family farm security loan approval may be granted if the following criteria are satisfied:

(a) that the applicant is a resident of the state of Minnesota;

(b) that the applicant has sufficient education, training, or experience in the type of farming for which the loan is desired and ~~continued~~ participation in a farm management program, approved by the commissioner, ~~for at least the first ten years of the family farm security loan;~~

(c) that the applicant and the applicant's dependents and spouse have total net worth valued at less than \$75,000 and have demonstrated a need for the loan;

(d) that the applicant intends to purchase farm land to be used by the applicant for agricultural purposes;

(e) that the applicant is credit worthy according to standards prescribed by the commissioner.

Sec. 4. Minnesota Statutes 1990, section 41.57, subdivision 3, is amended to read:

Subd. 3. [~~ANNUAL REVIEW OF NET WORTH.~~] (a) The participant and the participant's dependents and spouse shall annually submit to the commissioner a statement of their net worth. If their net worth in any year exceeds the sum of \$135,000, the participant shall be ineligible for a payment adjustment in that year.

(b) The participant shall annually submit to the commissioner evidence of participation in an approved farm management program for at least the first ten years of the family farm security loan. The commissioner may waive this requirement if the participant requests a waiver and provides justification.

Sec. 5. Minnesota Statutes 1990, section 41B.036, is amended to read:

#### 41B.036 [GENERAL POWERS OF THE AUTHORITY.]

For the purpose of exercising the specific powers granted in section 41B.04 and effectuating the other purposes of sections 41B.01 to 41B.23 the authority has the general powers granted in this section.

(a) It may sue and be sued.

(b) It may have a seal and alter the seal.

(c) It may make, and from time to time, amend and repeal rules consistent with sections 41B.01 to 41B.23.

(d) It may acquire, hold, and dispose of real or personal property for its corporate purposes.

(e) It may 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 41B.01 to 41B.23.

(f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.

(g) It may provide general technical services related to rural finance.

(h) It may provide general consultative assistance services related to rural finance.

(i) It may promote research and development in matters related to rural finance.

(j) It may enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of farms financed in whole or in part by the proceeds of qualified agricultural loans.

(k) It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the authority will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

(l) It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of such studies and analyses available to the public and may engage in research and disseminate information on rural finance.

(m) It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

(n) It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the utilization of authority resources and assistance

within a region in cooperation with county and multicounty authorities.

(o) It may 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 it deems necessary or desirable, to assist in the exercise of any of the powers granted in sections 41B.01 to 41B.23 and to carry out the objectives of sections 41B.01 to 41B.23 and may pay for the services from authority funds.

(p) It may establish cooperative relationships with counties to develop priorities for the use of authority resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

(q) It may delegate any of its powers to its officers or staff.

(r) It may enter into agreements with qualified agricultural lenders or others insuring or guaranteeing to the state the payment of all or a portion of qualified agricultural loans.

(s) It may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of participation interests in restructuring loans, if the agreements provide that the authority may only purchase participation interests in restructuring loans under the normal procedure. The authority may provide in an agreement for special procedures or requirements designed to meet specific conditions or requirements.

(t) It may allow farmers who are natural persons to combine programs of the federal Agriculture Credit Act of 1987 with programs of the rural finance authority.

(u) From within available funds generated by program fees, it may provide partial or full tuition assistance for farm management programs required under section 41B.03, subdivision 3, clause (7).

Sec. 6. Minnesota Statutes 1990, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 35 45 percent of the principal amount of the loan or \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 7. Minnesota Statutes 1990, section 216D.01, subdivision 5, is amended to read:

Subd. 5. [EXCAVATION.] "Excavation" means an activity that moves, removes, or otherwise disturbs the soil by use of a motor, engine, hydraulic or pneumatically-powered tool, or machine-powered equipment of any kind, or by explosives. Excavation does not include:

(1) the repair or installation of agricultural drainage tile for which notice has been given as provided by section 116I.07, subdivision 2;

(2) the extraction of minerals;

(3) the opening of a grave in a cemetery;

(4) normal maintenance of roads and streets if the maintenance does not change the original grade and does not involve the road ditch;

(5) plowing, cultivating, planting, harvesting, and similar operations in connection with growing crops, unless any of these activities disturbs the soil to a depth of 18 inches or more; or

(6) landscaping or gardening unless one of the activities disturbs the soil to a depth of 12 inches or more; or

(7) planting of windbreaks, shelterbelts, and tree plantations, unless any of these activities disturbs the soil to a depth of 18 inches or more.

Sec. 8. [MANDATORY ANAPLASMOSIS TESTING; REPORT.]

(a) The board of animal health must study the feasibility and consequences of eliminating mandatory anaplasmosis testing of breeding cattle entering Minnesota. It must consult with veterinarians, livestock producers, and others interested in anaplasmosis control.

(b) Not later than February 1, 1992, the board of animal health must report to the agriculture committees of the Minnesota senate and house of representatives on the findings of the study in paragraph (a) and recommendations for changes in statute or rule."

Delete the title and insert:

"A bill for an act relating to agriculture; allowing exemption of certain garbage from requirements for feeding to livestock or poultry; providing for certain farm loans; regulating excavations; regu-

lating livestock tests; amending Minnesota Statutes 1990, sections 35.73, subdivision 4; 41.55; 41.57, subdivision 3; 41B.036; 41B.039; and 216D.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 35.”

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

Senate Conferees: TRACY L. BECKMAN, CHARLES R. DAVIS AND DAVID J. FREDERICKSON.

House Conferees: JIM GIRARD, ANDY STEENSMA AND BERNIE OMANN.

Girard moved that the report of the Conference Committee on S. F. No. 1300 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1300, A bill for an act relating to agriculture; allowing exemption of certain garbage from requirements for feeding to livestock or poultry; amending Minnesota Statutes 1990, section 35.73, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 35.

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

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

Those who voted in the affirmative were:

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

Vellenga  
Wagenius

Waltman  
Weaver

Wejcman  
Welker

Welle  
Wenzel

Winter  
Spk. Long

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

S. F. No. 764, as amended by Conference, was in possession of the House when the 1991 Session adjourned.

Mr. Speaker:

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

S. F. No. 764.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 764

A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B.

May 20, 1991

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S. F. No. 764, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S. F. No. 764 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [184B.01] [DEFINITIONS.]

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

Subd. 2. [AMUSEMENT RIDE.] "Amusement ride" means a mechanical device that carries or conveys passengers along, around, or over a fixed or restricted route or course for the purpose of giving its passengers amusement, pleasure, thrills, or excitement.

"Amusement ride" does not include:

(1) a coin-operated ride that is manually, mechanically, or electrically operated and customarily placed in a public location and that does not normally require the supervision or services of an operator;  
or

(2) nonmechanized playground equipment, including but not limited to swings, seesaws, stationary spring-mounted animal features, rider-propelled merry-go-rounds, climbers, playground slides, trampolines, and physical fitness devices.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of labor and industry.

Subd. 4. [OPERATOR.] "Operator" means a person, who owns an amusement ride.

Sec. 2. [184B.02] [INSURANCE REQUIREMENTS.]

An operator must have an insurance policy in force written by an insurance company authorized to do business in this state, in an amount of not less than \$1,000,000 per occurrence, insuring the operator against liability for injury to persons arising out of the use of an amusement ride.

Sec. 3. [184B.03] [INSPECTION.]

(a) An amusement ride must be inspected at least once annually by an insurer or a person with whom the insurer has contracted. If an inspection reveals that an amusement ride does not meet the insurer's underwriting standards, the insurer must notify the operator. An operator must not operate an amusement ride until the ride passes an insurer's inspection for all items related to safe operation of the amusement ride.

(b) The inspection required under this section must include testing consistent with current American Society for Testing and Material standards and specifications for amusement rides and devices. The inspection required by this section is in addition to any other inspection required or permitted by law.

(c) An operator must permit reasonable inspection of an amusement ride by the insurance company that insures the ride.

(d) Paragraphs (a) and (b) do not apply to amusement rides permanently located in an amusement park where the owner has a rehabilitative and preventative ride maintenance program that includes daily ride inspections for the protection of the general public and a full-time, permanent maintenance staff and has an insurance policy in force written by an insurance company authorized to do business in this state, in an amount of not less than \$50,000,000, insuring the operator against liability for injury to persons arising out of the use of an amusement ride.

Sec. 4. [184B.04] [FILING.]

An operator must file with each sponsor, lessor, landowner, or other person responsible for an amusement ride being offered for use by the public:

(1) a certificate stating that the insurance required by section 2 is in effect; and

(2) an affidavit attesting that the inspection required by section 3 has been performed.

Sec. 5. [184B.05] [COMMISSIONER INFORMATION REQUESTS.]

The commissioner may request from the sponsor, lessor, landowner, or other person responsible for an amusement ride being offered for use by the public, whether or not the person is the operator, information concerning whether the insurance required by section 2 is in effect on the amusement ride, and whether the inspection required by section 3 has occurred. The person to whom the information request is made must respond to the commissioner within 15 days after the request is made.

Sec. 6. [184B.06] [CIVIL PENALTY.]

A person that violates sections 1 to 5 is subject to a fine of up to \$2,000 for each day the violation exists. A county attorney in a county in which an amusement ride is operated in violation of this chapter may enforce this section by action in district court.

Sec. 7. [184B.07] [INJUNCTIONS.]

A county attorney in a county in which an amusement ride is operated or, on request of the commissioner, the attorney general, may obtain an injunction or other equitable relief against an actual or threatened violation of this chapter.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, 1991."

Delete the title and insert:

"A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B."

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

Senate Conferees: GREGORY L. DAHL, RONALD R. DICKLICH AND JAMES P. METZEN.

House Conferees: TOM OSTHOFF, LINDA SCHEID AND GIL GUTKNECHT.

Osthoff moved that the report of the Conference Committee on S. F. No. 764 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 764, A bill for an act relating to public safety; regulating amusement rides; requiring insurance and inspections; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 184B.

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

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

Those who voted in the affirmative were:

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

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

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

Madam Speaker:

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

S. F. Nos. 2124, 1900, 1997, 2399, 2637, 1784, 1991, 2162, 2286 and 2301.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 1729, 1801, 2159, 1288, 1767, 2185, 2310, 878, 2117, 2231 and 2475.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 2002, 2069, 2186, 2115, 2182, 2382, 2001, 2308, 2311 and 2421.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 1671, 2009, 2171, 2208, 2293, 1252, 1298, 1803 and 2013.

PATRICK E. FLAHAVEN, Secretary of the Senate

**FIRST READING OF SENATE BILLS**

S. F. No. 2124, A bill for an act relating to crimes; increasing the distance an accused or convicted person may be transferred without an escort of the same sex; amending Minnesota Statutes 1990, section 631.412.

The bill was read for the first time.

Brown moved that S. F. No. 2124 and H. F. No. 2896, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1900, A bill for an act relating to health; allowing nursing homes to establish review organizations; including quality assurance under medical assistance and Medicare as an activity of a review organization; amending Minnesota Statutes 1991 Supplement, section 145.61, subdivisions 4a and 5.

The bill was read for the first time.

Cooper moved that S. F. No. 1900 and H. F. No. 2962, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1997, A bill for an act relating to insurance; providing for automobile insurance policy coverage on the repair or replacement of motor vehicle glass; amending Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

The bill was read for the first time.

Bishop moved that S. F. No. 1997 and H. F. No. 2346, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2399, A bill for an act relating to natural resources; defining "substantially equal value" for purposes of state land exchanges; authorizing the Camp 97 Creek, Gold Mine, and Crane Lake Tower impoundments in St. Louis county; amending Minnesota Statutes 1990, section 94.344, subdivision 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 2637, A bill for an act relating to motor carriers;

regulating courier services carriers; amending Minnesota Statutes 1990, section 221.011, subdivision 25.

The bill was read for the first time.

Johnson, A., moved that S. F. No. 2637 and H. F. No. 2355, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1784, A bill for an act relating to motor vehicles; adding vehicles to classic car category for vehicle registration purposes; amending Minnesota Statutes 1991 Supplement, section 168.10, subdivision 1b.

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

S. F. No. 1991, A bill for an act relating to education; authorizing a technical college to contract to provide services; proposing coding for new law in Minnesota Statutes, chapter 136C.

The bill was read for the first time.

Sparby moved that S. F. No. 1991 and H. F. No. 2013, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2162, A bill for an act relating to natural resources; expanding circumstances under which game and fish licenses are void for violations of law; allowing possession, transportation, purchase, or sale of certain inedible portions of wild animals; requiring a report; authorizing rules; amending Minnesota Statutes 1990, sections 97A.421, subdivision 1; and 97A.425, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

The bill was read for the first time.

Stanius moved that S. F. No. 2162 and H. F. No. 2592, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2286, A bill for an act relating to armories; providing for a public hearing before the adjutant general closes an armory; amending Minnesota Statutes 1990, section 193.36, by adding a subdivision.

The bill was read for the first time.

Olson, K., moved that S. F. No. 2286 and H. F. No. 2642, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2301, A bill for an act relating to water and soil resources; lands eligible for the reinvest in Minnesota program; amending Minnesota Statutes 1990, sections 103F.505; 103F.511, by adding a subdivision; and Minnesota Statutes 1991 Supplement, section 103F.515, subdivision 2.

The bill was read for the first time.

Munger moved that S. F. No. 2301 and H. F. No. 2543, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1729, A bill for an act relating to financial institutions; authorizing a banking institution that is a trustee to invest in certain investment companies and investment trusts; amending Minnesota Statutes 1990, sections 48.01, subdivisions 1 and 2; 48.38, subdivision 6; 48.84; and 501B.10, subdivision 6.

The bill was read for the first time.

Sparby moved that S. F. No. 1729 and H. F. No. 1884, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1801, A bill for an act relating to commerce; motor vehicle sale and distribution; regulating payments upon franchise termination, cancellation, or nonrenewal; amending Minnesota Statutes 1990, section 80E.09, subdivision 1.

The bill was read for the first time.

Farrell moved that S. F. No. 1801 and H. F. No. 2096, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2159, A bill for an act relating to horse racing; authorizing distribution from the breeders' fund for other breeds; removing limitations on fair racing days; amending Minnesota Statutes 1990, section 240.14, subdivision 3; Minnesota Statutes 1991 Supplement, sections 240.13, subdivisions 5 and 6; 240.15, subdivision 6; and 240.18, by adding a subdivision.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Gaming.

S. F. No. 1288, A bill for an act relating to traffic regulations; allowing use of studded tires on emergency vehicles; amending Minnesota Statutes 1990, section 169.72, by adding a subdivision.

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

S. F. No. 1767, A bill for an act relating to highways; changing description of a route in the state highway system.

The bill was read for the first time.

Anderson, R., moved that S. F. No. 1767 and H. F. No. 1933, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2185, A bill for an act relating to game and fish; limiting the prohibition on the use of radio equipment to take protected wild animals to big game and small game; amending Minnesota Statutes 1990, section 97B.085, subdivision 1.

The bill was read for the first time.

Weaver moved that S. F. No. 2185 and H. F. No. 2578, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2310, A bill for an act relating to waters; changing the composition of the board of water and soil resource's dispute resolution committee; amending Minnesota Statutes 1990, section 103B.101, subdivision 10.

The bill was read for the first time.

Munger moved that S. F. No. 2310 and H. F. No. 2702, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 878, A bill for an act relating to drivers' licenses; requiring a report on driver's license rules for persons with diabetes; amending Minnesota Statutes 1990, section 171.14.

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

S. F. No. 2117, A bill for an act relating to human services; modifying requirements for earned income savings accounts for residents of residential facilities; requiring the signature of a representative of the residential facility before money may be withdrawn; amending Minnesota Statutes 1991 Supplement, section 256D.06, subdivision 1b.

The bill was read for the first time.

Clark moved that S. F. No. 2117 and H. F. No. 2967, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2231, A bill for an act relating to natural resources; requiring establishment of aquatic management areas; amending Minnesota Statutes 1990, sections 86A.05, by adding a subdivision; and 86A.09, subdivision 1.

The bill was read for the first time.

Stanius moved that S. F. No. 2231 and H. F. No. 2309, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2475, A bill for an act relating to commerce; adding a penalty for the purchase of or an attempt to purchase tobacco by a child; amending Minnesota Statutes 1990, section 609.685, subdivision 3.

The bill was read for the first time.

O'Connor moved that S. F. No. 2475 and H. F. No. 2904, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2002, A bill for an act relating to public safety; providing a procedure for determining claims under the public safety officer's death benefit program; amending Minnesota Statutes 1990, section 299A.41, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299A.

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

S. F. No. 2069, A bill for an act relating to agriculture; adding Roseau and Koochiching counties to the restricted seed potato growing area; amending Minnesota Statutes 1990, section 21.1196, subdivision 1.

The bill was read for the first time.

Tunheim moved that S. F. No. 2069 and H. F. No. 2125, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2186, A bill for an act relating to human services; providing for appointment of a member to the child abuse prevention advisory council by the commissioner of human services; amending Minnesota Statutes 1991 Supplement, section 299A.23, subdivision 2.

The bill was read for the first time.

Jefferson moved that S. F. No. 2186 and H. F. No. 2342, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2115, A bill for an act relating to state government; purchases; amending the definition of "manufactured in the United States"; amending Minnesota Statutes 1991 Supplement, section 16B.101, subdivision 1.

The bill was read for the first time.

Jaros moved that S. F. No. 2115 and H. F. No. 2312, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2182, A bill for an act relating to retirement; Duluth teachers retirement fund association; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1985, chapter 259, section 2; and Laws 1990, chapter 570, article 7, section 4.

The bill was read for the first time.

Jaros moved that S. F. No. 2182 and H. F. No. 2313, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2382, A bill for an act relating to retirement; providing for surviving spouse benefits for the Minneapolis Police Relief

Association and the Minneapolis Fire Department Relief Association; amending Laws 1949, chapter 406, section 6, subdivision 1, as amended; and Laws 1965, chapter 519, section 1, as amended.

The bill was read for the first time.

Jefferson moved that S. F. No. 2382 and H. F. No. 2565, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2001, A bill for an act relating to the environment; changing and adding provisions relating to the liability of and reimbursement to mortgagees and holders of other security interests for petroleum tank releases; expanding the eligibility of political subdivisions for reimbursement from the petroleum tank release cleanup account; amending Minnesota Statutes 1990, sections 115C.02, subdivision 8; 115C.021, by adding a subdivision; and 115C.09, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 115C.09, subdivision 3b.

The bill was read for the first time.

Steensma moved that S. F. No. 2001 and H. F. No. 2267, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2308, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Kandiyohi county.

The bill was read for the first time.

Welle moved that S. F. No. 2308 and H. F. No. 2593, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2311, A bill for an act relating to waters; authorizing agreements by soil and water conservation districts for enforcement of city or county controls; amending Minnesota Statutes 1990, section 103C.331, by adding a subdivision.

The bill was read for the first time.

Munger moved that S. F. No. 2311 and H. F. No. 2746, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2421, A bill for an act relating to natural resources; extending the term of certain timber permits.

The bill was read for the first time.

Anderson, I., moved that S. F. No. 2421 and H. F. No. 2483, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1671, A bill for an act relating to statutes; providing for the numbering of session law chapters; amending Minnesota Statutes 1990, section 3C.04, subdivision 5.

The bill was read for the first time.

Milbert moved that S. F. No. 1671 and H. F. No. 1823, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2009, A bill for an act relating to the city of Cloquet; permitting the city to issue bonds for a water line.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 2171, A bill for an act relating to Kandiyohi and Chippewa counties; permitting the consolidation of the offices of auditor and treasurer.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 2208, A bill for an act relating to Olmsted county; permitting certain exemptions for the conveyance of certain county property.

The bill was read for the first time.

Bishop moved that S. F. No. 2208 and H. F. No. 1976, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2293, A bill for an act relating to local government; prohibiting publication of pictures of officials in certain county and city publications; amending Minnesota Statutes 1990, section 471.68, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 1252, A bill for an act relating to state lands; authorizing the Minnesota veterans homes board to lease certain land adjacent to Minnehaha state park to the Minneapolis park and recreation board.

The bill was read for the first time.

Skoglund moved that S. F. No. 1252 and H. F. No. 1347, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1298, A bill for an act relating to cooperatives; providing for equal representation on the board from districts or units of certain cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

The bill was read for the first time.

Dawkins moved that S. F. No. 1298 and H. F. No. 1488, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1803, A bill for an act relating to cemeteries; providing for burials in the winter season; proposing coding for new law in Minnesota Statutes, chapter 306.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

S. F. No. 2013, A bill for an act relating to state government; adopting the square dance as the American folk dance of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 1.

The bill was read for the first time.

Olson, K., moved that S. F. No. 2013 and H. F. No. 2251, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

## CONSENT CALENDAR

H. F. No. 2225 was reported to the House.

Welle moved that H. F. No. 2225 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 2287, A bill for an act relating to retirement; local police and salaried firefighter relief associations; eliminating eligibility for amortization state aid and supplementary amortization state aid for relief associations and consolidation accounts with no unfunded actuarial accrued liability; amending Minnesota Statutes 1991 Supplement, section 423A.02.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2769, A bill for an act relating to retirement; providing for the calculation of pension increases for the Virginia police relief association.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2924, A bill for an act relating to licensure board powers; amending the examination procedure for licensing optometrists; amending Minnesota Statutes 1990, section 148.57, subdivision 1.

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

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

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

S. F. No. 1633, A bill for an act relating to the city of Bloomington; providing for the membership of the port authority; amending Minnesota Statutes 1990, section 469.071, by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

There being no objection, H. F. No. 2225 which was continued earlier today on the Consent Calendar was again reported to the House.

H. F. No. 2225, A bill for an act relating to retirement; St. Paul police relief association; authorizing retirees and surviving spouses to participate in relief association board elections and other governance issues; amending Laws 1955, chapter 151, section 1, subdivision 3, as amended.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND  
LEGISLATIVE ADMINISTRATION

Welle, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special

Orders to be acted upon immediately following printed Special Orders for today, Wednesday, March 25, 1992:

H. F. Nos. 2438, 2640, 1681, 2435, 2341, 2476, 2137, 2752, 1350, 2749, 419, 2709, 2756, 2014, 2060, 2280, 2415, 2505, 2508, 2842, 2579, 2612, 2647, 2750, 1873, 2108 and 2541; S. F. No. 1619; and H. F. Nos. 1980, 2733, 2181 and 2211.

### SPECIAL ORDERS

H. F. No. 1875 was reported to the House.

Dille moved that H. F. No. 1875 be returned to its author. The motion prevailed.

H. F. No. 2046 was reported to the House.

Bauerly moved that H. F. No. 2046 be continued on Special Orders. The motion prevailed.

S. F. No. 2514 was reported to the House.

Brown moved to amend S. F. No. 2514, as follows:

Page 4, after line 24, insert:

“Sec. 6. [COUNTY OF SWIFT; CITY OF BENSON: REORGANIZATION OF JOINT POWERS HOSPITAL.]

Subdivision 1. [AUTHORIZATION.] Any hospital organized and operating under a joint powers agreement between the county of Swift and the city of Benson may be reorganized and operate pursuant to the provisions of sections 6 to 20, upon compliance with subdivision 2.

Subd. 2. [REORGANIZATION.] In order to effect a reorganization, the existing governing body of the hospital shall file its request for reorganization with the county board of the county of Swift and the city council of the city of Benson and the county board and city council shall then at their next regular meetings consider the establishment of a hospital district under sections 6 to 20. Upon the adoption of resolutions by each political subdivision stating that the reorganization is effective and assigning a name to the hospital district the creation of the hospital district shall be effected.

Subd. 3. [REORGANIZATION; DISSOLUTION.] After a hospital district is organized under sections 6 to 20, upon approval by the city and the county, it may reorganize and operate under and pursuant to Minnesota Statutes, sections 447.31 to 447.50; or it may be dissolved in accordance with Minnesota Statutes, section 447.38, provided that in that event the county and the city shall be deemed to be the governmental subdivisions that may petition for dissolution and upon dissolution one-third of the assets of the district shall be conveyed to the city and two-thirds shall be conveyed to the county.

Subd. 4. [POLITICAL SUBDIVISION.] For the purpose of laws applicable to political subdivisions the hospital district shall be a political subdivision but shall not have taxing authority.

Sec. 7. [HOSPITAL BOARD; APPOINTMENT; TERMS.]

Subdivision 1. [GOVERNING BOARD.] The hospital district shall be governed by a board of directors of at least nine and not more than 12 voting members, elected as provided in subdivision 2. All members of the hospital board at the time the hospital district is organized shall continue in office until the members of the first board of the hospital district are elected and qualify.

Subd. 2. [ELECTION.] Three directors shall be elected by the city council and six directors shall be elected by the county board. Up to three additional voting members and additional nonvoting members may be provided for in bylaws adopted pursuant to section 5, subdivision 5. As nearly as possible, one-third of the members of the first board of directors shall be elected for a term to expire one year from the next December 31 following that election, one-third for a term to expire two years from that date, and one-third for a term to expire three years from that date. Each of the political subdivisions electing directors shall assign terms of office to each director according to these staggered terms. Successors to the first board members shall each be elected for terms of three years, and all members shall hold office until their successors are elected and qualify. Terms of office shall expire on December 31. In case of vacancy on the board of directors, whether due to death, removal from the district, inability to serve, resignation, removal by the entity that elected the director, or other cause, the majority of the governing body of the entity that elected the director whose position is vacant shall elect a director to fill such vacancy for the then unexpired term.

Subd. 3. [COMPENSATION.] The members of the board of directors may receive compensation for their services as such and may be reimbursed for reasonable expenses necessarily incurred in the performance of their duties to the extent provided for in bylaws adopted pursuant to section 5, subdivision 5.

Subd. 4. [IMMUNITY FROM LIABILITY.] Except as otherwise

provided in this subdivision, no person who serves without compensation as a member of the board of directors shall be held civilly liable for an act or omission by that person if the act or omission was in good faith, was within the scope of the person's responsibilities as a member of the board, and did not constitute willful or reckless misconduct. This subdivision does not apply to:

(1) an action or proceeding brought by the attorney general for a breach of a fiduciary duty as a director;

(2) a cause of action to the extent it is based on federal law; or

(3) a cause of action based on the board member's express contractual obligation.

Nothing in this subdivision shall be construed to limit the liability of a member of the board for physical injury to the person of another or for wrongful death which is personally and directly caused by the board member.

For purposes of this subdivision, the term "compensation" means any thing of value received for services rendered, except:

(1) reimbursement for expenses actually incurred;

(2) a per diem in an amount not to exceed the per diem authorized for state advisory councils and committees pursuant to Minnesota Statutes, section 15.059, subdivision 3; or

(3) payment by the hospital district of insurance premiums on behalf of a member of the board.

#### Sec. 8. [OFFICERS OF THE BOARD.]

Subdivision 1. [OFFICES; ELECTION.] At the first meeting of the board of directors of the hospital district, and at each first regular meeting after December 31, the board shall elect, from their number, a chair, a vice-chair, a secretary, and a treasurer. Each officer elected at the first regular meeting after December 31 shall hold office for one year, and until the officer's successor has been duly elected and qualified. In case of vacancy in any office the chair shall appoint a member to fill the vacancy until the next regular election of officers.

Subd. 2. [DUTIES.] The officers shall have the duties specified in this subdivision and additional duties as set forth in bylaws adopted in accordance with section 5, subdivision 5. The chair shall preside at all meetings of the board of directors and shall perform all duties usually incumbent upon such an officer. The vice-chair shall preside in the absence of the chair. The secretary shall record the minutes of

all meetings of the board and be the custodian of all books and records of the district. The treasurer shall be the custodian of money received by the district and shall see that they are properly accounted for. The board may appoint deputies who shall perform any functions and duties of any officer, subject to the supervision and control of the officer.

Sec. 9. [MEETINGS OF THE BOARD.]

Regular meetings of the board of directors shall be held at least quarterly and more frequently as provided in bylaws of the hospital district, at the time and place as the board shall by resolution determine. The meetings may be held at any time upon the call of the chair or of any two other members, upon written notice mailed to each member three days prior to the meeting, or upon other notice as the board, by resolution or according to bylaws adopted by the board of directors, may provide, or without notice, if each member is present or files with the secretary a written consent to the holding of the meeting, which consent may be filed before or after the meeting. Any action within the authority of the board may be taken by the vote of a majority of the members present at a regular or adjourned meeting or at a duly called special meeting if a quorum is present. A majority of all the members of the board shall constitute a quorum, but a lesser number may meet and adjourn from time to time.

Sec. 10. [THE HOSPITAL DISTRICT AND ITS POWERS.]

Subdivision 1. [AUTHORITY; STATUS; PREEXISTING OBLIGATION.] The hospital district shall have perpetual succession, may contract and be contracted with, may sue and be sued, may, but shall not be required to, use a corporate seal, may acquire real and personal property as it may require, within or without the district, by purchase, gift, devise, lease, condemnation, or otherwise, and may hold, manage, control, sell, convey, or otherwise dispose of such property as its interests require. All of the assets, real and personal, of the preexisting hospital organization owned by the county and the city, doing business as Swift County-Benson Hospital, shall pass to the hospital district in fee title or by lease, and all legally valid and enforceable claims and contract obligations of the preexisting hospital organization shall be assumed by the district. All taxable property in the city of Benson and the county of Swift shall continue to be taxable for the payment of any bonded debt previously incurred by the preexisting hospital or by the city of Benson or the county of Swift on behalf of the preexisting hospital. Any properties, real, personal, or mixed, which are acquired, owned, leased, controlled, used, or occupied by the district shall be exempt from general property taxation by the state or any of its political subdivisions, but nothing in sections 6 to 20, shall prevent the levy of special assessments for public improvements benefiting the property.

Subd. 2. [BUDGET.] The board of directors shall adopt a budget for each ensuing year and shall provide the budget to the city council and the county board prior to the beginning of the year to which the budget applies. The city council and county board may consider the budget and provide their comments and recommendations to the board of directors.

Subd. 3. [POWERS.] The hospital district shall have all the powers necessary and convenient to provide for the acquisition, betterment, operation, maintenance, and administration for the hospital, including nursing home, other facilities for the residential occupancy of ambulatory elderly citizens who do not require nursing home or general hospital care and related programs, as the board of directors shall determine to be necessary and expedient. The enumeration of specific powers herein does not restrict the power of the board to take any lawful action which, in the reasonable exercise of its discretion, it deems necessary or convenient for the furtherance of the purpose for which the district exists, whether or not the power to take the action is implied from any of the powers expressly granted. These powers shall include, but not be limited to, the power to:

(1) employ management, administrative, nursing, and other personnel, legal counsel, engineers, architects, accountants, and other qualified persons, who may be paid for their services by monthly salaries, hourly wages, and pension benefits, or by fees as may be agreed on;

(2) cause reports, plans, studies, and recommendations to be prepared;

(3) when acquiring real and personal property as authorized in subdivision 1, contract for the acquisition by option, contract for deed, conditional sales contract, or otherwise;

(4) construct, equip, and furnish necessary buildings and grounds and maintain the same;

(5) adopt bylaws and rules and regulations to govern the operation and administration of any and all hospital, nursing home, and other facilities under its control, and for the admission of persons thereto;

(6) impose and collect charges for all services and facilities provided and made available by it;

(7) borrow money and issue bonds as prescribed in sections 6 to 20;

(8) procure insurance against liability of the district or its officers and employees, or both, for torts committed within the scope of their official duties, whether governmental or proprietary, or for errors

and omissions, and against damage to or destruction of any of its facilities, equipment or other property;

(9) subject to subdivision 4, sell or lease any of its facilities or equipment as may be expedient;

(10) cause annual audits to be made of its accounts, books, vouchers, and funds by competent public accountants; this provision shall be construed to be mandatory;

(11) require a corporate surety bond from officers and employees of the district, and in the amount the board shall determine, and authorize payment of the premiums therefor; or

(12) provide loans to students as provided in Minnesota Statutes, section 447.331.

Subd. 4. [APPROVAL FOR SALE OR LEASE.] Nothing contained in section 5 shall be construed to authorize the district or its board of directors to at any time sell, lease, or otherwise transfer the management, control or operation of the hospital, including nursing home or other facilities, except upon approval by a majority vote of the county board and the city council.

Subd. 5. [BYLAWS.] Bylaws shall be adopted to further govern the operation of the hospital district. Bylaws or any amendment or repeal of them, shall first be adopted by the board of directors, but shall not take effect until approved by the county board and the city council. Bylaws may address any subject matter pertinent to the organization and operation of the hospital district consistent with sections 6 to 20, and other applicable laws.

#### Sec. 11. [PAYMENT OF EXPENSES.]

Expenses of acquisition, betterment, administration, operation, and maintenance of the hospital district shall be paid from the revenue derived therefrom and, to the extent authorized by sections 6 to 20, from the proceeds of debt incurred for the benefit of the district, and to the extent determined from time to time by the county board or the city council, from appropriations made by the county board or the city council. Money appropriated by the board of county commissioners and the city council to acquire or improve facilities of the hospital district may be transferred in the discretion of the board of directors to a sinking fund for bonds issued for that purpose. The hospital board may agree to repay to the county and the city any sums appropriated by the county board or the city council for this purpose, out of the net revenues to be derived from operation of its facilities, and subject to the terms agreed on.

#### Sec. 12. [TEMPORARY BORROWING AUTHORITY.]

Subdivision 1. [CERTIFICATES OF INDEBTEDNESS.] Subject to the approval of the city and the county, the hospital district may borrow money by issuing certificates of indebtedness in anticipation of revenues and federal aids. Total indebtedness for the certificates must not exceed \$50,000. The proceeds must be used for expenses of administration, operation, and maintenance of the district's hospital, nursing home, or other facilities. The approval of the city and county shall be effected by an affirmative vote of their respective governing bodies.

Subd. 2. [RESOLUTION.] The district may authorize and borrow and issue the certificates of indebtedness on passage of a resolution specifying the amount and reasons for borrowing. The resolution must be adopted by a vote of at least two-thirds of its board members, excluding board members who may not vote. The board shall fix the amount, date, maturity, form, denominator, and other details of the certificates and the date and place for receipt of bids for their purchase. The board shall direct the secretary to give notice of the date and place fixed.

Subd. 3. [TERMS OF CERTIFICATES.] Certificates must become due and payable no later than two years from the date of issuance. Certificates must be negotiable and payable to the order of the payee and have a definite due date but may be payable on or before the due date. Certificates must be sold for at least par and accrued interest and must bear interest at not more than eight percent a year. Interest must be payable at maturity or earlier as the board determines. The proceeds of current county or city appropriations, revenues derived from the facilities of the district and future federal aids, and any other district funds that become available must be applied to the extent necessary to repay the certificates.

**Sec. 13. [HOSPITALS, NURSING HOMES, AND OTHER FACILITIES; FINANCING AND LEASING.]**

Subdivision 1. [FINANCING.] Subject to the approval of the city and the county, the hospital district may issue revenue bonds by resolution of its governing body to finance the acquisition and betterment of hospital, nursing home, and other facilities. This power is in addition to other powers granted by law and includes, but is not limited to, the payment of interest during construction and for a reasonable period after construction and the establishment of reserves for bond payment and for working capital. The approval of the city and county shall be effected by an affirmative vote of their respective governing bodies. In connection with the acquisition of any existing hospital or nursing home facilities, the city, county, or district may retire outstanding indebtedness incurred to finance the construction of the existing facilities.

Subd. 2. [PLEDGE OF REVENUE.] The hospital district may pledge and appropriate the revenues to be derived from its operation

of the facilities to pay the principal and interest on the bonds when due and to create and maintain reserves for that purpose, as a first and prior lien on the revenues or, if so provided in the bond resolution, as a lien on the revenues subordinate to the current payment of a fixed amount or percentage or all of the costs of running the facilities.

Sec. 14. [SECURITY FOR BONDS; PLEDGE OF CREDIT FOR BONDS.]

In the issuance of bonds the revenues or rentals must be pledged and appropriated by resolution for the use and benefit of bondholders generally, or may be pledged by the execution of an indenture or other appropriate instrument to a trustee for the bondholders. The site and facilities, or any part of them, may be mortgaged to the trustee. The governing body may enter into any covenants with the bondholders or trustee that it finds necessary and proper to assure the marketability of the bonds, the completion of the facilities, the segregation of the revenues or rentals and other funds pledged, and the sufficiency of funds for prompt and full payment of bonds and interest. The bonds shall be deemed to be payable wholly from the income of a revenue-producing convenience within the meaning of Minnesota Statutes, section 475.58, unless the appropriate governing body also pledges to their payment the full faith and credit of the county or city. In this event, notice of the intent to issue bonds with a pledge of the full faith and credit of the county or city specifying the maximum amount and the purpose of the bond issue shall be published and if, within ten days of the date of publication, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular election is filed with the secretary, the bonds may not be issued unless approved by a majority of the electors voting on the question at a legal election.

Sec. 15. [MISCELLANEOUS PROVISIONS.]

Bonds issued under sections 8 to 13 must be issued and sold as provided in Minnesota Statutes, chapter 475. If the bonds do not pledge the credit of the hospital district as provided in section 10, the governing body may negotiate their sale without advertisement for bids. They shall not be included in the net debt of any municipality or county, and are not subject to interest rate limitations, as defined or referred to in Minnesota Statutes, sections 475.51 and 475.55.

Sec. 16. [LEASE OF FACILITIES TO NONPROFIT OR PUBLIC CORPORATION.]

Subject to section 5, subdivision 4, the hospital district may lease hospital, nursing home, or other facilities to be run by a nonprofit or public corporation as community facilities. The facilities must be open to all residents of the community on equal terms. The district

may lease related medical facilities to any person, firm, association, or corporation, at rent and on conditions agreed. The term of the lease must not exceed 30 years. The lessee may be granted an option to renew the lease for an additional term or to purchase the facilities. The terms of renewal or purchase must be provided for in the lease. The hospital district may by resolution of its governing body agree to pay to the lessee annually, and to include in each annual budget for hospital and nursing home purposes, a fixed compensation for services agreed to be performed by the lessee in running the hospital, nursing home, or other facilities as a community facility; for any investment by the lessee of its own funds or funds granted or contributed to it in the construction or equipment of the hospital, nursing home, or other facilities; and for any auxiliary services to be provided or made available by the lessee through other facilities owned or operated by it. Services other than those provided for in the lease agreement may be compensated at rates agreed upon later. The lease agreement must, however, require the lessee to pay a net rental not less than the amount required to pay the principal and interest when due on all revenue bonds issued by the hospital district to acquire, improve, and refinance the leased facilities, and to maintain the agreed revenue bond reserve. The lease agreement must not grant the lessee an option to purchase the facilities at a price less than the amount of the bonds issued and interest accrued on them, except bonds and accrued interest paid from the net rentals before the option is exercised.

To the extent that the facilities are leased under this section for use by persons in private medical or dental or similar practice or other private business, a tax on that use must be imposed just as though the user were the owner of the space. It must be collected as provided in Minnesota Statutes, section 272.01, subdivision 2.

Sec. 17. [REFUNDING BONDS.]

The county, city, or hospital district may issue bonds by resolution of its governing body to refund bonds issued for the purposes stated in sections 6 to 20.

Sec. 18. [SWIFT COUNTY.]

The county of Swift may make appropriations in whatever amount it deems appropriate for capital acquisition, capital improvements, maintenance, and operating subsidy for a hospital district created under sections 6 to 20, and any other hospital in the county notwithstanding Minnesota Statutes, sections 376.08 and 376.09 or any other limiting statutes or laws otherwise applicable to the county. The county may also guarantee any indebtedness incurred by or on behalf of the hospital and pledge its full faith and credit in support of it.

Sec. 19. [CITY OF BENSON.]

The city of Benson may make appropriations in whatever amount it deems appropriate for the purposes of capital acquisition, capital improvements, maintenance, and operating subsidy for a hospital district created under sections 6 to 20, notwithstanding any limiting statutes or laws otherwise applicable to the city. The city may also guarantee any indebtedness incurred by or on behalf of the hospital and pledge its full faith and credit in support of it.

Sec. 20. [POWERS SUPPLEMENTARY.]

The powers granted in sections 6 to 20 are supplementary to and not in substitution for any other powers possessed by political subdivisions in connection with the acquisition, betterment, administration, operation, and maintenance of hospitals, nursing homes, and related facilities and programs or the creation of hospital districts."

Page 4, after line 28, insert:

"Sections 6 to 20 are effective upon approval by majority of the county board of the county of Swift and by a majority of the city council of the city of Benson and upon compliance with all other provisions of Minnesota Statutes, section 645.021."

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

"A bill for an act relating to hospital districts; providing for board membership and elections in the Yellow Medicine county hospital district; providing for the organization, administration, and operation of a hospital district in the county of Swift and the city of Benson; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4."

The motion prevailed and the amendment was adopted.

There being no objection, S. F. No. 2514, as amended, was temporarily laid over on Special Orders.

H. F. No. 2345 was reported to the House.

Carruthers moved that H. F. No. 2345 be returned to General Orders. The motion prevailed.

H. F. No. 2438, A bill for an act relating to retirement; individual retirement account plan; expanding plan coverage to include certain higher education employees; amending Minnesota Statutes 1990, sections 136.88, subdivision 1; 352C.033; 352D.02, subdivisions 1 and 1a; 352D.03; 354B.01, subdivision 2, and by adding subdivisions; 354B.015; 354B.02, subdivisions 1, 4, and by adding subdivisions; 354B.03, by adding a subdivision; 354B.04, subdivision 1; and 354B.05, subdivision 1; Minnesota Statutes 1991 Supplement, section 354B.04, subdivision 2; repealing Laws 1986, chapter 458, section 36.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2640, A bill for an act relating to occupations and professions; elevators and boilers; providing that boilers used for mint oil extraction are considered to be used for agricultural or

horticultural purposes; amending Minnesota Statutes 1991 Supplement, section 183.56.

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

The bill was passed and its title agreed to.

There being no objection, H. F. No. 2046 which was continued earlier today on Special Orders was again reported to the House.

H. F. No. 2046, A bill for an act relating to commerce; motor vehicle lienholders; requiring notice to certain secured creditors before the vehicle is sold; amending Minnesota Statutes 1990, section 514.20.

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

The bill was passed and its title agreed to.

H. F. No. 1681 was reported to the House.

Skoglund moved to amend H. F. No. 1681, the first engrossment, as follows:

Page 15, delete section 21

Page 35, after line 35, insert:

“Sec. 50. [REQUIRED PROPERTY AND CASUALTY COVERAGES; STUDY.]

The commissioner of commerce shall conduct a study of all property and casualty insurance coverages required by state law and report to the legislature by February 1, 1993. The report shall include, but is not limited to, the following:

- (1) identification of all required insurance coverages;
- (2) the purpose of the requirement, for example, if it is to protect third parties, to protect government, or to protect the purchaser;
- (3) the availability of the insurance from admitted insurers;

(4) the likely effect, including cost implications, of requiring that only admitted carriers may offer the coverage; and

(5) other information the commissioner considers appropriate.

The commissioner may request an extension of the date of submission of the report from the chairs of the senate commerce committee and the house financial institutions and insurance committee."

Page 87, delete sections 10 and 11

Renumber the sections in articles 1 and 4 in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Carruthers, Skoglund and Pugh moved to amend H. F. No. 1681, the first engrossment, as amended, as follows:

Page 24, before line 1, insert:

"Sec. 30. Minnesota Statutes 1990, section 61A.011, is amended by adding a subdivision to read:

Subd. 7. [ACCIDENTAL DEATH BENEFITS.] Notwithstanding any other law to the contrary, payments of accidental death benefits under an individual or group policy, whether payable in connection with a separate policy issued solely to provide that type of coverage or otherwise, are subject to this section. If the applicable rate of interest cannot be determined as provided in this section, the rate of interest for purposes of subdivision 1 is the rate provided in section 549.09, subdivision 1, paragraph (c)."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1681, A bill for an act relating to commerce; regulating data collection, enforcement powers, premium finance agreements, temporary capital stock of mutual life companies, surplus lines insurance, conversion privileges, coverages, rehabilitations and liquidations, the comprehensive health insurance plan, and claims practices; requiring insurers to notify all covered persons of cancellations of group coverage; regulating continuation privileges and automobile premium surcharges; regulating unfair or deceptive practices; regulating insurance agent licensing and education; carrying out the intent of the legislature to make uniform the statutory service of process provisions under the jurisdiction of the department of commerce; permitting the sale of credit unemployment insurance on the same basis as other credit insurance; requiring consumer disclosures; specifying minimum loss ratios for credit insurance; making various technical changes; amending Minnesota Statutes 1990, sections 45.012; 45.027, by adding subdivisions; 45.028, subdivision 1; 47.016, subdivision 1; 48.185, subdivisions 4 and 7; 56.125, subdivision 3; 56.155, subdivision 1; 59A.08, subdivisions 1 and 4; 59A.11, subdivisions 2 and 3; 59A.12, subdivision 1; 60A.02, subdivision 7, and by adding a subdivision; 60A.03, subdivision 2; 60A.07, subdivision 10; 60A.12, subdivision 4; 60A.17, subdivision 1a; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.201, subdivision 4; 60A.203; 60A.206, subdivision 3; 60A.21, subdivision 2; 60B.03, by adding a subdivision; 60B.15; 60B.17, subdivision 1; 61A.011, by adding a subdivision; 62A.10, subdivision 1; 62A.146; 62A.17, subdivision 2; 62A.21, subdivisions 2a and 2b; 62A.30, subdivision 1; 62A.41, subdivision 4; 62A.54; 62B.01; 62B.02, by adding a subdivision; 62B.03; 62B.04, subdivision 2; 62B.05; 62B.06, subdivisions 1, 2, and 4; 62B.07, subdivisions 2 and 6; 62B.08, subdivisions 1, 3, and 4; 62B.09, subdivisions 1 and 2; 62B.11; 62C.142, subdivision 2a; 62C.17, subdivision 5; 62D.101, subdivision 2a; 62D.22, subdivision 8; 62E.02, subdivision 23; 62E.11, subdivision 9; 62E.14, by adding a subdivision; 62E.15, subdivision 4, and by adding subdivisions; 62E.16; 62H.01; 64B.33; 64B.35, subdivision 2; 65B.133, subdivision 4; 70A.11, subdivision 1; 71A.02, subdivision 3; 72A.07; 72A.125, subdivision 2; 72A.20, subdivision 27, and by adding a subdivision; 72A.201, subdivision 3; 72A.22, subdivision 5; 72A.37, subdivision 2; 72A.43, subdivision 2; 72B.02, by adding a subdivision; 72B.03, subdivision 2; 72B.04, subdivision 6; 80A.27, subdivisions 7 and 8; 80C.20; 82.31, subdivision 3; 82A.22, subdivisions 1 and 2; 83.39, subdivisions 1 and 2; 270B.07, subdivision 1; and 543.08; Minnesota Statutes 1991 Supplement, sections 45.027, subdivisions 1, 2, 5, 6, and 7; 52.04, subdivision 1; 60A.13, subdivision 3a; 60D.15, subdivision 4; 60D.17, subdivision 4; 62E.10, subdivision 9; 62E.12; 72A.061, subdivision 1; 72A.201, subdivision 8; and 82B.15, subdivision 3; Laws 1991, chapter 233, section 111; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 62B; and 62I; proposing coding for new law as Minnesota Statutes, chapter 60K; repealing Minnesota Statutes 1990, sections 60A.05; 60A.051; 60A.17, subdivisions 1, 1a, 1b, 1c, 2c, 2d, 3, 5, 5b, 6, 6b, 6c, 6d, 7a, 8, 8a, 9a, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21; 65B.70; and 72A.13, subdivision 3; Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d.

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 112 yeas and 19 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R. H.	Ferichs	Hufnagle	Seaberg	Valento
Bettermann	Hartle	Krinkie	Smith	Waltman
Davids	Haukoos	Pellow	Swenson	Welker
Erhardt	Heir	Schafer	Tompkins	

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

H. F. No. 2435 was reported to the House.

Wejzman moved that H. F. No. 2435 be temporarily laid over on Special Orders. The motion prevailed.

The Speaker called Knickerbocker to the Chair.

H. F. No. 2341, A bill for an act relating to transportation; authorizing nonoperating assistance for public transit service; amending Minnesota Statutes 1990, section 174.24, subdivisions 3, 5, and by adding subdivisions; repealing Minnesota Statutes 1990, section 174.245.

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

The bill was passed and its title agreed to.

H. F. No. 2476 was reported to the House.

Reding moved that H. F. No. 2476 be continued on Special Orders. The motion prevailed.

H. F. No. 2137, A bill for an act relating to retirement; the Minnesota state retirement system and the public employees retirement association; making various changes to administration, benefits, and investment practices; amending Minnesota Statutes 1990, sections 352.01, subdivision 2b; 352.029, subdivisions 1 and 2; 352.113, subdivisions 1, 3, 4, and 10; 352.12, subdivision 1; 352.22, subdivision 3; 352D.12; 353.01, subdivision 28; 353.27, subdivision 10; 353.29, subdivision 7; 353.33, subdivisions 1, 6, 6a, and 6b; 353.34, subdivision 2; 353.65, subdivision 1; 353.656, subdivision 5; 353.659; 353.68, subdivision 4; 353A.02, subdivision 12; 353A.04, subdivision 2; 353A.05, subdivision 3; 353A.07, subdivision 3; 353A.08, subdivision 6, and by adding a subdivision; 353A.09, subdivision 1; 353A.10, subdivision 4, and by adding a subdivision;

356.30, subdivision 1; 356.302, subdivision 6; 356.303, subdivision 3; 490.124, subdivision 11; Minnesota Statutes 1991 Supplement, sections 353.01, subdivisions 2b, 16, and 20; 353.27, subdivisions 12 and 12b; 353.31, subdivision 1; 353.32, subdivision 1a; 353.64, subdivision 5a; 353.657, subdivisions 1, 2, and 2a; 353A.03; 353A.06; 353D.01, subdivision 2; 353D.02; 353D.03; 353D.04, subdivision 1; 353D.05, subdivisions 2 and 3; 353D.07, subdivisions 2 and 3; 353D.12, subdivision 1; Laws 1990, chapter 570, article 8, section 14, subdivision 1, as amended; Laws 1991, chapter 269, article 2, section 13; proposing coding for new law in Minnesota Statutes, chapter 353; repealing Minnesota Statutes 1990, sections 352.029, subdivision 4; 353.656, subdivision 7; and 353.71, 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 118 yeas and 14 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R. H.	Frerichs	Krinkie	Sviggum	Weaver
Bettermann	Girard	Lynch	Valento	Welker
Davids	Hugoson	Seaberg	Waltman	

The bill was passed and its title agreed to.

H. F. No. 2752, A bill for an act relating to commerce; trade

practices; prohibiting certain practices by recreational equipment manufacturers; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

The bill was passed and its title agreed to.

H. F. No. 1350, A bill for an act relating to retirement; major and statewide retirement plans; crediting service and salary when back pay is awarded in the event of a wrongful discharge; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1991 Supplement, section 353.27, subdivision 5a.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

#### RECESS

#### RECONVENED

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

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

#### GENERAL ORDERS

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

## ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 1:00 p.m., Thursday, March 26, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Thursday, March 26, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

