

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

ONE-HUNDREDTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 16, 1992

The House of Representatives convened at 12:00 noon 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	Ogren	Skoglund
Anderson, I.	Frerichs	Kinkel	Olsen, S.	Smith
Anderson, R.	Garcia	Knickerbocker	Olson, E.	Solberg
Anderson, R. H.	Girard	Koppendrayner	Olson, K.	Sparby
Battaglia	Goodno	Krambeer	Omann	Stanis
Bauerly	Greenfield	Krinkie	Onnen	Steensma
Beard	Gruenes	Krueger	Orenstein	Sviggum
Begich	Gutknecht	Lasley	Orfield	Swenson
Bertram	Hanson	Leppik	Osthoff	Thompson
Bettermann	Hartle	Lieder	Ostrom	Tompkins
Bishop	Hasskamp	Limmer	Ozment	Trimble
Blatz	Haukoos	Lourey	Pauly	Tunheim
Bodahl	Hausman	Lynch	Pellow	Uphus
Boo	Heir	Macklin	Pelowski	Valento
Brown	Henry	Mariani	Peterson	Vanasek
Carlson	Hufnagle	Marsh	Pugh	Vellenga
Carruthers	Hugoson	McEachern	Reding	Wagenius
Clark	Jacobs	McGuire	Rest	Waltman
Cooper	Janezich	McPherson	Rice	Weaver
Dauner	Jaros	Milbert	Rodosovich	Wejcman
Davids	Jefferson	Morrison	Rukavina	Welker
Dawkins	Jennings	Munger	Runbeck	Welle
Dempsey	Johnson, A.	Murphy	Sarna	Wenzel
Dille	Johnson, R.	Nelson, K.	Schafer	Winter
Dorn	Johnson, V.	Nelson, S.	Schreiber	Spk. Long
Erhardt	Kahn	Newinski	Seaberg	
Farrell	Kalis	O'Connor	Segal	

A quorum was present.

Simoneau was excused until 2:35 p.m.

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

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

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.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 10, 1992

The Honorable Dee Long
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Long:

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

H. F. No. 2063, relating to retirement; changing provisions governing reduced annuities from the public employees retirement association due to reemployment of annuitants.

H. F. No. 2082, relating to utilities; requiring the public utilities commission to adopt rules governing telephone companies' responses to requests for tracing calls made to households that have received harassing calls.

Warmest regards,

ARNE H. CARLSON
Governor

100th Day]

THURSDAY, APRIL 16, 1992

13687

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 10, 1992

The Honorable Joan Anderson Growe
Secretary of State
The State of Minnesota

Dear Secretary of State Growe:

It is my honor to inform you that I have allowed House File No. 2707 (Chapter 441) to become law without my signature.

H. F. No. 2707, relating to state lands; authorizing public sale of certain tax-forfeited land in Mille Lacs county; authorizing an exchange of real property.

With this correspondence, House File No. 2707 (Chapter 441) is submitted to you for your filing.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 13, 1992

The Honorable Dee Long
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Long:

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

H. F. No. 1350, relating to retirement; major and statewide retirement plans; crediting service and salary when back pay is awarded in the event of a wrongful discharge.

H. F. No. 1978, relating to health; delaying the effective date of rules regulating ionizing radiation; requiring a study.

H. F. No. 1889, relating to employment; modifying provisions related to access to employee personnel records.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1992 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1992</i>	<i>Date Filed 1992</i>
	2063	440	2:14 p.m. April 10	April 13
	2707	441		April 13
	2082	442	2:10 p.m. April 10	April 13
	1350	443	1:20 p.m. April 13	April 14
	1978	444	1:33 p.m. April 13	April 14
	1889	445	1:28 p.m. April 13	April 14
1252		447	1:36 p.m. April 13	April 14
1558		448	1:40 p.m. April 13	April 14
2383		449	1:05 p.m. April 13	April 14
2311		450	1:52 p.m. April 13	April 14
2392		451	1:08 p.m. April 13	April 14
1985		452	1:42 p.m. April 13	April 14
2382		454	1:57 p.m. April 13	April 14
2352		455	1:55 p.m. April 13	April 14
2299		456	1:45 p.m. April 13	April 14

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Pugh and Olsen, S., introduced:

H. F. No. 3053, A bill for an act relating to taxation; property; decreasing the class rate on residential nonhomestead and apartment property; amending Minnesota Statutes 1991 Supplement, sections 273.13, subdivision 25; and 273.1398, subdivision 1.

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

Vellenga, Kelso and Ostrom introduced:

H. F. No. 3054, A bill for an act relating to energy; providing for a transition to a sustainable energy future; providing for more efficient energy use; encouraging greater renewable energy production; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 216E.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

McGuire, Hausman, Rest, Runbeck and Valento introduced:

H. A. No. 52, A proposal to study inter-library cooperation and creation of a regional library system within the 7-county metropolitan area.

The advisory was referred to the Committee on Local Government and Metropolitan Affairs.

Wenzel, Steensma and Omann introduced:

H. A. No. 53, A proposal for a survey of agricultural lenders.

The advisory was referred to the Committee on Agriculture.

Clark introduced:

H. A. No. 54, A proposal to study safety standards reducing occupational exposure to HIV and Hepatitis B.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 1910, A bill for an act relating to corporations; providing for the formation, organization, operation, taxation, management, and ownership of limited liability companies; prescribing the procedures for filing articles of organization; establishing the powers of a limited liability company; providing for the naming of a limited liability company; providing for the appointment of a resident agent for a limited liability company; establishing the relationship of the members of a limited liability company to each other and to third parties; permitting the merger of one or more limited liability companies with other domestic limited liability companies and domestic and foreign corporations; providing for the dissolution, winding up, and termination of a limited liability company; providing for foreign limited liability companies to do business in this state; defining certain terms; amending Minnesota Statutes 1990, sections 211B.15, subdivision 1; 290.01, by adding a subdivision; 302A.011, subdivision 19; 302A.115, subdivision 1; 302A.121, subdivision 2; 302A.601, by adding a subdivision; 308A.005, subdivision 6; 308A.121, subdivision 1; 317A.011, subdivision 16; 317A.115, subdivision 2; 319A.02, subdivision 5, and by adding a subdivision; 319A.03; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1a and 2; 319A.20; 322A.01; 322A.02; 333.001; 333.18, subdivision 2; 333.20, subdivision 2; and 333.21, subdivision 1; Minnesota Statutes 1991 Supplement, sections 290.06, subdivision 22; 302A.471, subdivision 1; and 500.24, subdivision 3; proposing coding for new law as Minnesota Statutes, chapter 322B.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2113, A bill for an act relating to traffic regulations; authorizing the operation of flashing lights and stop arms on school buses transporting persons age 18 and under to and from certain activities; authorizing revolving safety lights on rural mail carrier vehicles; requiring school bus sign on school bus providing such transportation; amending Minnesota Statutes 1991 Supplement, sections 169.441, subdivision 3; 169.443, subdivision 3, and by adding a subdivision; and 169.64, by adding a subdivision.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2694, A bill for an act relating to public administration; providing for the organization, operation, and administration of programs relating to state government, higher education, infrastructure and regulatory agencies, environment and natural resources, and human resources; making grants; imposing conditions; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1990, sections 3.736, subdivision 8; 5.14; 10A.31, subdivision 4; 15.0597, subdivision 4; 16A.45, by adding a subdivision; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding a subdivision; 18B.26, subdivision 3; 44A.0311; 60A.1701, subdivision 5; 69.031, subdivision 5; 72B.04, subdivision 10; 80A.28, subdivision 2; 82.21, subdivision 1; 82B.09, subdivision 1; 85.015, subdivision 7; 85A.04, subdivision 1; 89.035; 89.37, by adding a subdivision; 116J.9673, subdivision 4; 116P.11; 136A.121, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 136C.04, by adding a subdivision; 136C.05, subdivision 5; 138.56, by adding a subdivision; 141.21, by adding a subdivision; 144.122; 144.123, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivisions 3a and 5; 147.02, by adding a subdivision; 169.01, subdivision

55; 169.965, by adding a subdivision; 202A.19, subdivision 3; 204B.11, subdivision 1; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 240.14, subdivision 3; 245A.02, by adding a subdivision; 245A.13, subdivision 4; 252.025, subdivision 4; 254A.03, subdivision 2; 256.12, by adding a subdivision; 256.81; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, subdivisions 1a, 5, and by adding a subdivision; 256B.057, by adding a subdivision; 256B.0625, subdivision 9, and by adding subdivisions; 256B.064, by adding a subdivision; 256B.092, by adding a subdivision; 256B.14, subdivision 2; 256B.19, by adding a subdivision; 256B.36; 256B.41, subdivisions 1 and 2; 256B.421, subdivision 1; 256B.431, subdivisions 2i, 4, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.433, subdivisions 1, 2, and 3; 256B.48, subdivisions 1b, 3, and by adding a subdivision; 256B.495, subdivisions 1, 2, and by adding subdivisions; 256B.501, subdivision 3c, and by adding subdivisions; 256D.02, subdivision 8, and by adding subdivisions; 256D.03, by adding a subdivision; 256D.06, subdivision 5, and by adding a subdivision; 256D.35, subdivision 11; 256E.05, by adding a subdivision; 256E.14; 256H.01, subdivision 9, and by adding a subdivision; 256H.10, subdivision 1; 256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.04, as amended; 256I.05, subdivisions 1, 3, 6, 8, 9, and by adding a subdivision; 256I.06; 257.67, subdivision 3; 270.063; 270.71; 298.221; 299E.01, subdivision 1; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.315, subdivision 1; 340A.317, subdivision 2; 340A.408, subdivision 4; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.42, subdivision 3; 352.04, subdivisions 2 and 3; 353.27, subdivision 13; 353.65, subdivision 7; 356.65, subdivision 1; 357.021, subdivision 1a; 357.022; 357.18, by adding a subdivision; 359.01, subdivision 3; 363.071, by adding a subdivision; 363.14, subdivision 3; 375.055, subdivision 1; 466.06; 490.123, by adding a subdivision; 514.67; 518.14; 518.171, subdivisions 1, 3, 4, and 6; 518.175, subdivisions 1 and 3; 518.54, subdivision 4; 518.551, subdivisions 1, 7, 10, and by adding a subdivision; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.619, by adding a subdivision; 548.091, subdivision 1a; 588.20; 609.131, by adding a subdivision; 609.375, subdivisions 1 and 2; 609.5315, by adding a subdivision; 611.27, by adding subdivisions; and 626.861, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 17.63; 28A.08; 41A.09, subdivision 3; 43A.316, subdivision 9; 60A.14, subdivision 1; 84.0855; 89.37, subdivision 4; 121.936, subdivision 1; 135A.03, subdivisions 1a, 3a, and 7; 136A.121, subdivisions 2 and 6; 136A.1353, subdivision 4; 144.50, subdivision 6; 144A.071, subdivisions 3 and 3a; 144A.31, subdivision 2a; 148.91, subdivision 3; 148.921, subdivision 2; 148.925, subdivisions 1, 2, and by adding a subdivision; 168.129, subdivisions 1 and 2; 214.101, subdivision 1; 240.13, subdivisions 5 and 6; 240.15, subdivision 6; 240.18, by adding a subdivision; 245A.03, subdivision 2; 252.28, subdivision 1; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.031, subdivision 3; 256.033, subdivisions 1, 2, 3, and 5; 256.034, subdivision 3; 256.035, subdivision 1; 256.0361, subdivision 2; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by

adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 2, 20, 21, and by adding a subdivision; 256.9751, subdivisions 1 and 6; 256.98, subdivision 8; 256B.0625, subdivision 13; 256B.0627, subdivision 5; 256B.064, subdivision 2; 256B.0911, subdivisions 3, 8, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 8, 11, 12, and 14; 256B.0915, subdivision 3, and by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 8, and 11; 256B.092, subdivision 4; 256B.431, subdivisions 2l and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256D.10; 256D.101, subdivision 3; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, and 10; 268.914, subdivision 2; 340A.311; 340A.316; 340A.504, subdivision 3; 349A.10, subdivision 3; 357.021, subdivision 2; 508.82; 508A.82; 518.551, subdivisions 5 and 12; 518.64, subdivisions 1, 2, and 5; 611.27, subdivision 7; and 626.861, subdivisions 1 and 4; Laws 1991, chapters 233, sections 2, subdivision 2; and 3; 254, article 1, sections 7, subdivision 5; and 14, subdivision 19; and 356, articles 1, section 5, subdivision 4; 2, section 6, subdivision 3; and 6, section 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 4A; 16A; 16B; 44A; 84; 136C; 137; 144; 144A; 241; 244; 245; 246; 252; 256; 256B; 256D; 256I; 290; and 518; repealing Minnesota Statutes 1990, sections 41A.051; 84.0885; 84A.51, subdivisions 3 and 4; 89.036; 136A.143; 136C.13, subdivision 2; 141.21, subdivision 2; 144A.15, subdivision 6; 211A.04, subdivision 2; 245.0311; 245.0312; 246.14; 253B.14; 256B.056, subdivision 3a; 256B.495, subdivision 3; 256I.05, subdivision 7; 270.185; and 609.37; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 136E.01; 136E.02; 136E.03; 136E.04; 136E.05; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.74, subdivisions 8 and 9; and 256I.05, subdivision 7a; Laws 1991, chapter 292, article 4, section 77.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 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 cancel-

lations 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 Senate has appointed as such committee:

Messrs. Solon, Spear and Belanger.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2030, A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

The Senate has appointed as such committee:

Messrs. Chmielewski, Kroening and Gustafson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2280, A bill for an act relating to state lands; authorizing a conveyance of state lands to the city of Biwabik; authorizing the private sale of certain tax-forfeited land in St. Louis county; authorizing the sale of tax-forfeited land in the city of Duluth; authorizing the sale of certain land in the Chisago county.

The Senate has appointed as such committee:

Messrs. Dicklich; Johnson, D. J., and Gustafson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following

House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2115, A bill for an act relating to partition fences; providing for apportionment of cost of a partition fence; amending Minnesota Statutes 1990, sections 344.03, subdivision 1; and 344.06; proposing coding for new law in Minnesota Statutes, chapter 344.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Begich moved that the House concur in the Senate amendments to H. F. No. 2115 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2115, A bill for an act relating to St. Louis county; providing for partition fence disputes to include certain findings relating to the benefit and need of the parties; providing for the apportionment of the costs of the partition fence.

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

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

Those who voted in the affirmative were:

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

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

Madam Speaker:

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

H. F. No. 1980, A bill for an act relating to insurance; regulating accidental death benefits; regulating the structure and functions of the Minnesota automobile insurance plan; amending Minnesota Statutes 1990, sections 61A.011, by adding a subdivision; 65B.01; 65B.02, subdivisions 1, 4, and 7; 65B.03, subdivision 1; 65B.04, subdivisions 3 and 4; 65B.05; 65B.06; 65B.07, subdivision 4; 65B.08, subdivisions 1 and 2; 65B.09; 65B.10; and 65B.12, subdivision 1; repealing Minnesota Statutes 1990, sections 65B.04, subdivisions 1 and 2; and 65B.07, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pugh moved that the House concur in the Senate amendments to H. F. No. 1980 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1980, A bill for an act relating to insurance; clarifying interest on accidental death benefits; regulating the structure and functions of the Minnesota automobile insurance plan; amending Minnesota Statutes 1990, sections 61A.011, by adding a subdivision; 65B.01; 65B.02, subdivisions 1, 4, and 7; 65B.03, subdivision 1; 65B.04, subdivisions 3, 4, and by adding a subdivision; 65B.05; 65B.06; 65B.07, subdivision 4; 65B.08, subdivisions 1 and 2; 65B.09; 65B.10; and 65B.12, subdivision 1; repealing Minnesota Statutes 1990, sections 65B.04, subdivisions 1 and 2; and 65B.07, subdivision 2.

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

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

Those who voted in the affirmative were:

Abrams	Beard	Blatz	Carruthers	Dawkins
Anderson, I.	Begich	Bodahl	Clark	Dempsey
Anderson, R. H.	Bertram	Boo	Cooper	Dille
Battaglia	Bettermann	Brown	Dauner	Dorn
Bauerly	Bishop	Carlson	Davids	Erhardt

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

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

Madam Speaker:

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

H. F. No. 2501, A bill for an act relating to housing; modifying provisions of rehabilitation loans, loans and grants for housing for chemically dependent adults, lease-purchase housing, and urban and rural homesteading; limiting use of emergency rules; modifying limitations on the use of bond proceeds; modifying provisions of publicly-owned transitional housing program; modifying provisions for neighborhood land trusts; amending Minnesota Statutes 1990, sections 462A.05, subdivision 14a, and by adding a subdivision; 462A.06, subdivision 11; and 462A.202, subdivisions 1, 2, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 462A.05, subdivisions 20a, 36, and 37; 462A.073, subdivision 2; 462A.30, subdivisions 6, 8, and 9; and 462A.31, by adding subdivisions; repealing Minnesota Statutes 1990, sections 462A.057, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, and 10; and 462A.202, subdivisions 3, 4, and 5; and Laws 1991, chapter 292, article 9, section 35.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dawkins moved that the House concur in the Senate amendments to H. F. No. 2501 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2501, relating to housing; modifying requirements for lead education, assessment, screening and abatement; transferring rule authority from the commissioner of the pollution control agency; modifying provisions of rehabilitation loans, lease-purchase housing, and urban and rural homesteading; limiting use of emergency rules; modifying limitations on the use of bond proceeds; modifying provisions of publicly-owned transitional housing program; modifying provisions for neighborhood land trusts; regulating certain interests in contracts by public officers; increasing the debt ceiling of the Minnesota housing finance agency; removing the limitation on payment of property taxes and assessments on certain HRA property as a lawful purpose; amending Minnesota Statutes 1990, sections 462A.03, subdivision 7; 462A.05, subdivision 14a; 462A.06, subdivision 11; 462A.202, subdivision 2; and 462A.22, subdivision 1; Minnesota Statutes 1991 Supplement, sections 462A.05, subdivision 36; 462A.073, subdivision 2; and 462A.30, subdivisions 6 and 9; repealing Minnesota Statutes 1990, section 462A.057, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, and 10; and Laws 1991, chapter 292, article 9, section 35.

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

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Haukoos	Koppendrayner	Limmer	Smith	Valento
Hufnagle	Krinkie	McPherson	Sviggum	Welker

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

Madam Speaker:

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

H. F. No. 2250, A bill for an act relating to public safety officer's survivor benefits; altering a definition; providing a claim filing limitation and data classification; amending Minnesota Statutes 1990, section 299A.41, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 299A.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carruthers moved that the House concur in the Senate amendments to H. F. No. 2250 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2250, A bill for an act relating to public safety officer's survivor benefits; altering a definition; providing a claim filing limitation; amending Minnesota Statutes 1990, section 299A.41, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapter 299A.

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

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

Those who voted in the affirmative were:

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

Orfield	Reding	Seaberg	Swenson	Wagenius
Osthoff	Rest	Segal	Thompson	Waltman
Ostrom	Rice	Skoglund	Tompkins	Weaver
Ozment	Rodosovich	Smith	Trimble	Wejman
Pauly	Rukavina	Solberg	Tunheim	Welker
Pellow	Runbeck	Sparby	Uphus	Welle
Pelowski	Sarna	Stanius	Valento	Wenzel
Peterson	Schafer	Steensma	Vanasek	Winter
Pugh	Schreiber	Sviggum	Vellenga	Spk. Long

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

Madam Speaker:

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

H. F. No. 2099, A bill for an act relating to insurance; auto; prohibiting discrimination in automobile insurance policies; requiring insurers to fully reimburse insureds for deductible amounts before retaining subrogation proceeds; specifying how subrogation recoveries affect insureds; amending Minnesota Statutes 1990, section 72A.20, subdivision 23; Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Carruthers moved that the House concur in the Senate amendments to H. F. No. 2099 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2099, A bill for an act relating to insurance; automobile; prohibiting discrimination in automobile insurance policies; specifying rights of insureds; amending Minnesota Statutes 1990, section 72A.20, subdivision 23; Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 6.

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

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

Those who voted in the affirmative were:

Abrams	Bauerly	Bettermann	Boo	Clark
Anderson, I.	Beard	Bishop	Brown	Cooper
Anderson, R. H.	Begich	Blatz	Carlson	Dauner
Battaglia	Bertram	Bodahl	Carruthers	Daids

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

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

Madam Speaker:

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

H. F. No. 769, A bill for an act relating to agriculture; providing for a central computerized filing system for effective financing statements and farm products statutory lien notices; establishing a certain temporary surcharge; appropriating money; amending Minnesota Statutes 1991 Supplement, section 336.9-413; proposing coding for new law in Minnesota Statutes, chapter 336A; repealing Minnesota Statutes 1990, sections 223A.02; 223A.03; 223A.04; 223A.05; 223A.06; and 223A.07.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Krueger moved that the House concur in the Senate amendments to H. F. No. 769 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 769, A bill for an act relating to agriculture; increasing the surcharge on uniform commercial code filings and searches; providing for a central computerized filing system for effective financing statements and farm products statutory lien notices; appropriating money; amending Minnesota Statutes 1991 Supple-

ment, section 336.9-413; proposing coding for new law as Minnesota Statutes, chapter 336A; repealing Minnesota Statutes 1990, sections 223A.02; 223A.03; 223A.04; 223A.05; 223A.06; and 223A.07.

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

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Waltman Wenzel

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

Madam Speaker:

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

H. F. No. 2273, A bill for an act relating to mental health; adding licensed marriage and family therapists to the list of qualified mental health professionals; amending Minnesota Statutes 1991

Supplement, sections 245.462, subdivision 18; and 245.4871, subdivision 27.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Cooper moved that the House concur in the Senate amendments to H. F. No. 2273 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2273, A bill for an act relating to mental health; adding licensed marriage and family therapists to the list of qualified mental health professionals; authorizing a demonstration project; amending Minnesota Statutes 1991 Supplement, sections 245.462, subdivision 18; and 245.4871, subdivision 27.

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

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

Madam Speaker:

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

H. F. No. 2750, A bill for an act relating to human rights; defining certain terms; clarifying certain discriminatory practices; amending Minnesota Statutes 1990, sections 363.01, subdivision 35, and by adding subdivisions; 363.02, subdivision 1; 363.03, subdivisions 1, 2, 3, 4, and 10.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bishop moved that the House concur in the Senate amendments to H. F. No. 2750 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2750, A bill for an act relating to human rights; defining certain terms; clarifying certain discriminatory practices; amending Minnesota Statutes 1990, sections 363.01, subdivision 35, and by adding subdivisions; 363.02, subdivision 1; 363.03, subdivisions 1, 2, 3, 4, and 10.

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

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

Those who voted in the affirmative were:

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

Omann	Peterson	Schreiber	Svigum	Wagenius
Onnen	Pugh	Seaberg	Swenson	Waltman
Orenstein	Reding	Segal	Thompson	Weaver
Orfield	Rest	Simoneau	Tompkins	Wejcman
Osthoff	Rice	Skoglund	Trimble	Welker
Ostrom	Rodosovich	Smith	Tunheim	Welle
Ozment	Rukavina	Solberg	Uphus	Wenzel
Pauly	Runbeck	Sparby	Valento	Winter
Pellow	Sarna	Stanius	Vanasek	Spk. Long
Pelowski	Schafer	Steensma	Vellenga	

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

Madam Speaker:

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

H. F. No. 2261, A bill for an act relating to state government; executive council; regulating depositories for state funds; requiring state depositories to satisfy community reinvestment standards; amending Minnesota Statutes 1990, section 9.031, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 9; repealing Minnesota Statutes 1990, section 9.031, subdivisions 1, 2, 3, 4, 5, and 10.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Winter moved that the House concur in the Senate amendments to H. F. No. 2261 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2261, A bill for an act relating to state government; executive council; regulating depositories for state funds; amending Minnesota Statutes 1990, section 9.031, by adding subdivisions; and 289A.40, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 9; repealing Minnesota Statutes 1990, section 9.031, subdivisions 2, 3, 4, 5, and 10; Minnesota Statutes 1991 Supplement, section 9.031, subdivision 1.

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

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

Those who voted in the affirmative were:

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

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

Madam Speaker:

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

H. F. No. 1738, A bill for an act relating to family law; clarifying certain rights of grandparents to visitation; modifying the requirements for a person other than a parent who seeks child custody or visitation; amending Minnesota Statutes 1990, sections 257.022, subdivisions 2 and 2a; 518.156, subdivision 1; and 518.175, subdivision 7.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Vellenga moved that the House concur in the Senate amendments to H. F. No. 1738 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1738, A bill for an act relating to family law; modifying the requirements for a person other than a parent who seeks child custody or visitation; amending Minnesota Statutes 1990, section 518.156, subdivision 1.

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

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

Those who voted in the affirmative were:

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

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

Madam Speaker:

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

H. F. No. 1960, A bill for an act relating to retirement; changing the formula governing calculation of postretirement adjustments for certain public pension plans; amending Minnesota Statutes 1990, section 11A.18, subdivision 9.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments

to H. F. No. 1960 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1960, A bill for an act relating to retirement; changing the formula governing calculation of postretirement adjustments for certain public pension plans; requiring certain investment performance and postretirement adjustment reporting; providing state reimbursement for supplemental retirement benefits paid to volunteer firefighters; appropriating money; amending Minnesota Statutes 1990, section 11A.18, subdivision 9.

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

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

Those who voted in the affirmative were:

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

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

Madam Speaker:

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

H. F. No. 1838, A bill for an act relating to the environment;

forgiving advances and loans made under a pilot litigation loan project relating to wastewater treatment.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Cooper moved that the House concur in the Senate amendments to H. F. No. 1838 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1838, A bill for an act relating to the environment; forgiving advances and loans made under a pilot litigation loan project relating to wastewater treatment.

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

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

Those who voted in the affirmative were:

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

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

Madam Speaker:

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

S. F. No. 1993, A bill for an act relating to transportation; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.19, subdivision 1; and 216C.15, subdivision 1; Minnesota Statutes 1991 Supplement, section 169.346, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 169; and 473.

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

Ms. Flynn; Messrs. DeCramer and Frank.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Johnson, A., moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1993. The motion prevailed.

Madam Speaker:

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

S. F. No. 2314, A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

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

Messrs. Kroening and Pogemiller and Ms. Flynn.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Rice moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2314. The motion prevailed.

Madam Speaker:

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

S. F. No. 2257.

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. 2257

A bill for an act relating to agricultural development; redefining agricultural business enterprise for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2.

April 14, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2257, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2257 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. 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. 2. Minnesota Statutes 1990, section 41B.042, subdivision 4, is amended to read:

Subd. 4. [PARTICIPATION LIMIT; INTEREST.] The authority may participate in new seller-sponsored loans 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 seller's retained portion of the loan.

Sec. 3. Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL BUSINESS ENTERPRISE.] "Agricultural business enterprise" means ~~an individual or partnership with a low or moderate net worth who~~ a small business, as defined in section 645.445, subdivision 2, which owns or plans to own properties, real or personal, used or useful in connection with the general processing of agricultural products or in the manufacturing, assembly, or fabrication of agricultural or agriculture-related equipment. "Agricultural business enterprise" does not include an operation that involves the breeding or raising of livestock.

Sec. 4. Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 10, is amended to read:

Subd. 10. [FARMING.] "Farming" means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing, the production of livestock, aquaculture, hydroponics, or the production of forest products, ~~or other activities designated by the authority by rules.~~

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agricultural development; changing certain loan participation limits; redefining "agricultural business enterprise" and "farming" for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1990, sections

41B.039, subdivision 2; and 41B.042, subdivision 4; Minnesota Statutes 1991 Supplement, section 41C.02, subdivisions 2 and 10."

We request adoption of this report and repassage of the bill.

Senate Conferees: DALLAS C. SAMS, CHARLES R. DAVIS AND EARL W. RENNEKE.

House Conferees: TED WINTER, ANDY STEENSMA AND STEVE DILLE.

Winter moved that the report of the Conference Committee on S. F. No. 2257 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2257, A bill for an act relating to agricultural development; redefining agricultural business enterprise for purposes of the Minnesota agricultural development act; amending Minnesota Statutes 1991 Supplement, section 41C.02, subdivision 2.

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

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

Madam Speaker:

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

S. F. No. 1938.

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. 1938

A bill for an act relating to landlords and tenants; providing for assignment to the county attorney of the landlord's right to evict for breach of the covenant not to sell drugs or permit their sale; clarifying the law on forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1990, sections 504.181, subdivision 2; and 609.5317, subdivision 1.

April 14, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1938, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1938 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 504.181, subdivision 2, is amended to read:

Subd. 2. [BREACH VOIDS RIGHT TO POSSESSION.] A breach of the covenant created by subdivision 1 voids the lessee's or licensee's right to possession of the residential premises. All other provisions

of the lease or license, including but not limited to the obligation to pay rent, remain in effect until the lease is terminated by the terms of the lease or operation of law.

If the lessor or licensee breaches the covenant created by subdivision 1, the landlord may bring, or assign to the county attorney of the county in which the residential premises are located, the right to bring an unlawful detainer action against the lessee or licensee. The assignment must be in writing on a form provided by the county attorney, and the county attorney may determine whether to accept the assignment. If the county attorney accepts the assignment of the landlord's right to bring an unlawful detainer action:

(1) any court filing fee that would otherwise be required in an unlawful detainer action is waived; and

(2) the landlord retains all the rights and duties, including removal of the lessee's or licensee's personal property, following issuance of the writ of restitution and delivery of the writ to the sheriff for execution.

Sec. 2. Minnesota Statutes 1990, section 609.5311, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON FORFEITURE OF CERTAIN PROPERTY ASSOCIATED WITH CONTROLLED SUBSTANCES.] (a) A conveyance device is subject to forfeiture under this section only if the retail value of the controlled substance is \$25 or more and the conveyance device is associated with a felony-level controlled substance crime.

(b) Real property is subject to forfeiture under this section only if the retail value of the controlled substance or contraband is \$1,000 or more.

(c) Property used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the use or intended use of the property as described in subdivision 2.

(d) Property is subject to forfeiture under this section only if its owner was privy to the use or intended use described in subdivision 2, or the unlawful use or intended use of the property otherwise occurred with the owner's knowledge or consent.

(e) Forfeiture under this section of a conveyance device or real property encumbered by a bona fide security interest is subject to the interest of the secured party unless the secured party had knowledge of or consented to the act or omission upon which the forfeiture is

based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(f) Notwithstanding paragraphs (d) and (e), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the unlawful use or intended use of the property: (1) if the owner or secured party took reasonable steps to terminate use of the property by the offender; or (2) the property is real property owned by the parent of the offender, unless the parent actively participated in, or knowingly acquiesced to, a violation of chapter 152, or the real property constitutes proceeds derived from or traceable to a use described in subdivision 2.

Sec. 3. Minnesota Statutes 1990, section 609.5317, subdivision 1, is amended to read:

Subdivision 1. [RENTAL PROPERTY.] (a) When contraband or a controlled substance manufactured, distributed, or acquired in violation of chapter 152 is seized on residential rental property incident to a lawful search or arrest, the county attorney shall give the notice required by this subdivision to (1) the landlord of the property or the fee owner identified in the records of the county assessor, and (2) the agent authorized by the owner to accept service pursuant to section 504.22. The notice is not required during an ongoing investigation. The notice shall state what has been seized and specify the applicable duties and penalties under this subdivision. The notice shall state that the landlord who chooses to assign the right to bring an unlawful detainer action retains all rights and duties, including removal of a tenant's personal property following issuance of the writ of restitution and delivery of the writ to the sheriff for execution. The notice shall also state that the landlord may contact the county attorney if threatened by the tenant. Notice shall be sent by certified letter, return receipt requested, within 30 days of the seizure. If receipt is not returned, notice shall be given in the manner provided by law for service of summons in a civil action.

(b) Within 15 days after notice of the first occurrence, the landlord shall bring, or assign to the county attorney of the county in which the real property is located, the right to bring an unlawful detainer action against the tenant. The assignment must be in writing on a form prepared by the county attorney. Should the landlord choose to assign the right to bring an unlawful detainer action, the assignment shall be limited to those rights and duties up to and including delivery of the writ of restitution to the sheriff for execution.

(c) Upon notice of a second occurrence on any residential rental property owned by the same landlord in the same county and involving the same tenant, and within one year after notice of the first occurrence, the property is subject to forfeiture under sections 609.531, 609.5311, 609.5313, and 609.5315, unless an unlawful detainer action has been commenced as provided in paragraph (b) or

the right to bring an unlawful detainer action was assigned to the county attorney as provided in paragraph (b). If the right has been assigned and not previously exercised, or if the county attorney requests an assignment and the landlord makes an assignment, the county attorney may bring an unlawful detainer action rather than an action for forfeiture.

Sec. 4. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective August 1, 1992, and applies to breaches of the covenant occurring on or after that date.

Section 2 is effective the day after final enactment and applies to forfeiture proceedings commenced or pending on or after that date.
Section 3 is effective August 1, 1992, and applies to second occurrences on or after that date."

Delete the title and insert:

"A bill for an act relating to landlords and tenants; providing for assignment to the county attorney of the landlord's right to evict for breach of the covenant not to sell drugs or permit their sale; clarifying the law on forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1990, sections 504.181, subdivision 2; 609.5311, subdivision 3; and 609.5317, subdivision 1."

We request adoption of this report and repassage of the bill.

Senate Conferees: SANDRA L. PAPPAS, RANDY C. KELLY AND FRITZ KNAAK.

House Conferees: ANDY DAWKINS, THOMAS W. PUGH AND DOUGLAS SWENSON.

Dawkins moved that the report of the Conference Committee on S. F. No. 1938 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1938, A bill for an act relating to landlords and tenants; providing for assignment to the county attorney of the landlord's right to evict for breach of the covenant not to sell drugs or permit their sale; clarifying the law on forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1990, sections 504.181, subdivision 2; and 609.5317, subdivision 1.

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 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey Welker

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

Madam Speaker:

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

S. F. No. 2199, A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; moving from the office of waste management to the environmental quality board the responsibility for supplementary review of waste facility siting; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; expanding fee exemptions for waste residue from certain construction debris processing facilities; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled

content in and recyclability of telephone directories and requiring recycling of waste directories; changing provisions relating to financial responsibility requirements and low-level radioactive waste; requiring labeling of rechargeable batteries; prohibiting the imposition of fees on the generation of certain hazardous wastes that are reused or recycled; requiring studies on automobile waste, construction debris, and used motor oil; requiring an assessment of regional waste management needs; and making various other amendments and additions related to solid waste management; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1990, sections 16B.121; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.32; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.87; 115A.93, by adding a subdivision; 115A.981; 116.12, subdivision 2; 325E.12; 325E.125, subdivision 1; 400.08, subdivisions 4 and 5; 400.161; 473.811, subdivision 5b; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivisions 4 and 5; 115A.919, subdivision 3; 115A.93, subdivision 3; 115A.931; 116.07, subdivision 4h; 116.90; 116C.852; and 473.849; Laws 1990, chapter 600, section 7; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; and 325E.

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

Messrs. Merriam and Morse and Ms. Olson.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Wagenius moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2199. The motion prevailed.

Madam Speaker:

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

S. F. No. 2514.

The Senate has repassed said bill in accordance with the recom-

mendation 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. 2514

A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

April 10, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2514, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2514 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1963, chapter 276, section 2, subdivision 2, is amended to read:

Subd. 2. One third of the members of the first hospital board shall be appointed for a term to expire one year from December 31 next following such appointment, one third for a term to expire two years from such date, and one third for a term to expire three years from such date. Successors to the original 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 all members shall expire on December 31. In case of a vacancy on the hospital board, whether due to death, removal from the district, inability to serve, resignation, or other cause the majority of the remaining members of the hospital board, at its next regular or special meeting, shall make an appointment to fill such vacancy for the then unexpired term. The election of successors to the original board members shall be elected by popular vote of the qualified voters in the hospital district. ~~Such elections and any special elections shall be called and conducted in accordance with the provisions of Minnesota Statutes, Section 447.32, Subdivisions 1, 2, 3, and 4 insofar as the same is applicable.~~

Sec. 2. Laws 1963, chapter 276, section 2, is amended by adding a subdivision to read:

Subd. 2a. The hospital board shall, by resolution, fix a date for an election, not later than December 7 just before the expiration of board members' terms. It shall establish the whole district as a single election precinct and shall designate the polling place. Special elections may be called at any time by the hospital board to vote on any matter required by law to be submitted to the voters. Special elections must be held within the same election precinct and at the same polling place as regular elections. Advisory ballots may be submitted by the hospital board on any question it wishes concerning the affairs of the district, but only at a regular election or at a special election required for another purpose.

Sec. 3. Laws 1963, chapter 276, section 2, is amended by adding a subdivision to read:

Subd. 2b. At least two weeks before the first day to file affidavits of candidacy, the clerk of the district shall publish a notice stating the first and last day on which affidavits of candidacy may be filed, the places for filing the affidavits, and the closing time of the last day for filing. The clerk shall post a similar notice. At least two weeks before the election the clerk of the district shall publish a notice of the election, and at least ten days before the election the clerk shall post a notice of the election. A notice required to be published under this subdivision must be published in the official newspaper of the district, or, if a paper has not been designated, in a legal newspaper having general circulation within the district. A notice required to be posted under this subdivision shall be posted in at least one public and conspicuous place within each city and town included in the district. Failure to give notice does not invalidate the election of an officer of the district. A voter may contest a hospital district election in accordance with Minnesota Statutes, chapter 209.

Sec. 4. Laws 1963, chapter 276, section 2, is amended by adding a subdivision to read:

Subd. 2c. (a) A candidate for the hospital board shall file an affidavit of candidacy for the election either as a member at large or as a member representing the city or town where the candidate resides. The affidavit of candidacy must be filed with the city or town clerk not more than ten weeks nor less than eight weeks before the election. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 12:00 p.m. on the day after the last day to file affidavits of candidacy.

(b) Voting must be by secret ballot. The clerk shall prepare, at the

expense of the district, necessary ballots for the election of officers. Ballots must contain the names of the proposed candidates for each office, the length of the term of each office, and an additional blank space for the insertion of another name by the voter. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers or on a different ballot. The hospital board may also authorize the use of voting machines subject to Minnesota Statutes, chapter 206. At least two election judges shall be appointed to receive the votes. They may be paid by the district at a rate set by the board. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

(c) After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. If the person elected fails to qualify within 30 days, a majority of the remaining members of the board may appoint a successor, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 5. Laws 1963, chapter 276, section 4, is amended to read:

Sec. 4. [MEETINGS OF THE BOARD.] Regular meetings of the hospital board shall be held at least ~~once a month~~ annually, and ~~may meet more frequently, at such time times and place places~~ as the board shall by resolution determine. Special meetings may be held at any time upon the call of the chairman or of any two other members, upon written notice mailed to each member three days prior to the meeting, or upon such other notice as the board, by resolution, 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. 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.] (a) 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.

(b) If the Swift county or Benson hospital is sold or leased to a private organization, the successor employer shall provide hospital employees who were members of the public employees retirement association immediately before the lease or sale a pension program and benefits comparable to those provided by the public employees retirement association.

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, denomination, 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.

Sec. 21. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the Yellow Medicine county hospital district.

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."

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.”

We request adoption of this report and repassage of the bill.

Senate Conferees: DAVID J. FREDERICKSON, GARY M. DECramer AND EARL W. RENNEKE.

House Conferees: DOUG PETERSON, CHUCK BROWN AND GERALD KNICKERBOCKER.

Peterson moved that the report of the Conference Committee on S. F. No. 2514 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2514, A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Waltman
Weaver

Wejcman
Welker

Welle
Wenzel

Winter
Spk. Long

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

Madam Speaker:

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

S. F. No. 2111.

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. 2111

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.

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2111, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments.

We request adoption of this report and repassage of the bill.

Senate Conferees: SAM G. SOLON, FRITZ KNAAK AND EMBER D. REICHGOTT.

House Conferees: MIKE JAROS AND KRIS HASSKAMP.

Jaros moved that the report of the Conference Committee on S. F. No. 2111 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2111, 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.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Madam Speaker:

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

S. F. No. 2499.

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. 2499

A bill for an act relating to natural resources; authorizing the establishment of the Mille Lacs preservation and development board; proposing coding for new law in Minnesota Statutes, chapter 103F.

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2499, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendments and that S. F. No. 2499 be further amended as follows:

Page 1, line 11, to page 2, line 16, delete sections 1, 2, and 3

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete lines 5, 6, and 7

We request adoption of this report and repassage of the bill.

Senate Conferees: CHARLES R. DAVIS, SAM G. SOLON AND FLORIAN CHMIELEWSKI.

House Conferees: WILLARD MUNGER, BECKY LOUREY AND J. LEROY KOPPENDRAYER.

Munger moved that the report of the Conference Committee on S. F. No. 2499 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2499, A bill for an act relating to natural resources;

authorizing the establishment of the Mille Lacs preservation and development board; proposing coding for new law in Minnesota Statutes, chapter 103F.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Madam Speaker:

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

S. F. No. 1619.

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. 1619

A bill for an act relating to crimes; expanding list of offenses that result in ineligibility for a pistol permit to include all felonies, domestic abuse, and malicious punishment of a child; amending Minnesota Statutes 1990, section 624.713, subdivision 1; and Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5.

April 15, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1619, 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. 1619 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 609.224, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] (a) Whoever violates the provisions of subdivision 1 against the same victim within five years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 may be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than \$3,000, or both. Whoever violates the provisions of subdivision 1 against a family or household member as defined in section 518B.01, subdivision 2, within five years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 against a family or household member, may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) Whoever violates the provisions of subdivision 1 within two years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 2. Minnesota Statutes 1990, section 609.224, is amended by adding a subdivision to read:

Subd. 3. [DOMESTIC ASSAULTS; FIREARMS.] (a) When a

person is convicted of a violation of this section, the court shall determine and make written findings on the record as to whether:

(1) the assault was a family or household member, as defined in section 518B.01, subdivision 2;

(2) the defendant owns or possesses a firearm; and

(3) the firearm was used in any way during the commission of the assault.

(b) If the court determines that the assault was of a family or household member, and that the offender owns or possesses a firearm and used it in any way during the commission of the assault, it shall order the defendant to relinquish possession of the firearm and give it to the local law enforcement agency. Notwithstanding section 609.531, subdivision 1, paragraph (f), clause (1), the court shall determine whether the firearm shall be forfeited under section 609.5316, subdivision 3, or retained by the local law enforcement agency for a period of three years. If the owner has not been convicted of any crime of violence as defined in section 624.712, subdivision 5, or 609.224 against a family or household member within that period, the law enforcement agency shall return the firearm.

(c) When a person is convicted of a violation of this section and the court determines that the victim was a family or household member, the court shall inform the defendant that the defendant is prohibited from possessing a pistol for a period of three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the gross misdemeanor penalty to that defendant.

(d) A person is not entitled to possess a pistol if:

(1) the person has been convicted after August 1, 1992 of assault in the fifth degree if the offense was committed within three years of a previous conviction under sections 609.221 to 609.224; or

(2) the person has been convicted after August 1, 1992 of assault in the fifth degree under section 609.224 and the assault victim was a family or household member as defined in section 518B.01, subdivision 2, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224. Property rights may not be abated but access may be restricted by the courts. A person who possesses a pistol in violation of this subdivision is guilty of a gross misdemeanor.

Sec. 3. Minnesota Statutes 1990, section 624.713, is amended by adding a subdivision to read:

Subd. 3. [NOTICE TO CONVICTED PERSONS.] When a person is convicted of a crime of violence as defined in section 624.712, subdivision 5, the court shall inform the defendant that the defendant is prohibited from possessing a pistol for a period of ten years after the person was restored to civil rights or since the sentence has expired, whichever occurs first, and that it is a felony offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the felony penalty to that defendant.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective August 1, 1992, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; enhancing penalties for an assault against a family or household member; requiring courts to take possession of any firearm used in the commission of such an assault; disqualifying persons convicted of fifth degree domestic assault from possessing a pistol under certain circumstances; requiring persons convicted of crimes of violence to be notified that they are prohibited from possessing pistols for ten years after restored to civil rights; amending Minnesota Statutes 1990, sections 609.224, subdivision 2, and by adding a subdivision; and 624.713, by adding a subdivision."

We request adoption of this report and repassage of the bill.

Senate Conferees: JOHN MARTY, ALLAN H. SPEAR AND FRITZ KNAAK.

House Conferees: DAVE BISHOP, KATHLEEN VELLENGA AND LOREN A. SOLBERG.

Bishop moved that the report of the Conference Committee on S. F. No. 1619 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1619, A bill for an act relating to crimes; expanding list of offenses that result in ineligibility for a pistol permit to include all felonies, domestic abuse, and malicious punishment of a child; amending Minnesota Statutes 1990, section 624.713, subdivision 1; and Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5.

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 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dauids

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1993:

Johnson, A.; Seaberg and Mariani.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2199:

Wagenius, Rukavina and Pauly.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2314:

Rice, Sarna and Kahn.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2800

A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; transferring authority for regulation of health maintenance organizations from the commissioner of health to the commissioner of commerce; giving the commissioner of health certain duties; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, by adding a subdivision; 43A.17, subdivision 9; 43A.316, by adding subdivisions; 60B.03, subdivision 2; 60B.15; 60B.20; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62D.01, subdivision 2; 62D.02, subdivision 3, and by adding a subdivision; 62D.03; 62D.04; 62D.05, subdivision 6; 62D.06, subdivision 2; 62D.07, subdivisions 2, 3, and 10; 62D.08; 62D.09, subdivisions 1 and 8; 62D.10, subdivision 4; 62D.11; 62D.12, subdivisions 1, 2, and 9; 62D.121, subdivisions 2, 3a, 4, 5, and 7; 62D.14; 62D.15; 62D.16; 62D.17; 62D.18; 62D.19; 62D.20, subdivision 1; 62D.21; 62D.211; 62D.22, subdivision 10; 62D.24; and 62D.30, subdivisions 1 and 3; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 9, and by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 144.581, subdivision 1; 144.699, subdivision 2; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; 256B.057, by adding a subdivision; 290.01, subdivision 19b; 290.06, by adding a subdivision; 290.62; and 447.31, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 62D.122; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 43A; 62A; 62E; 62J; 136A; 137; 144; 214; 256; 256B; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; 62A.02, subdivisions 4 and 5; 62D.041, subdivision 4; 62D.042, subdivision 3; 62E.51; 62E.52; 62E.53; 62E.54; and 62E.55; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2800, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2800 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
COST CONTAINMENT

Section 1. [62J.01] [PURPOSE.]

The legislature finds that the staggering growth in health care costs is having a devastating effect on the health and cost of living of Minnesota residents. The legislature further finds that the number of uninsured and underinsured residents is growing each year and that the cost of health care coverage for our insured residents is increasing annually at a rate that far exceeds the state's overall rate of inflation.

The legislature further finds that it must enact immediate and intensive cost containment measures to limit the growth of health care expenditures, reform insurance practices, and finance a plan that offers access to affordable health care for our permanent residents by capturing dollars now lost to inefficiencies in Minnesota's health care system.

The legislature further finds that controlling costs is essential to the maintenance of the many factors contributing to the quality of life in Minnesota: our environment, education system, safe communities, affordable housing, provision of food, economic vitality, purchasing power, and stable population.

It is, therefore, the intent of the legislature to lay a new foundation for the delivery and financing of health care in Minnesota and to call this new foundation The Minnesota Health Right Act.

Sec. 2. [62J.03] [DEFINITIONS.]

Subdivision 1. [SCOPE OF DEFINITIONS.] For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. [CLINICALLY EFFECTIVE.] “Clinically effective” means that the use of a particular medical technology improves patient clinical status, as measured by medical condition, survival rates, and other variables, and that the use of the particular technology demonstrates a clinical advantage over alternative technologies.

Subd. 3. [COMMISSION.] “Commission” or “state commission” means the Minnesota health care commission established in section 62J.05.

Subd. 4. [COMMISSIONER.] “Commissioner” means the commissioner of health.

Subd. 5. [COST EFFECTIVE.] “Cost effective” means that the economic costs of using a particular technology to achieve improvement in a patient’s health outcome are justified given a comparison to both the economic costs and the improvement in patient health outcome resulting from the use of alternative technologies.

Subd. 6. [GROUP PURCHASER.] “Group purchaser” means a person or organization that purchases health care services on behalf of an identified group of persons, regardless of whether the cost of coverage or services is paid for by the purchaser or by the persons receiving coverage or services, as further defined in rules adopted by the commissioner. “Group purchaser” includes, but is not limited to, health insurance companies, health maintenance organizations and other health plan companies; employee health plans offered by self-insured employers; group health coverage offered by fraternal organizations, professional associations, or other organizations; state and federal health care programs; state and local public employee health plans; workers’ compensation plans; and the medical component of automobile insurance coverage.

Subd. 7. [IMPROVEMENT IN HEALTH OUTCOME.] “Improvement in health outcome” means an improvement in patient clinical status, and an improvement in patient quality-of-life status, as measured by ability to function, ability to return to work, and other variables.

Subd. 8. [PROVIDER.] “Provider” or “health care provider” means a person or organization other than a nursing home that provides health care or medical care services within Minnesota for a fee, as further defined in rules adopted by the commissioner.

Sec. 3. [62J.04] [CONTROLLING THE RATE OF GROWTH OF HEALTH CARE SPENDING.]

Subdivision 1. [COMPREHENSIVE BUDGET.] The commissioner of health shall set an annual limit on the rate of growth of public and

private spending on health care services for Minnesota residents. The limit on growth must be set at a level that will slow the current rate of growth by at least ten percent per year using the spending growth rate for 1991 as a base year. This limit must be achievable through good faith, cooperative efforts of health care consumers, purchasers, and providers.

Subd. 2. [DATA COLLECTION.] For purposes of setting limits under this section, the commissioner shall collect from all Minnesota health care providers data on patient revenues received during a time period specified by the commissioner. The commissioner shall also collect data on health care spending from all group purchasers of health care. All health care providers and group purchasers doing business in the state shall provide the data requested by the commissioner at the times and in the form specified by the commissioner. Professional licensing boards and state agencies responsible for licensing, registering, or regulating providers shall cooperate fully with the commissioner in achieving compliance with the reporting requirements. Intentional failure to provide reports requested under this section is grounds for revocation of a license or other disciplinary or regulatory action against a regulated provider. The commissioner may assess a fine against a provider who refuses to provide information required by the commissioner under this section. If a provider refuses to provide a report or information required under this section, the commissioner may obtain a court order requiring the provider to produce documents and allowing the commissioner to inspect the records of the provider for purposes of obtaining the information required under this section. All data received is nonpublic, trade secret information under section 13.37. The commissioner shall establish procedures and safeguards to ensure that data provided to the Minnesota health care commission is in a form that does not identify individual patients, providers, employers, purchasers, or other individuals and organizations, except with the permission of the affected individual or organization.

Subd. 3. [COST CONTAINMENT DUTIES.] After obtaining the advice and recommendations of the Minnesota health care commission, the commissioner shall:

(1) establish statewide and regional limits on growth in total health care spending under this section, monitor regional and statewide compliance with the spending limits, and take action to achieve compliance to the extent authorized by the legislature;

(2) divide the state into no fewer than four regions, with one of those regions being the Minneapolis/St. Paul metropolitan statistical area, for purposes of fostering the development of regional health planning and coordination of health care delivery among regional health care systems and working to achieve spending limits;

(3) provide technical assistance to regional coordinating boards;

(4) monitor the quality of health care throughout the state, conduct consumer satisfaction surveys, and take action as necessary to ensure an appropriate level of quality;

(5) develop uniform billing forms, uniform electronic billing procedures, and other uniform claims procedures for health care providers by January 1, 1993;

(6) undertake health planning responsibilities as provided in section 62J.15;

(7) monitor and promote the development and implementation of practice parameters;

(8) authorize, fund, or promote research and experimentation on new technologies and health care procedures;

(9) designate centers of excellence for specialized and high-cost procedures and treatment and establish minimum standards and requirements for particular procedures or treatment;

(10) administer or contract for statewide consumer education and wellness programs that will improve the health of Minnesotans and increase individual responsibility relating to personal health and the delivery of health care services;

(11) administer the health care analysis unit under article 7; and

(12) undertake other activities to monitor and oversee the delivery of health care services in Minnesota with the goal of improving affordability, quality, and accessibility of health care for all Minnesotans.

Subd. 4. [CONSULTATION WITH THE COMMISSION.] Before undertaking any of the duties required under this chapter, the commissioner of health shall consult with the Minnesota health care commission and obtain the commission's advice and recommendations. If the commissioner intends to depart from the commission's recommendations, the commissioner shall inform the commission of the intended departure, provide a written explanation of the reasons for the departure, and give the commission an opportunity to comment on the intended departure. If, after receiving the commission's comment, the commissioner still intends to depart from the commission's recommendations, the commissioner shall notify each member of the legislative oversight commission of the commissioner's intent to depart from the recommendations of the Minnesota health care commission. The notice to the legislative oversight commission must be provided at least ten days before the commissioner takes final action. If emergency action is necessary that does not allow the commissioner to obtain the advice and recommenda-

tions of the Minnesota health care commission or to provide advance notice and an opportunity for comment as required in this subdivision, the commissioner shall provide a written notice and explanation to the Minnesota health care commission and the legislative oversight commission at the earliest possible time.

Subd. 5. [APPEALS.] A person or organization may appeal a decision of the commissioner through a contested case proceeding under chapter 14.

Subd. 6. [RULEMAKING.] The commissioner shall adopt rules under chapter 14 to implement this chapter, including appeals of decisions by the Minnesota health care commission and the regional coordinating boards.

Subd. 7. [PLAN FOR CONTROLLING GROWTH IN SPENDING.] (a) By January 15, 1993, the Minnesota health care commission shall submit to the legislature and the governor for approval a plan, with as much detail as possible, for slowing the growth in health care spending to the growth rate identified by the commission, beginning July 1, 1993. The goal of the plan shall be to reduce the growth rate of health care spending, adjusted for population changes, so that it declines by at least ten percent per year for each of the next five years. The commission shall use the rate of spending growth in 1991 as the base year for developing its plan. The plan may include tentative targets for reducing the growth in spending for consideration by the legislature.

(b) In developing the plan, the commission shall consider the advisability and feasibility of the following options, but is not obligated to incorporate them into the plan:

(1) data and methods that could be used to calculate regional and statewide spending limits and the various options for expressing spending limits, such as maximum percentage growth rates or actuarially adjusted average per capita rates that reflect the demographics of the state or a region of the state;

(2) methods of adjusting spending limits to account for patients who are not Minnesota residents, to reflect care provided to a person outside the person's region, and to adjust for demographic changes over time;

(3) methods that could be used to monitor compliance with the limits;

(4) criteria for exempting spending on research and experimentation on new technologies and medical practices when setting or enforcing spending limits;

(5) methods that could be used to help providers, purchasers, consumers, and communities control spending growth;

(6) methods of identifying activities of consumers, providers, or purchasers that contribute to excessive growth in spending;

(7) methods of encouraging voluntary activities that will help keep spending within the limits;

(8) methods of consulting providers and obtaining their assistance and cooperation and safeguards that are necessary to protect providers from abrupt changes in revenues or practice requirements;

(9) methods of avoiding, preventing, or recovering spending in excess of the rate of growth identified by the commission;

(10) methods of depriving those who benefit financially from overspending of the benefit of overspending, including the option of recovering the amount of the excess spending from the greater provider community or from individual providers or groups of providers through targeted assessments;

(11) methods of reallocating health care resources among provider groups to correct existing inequities, reward desirable provider activities, discourage undesirable activities, or improve the quality, affordability, and accessibility of health care services;

(12) methods of imposing mandatory requirements relating to the delivery of health care, such as practice parameters, hospital admission protocols, 24-hour emergency care screening systems, or designated specialty providers;

(13) methods of preventing unfair health care practices that give a provider or group purchaser an unfair advantage or financial benefit or that significantly circumvent, subvert, or obstruct the goals of this chapter;

(14) methods of providing incentives through special spending allowances or other means to encourage and reward special projects to improve outcomes or quality of care; and

(15) the advisability or feasibility of a system of permanent, regional coordinating boards to ensure community involvement in activities to improve affordability, accessibility, and quality of health care in each region.

Sec. 4. [62J.05] [MINNESOTA HEALTH CARE COMMISSION.]

Subdivision 1. [PURPOSE OF THE COMMISSION.] The Minnesota health care commission consists of health care providers,

purchasers, consumers, employers, and employees. The two major functions of the commission are:

(1) to make recommendations to the commissioner of health and the legislature regarding statewide and regional limits on the rate of growth of health care spending and activities to prevent or address spending in excess of the limits; and

(2) to help Minnesota communities, providers, group purchasers, employers, employees, and consumers improve the affordability, quality, and accessibility of health care.

Subd. 2. [MEMBERSHIP.] (a) [NUMBER.] The Minnesota health care commission consists of 25 members, as specified in this subdivision. A member may designate a representative to act as a member of the commission in the member's absence. The governor and legislature shall coordinate appointments under this subdivision to ensure gender balance and ensure that geographic areas of the state are represented in proportion to their population.

(b) [HEALTH PLAN COMPANIES.] The commission includes four members representing health plan companies, including one member appointed by the Minnesota Council of Health Maintenance Organizations, one member appointed by the Insurance Federation of Minnesota, one member appointed by Blue Cross and Blue Shield of Minnesota, and one member appointed by the governor.

(c) [HEALTH CARE PROVIDERS.] The commission includes six members representing health care providers, including one member appointed by the Minnesota Hospital Association, one member appointed by the Minnesota Medical Association, one member appointed by the Minnesota Nurses' Association, one rural physician appointed by the governor, and two members appointed by the governor to represent providers other than hospitals, physicians, and nurses.

(d) [EMPLOYERS.] The commission includes four members representing employers, including (1) two members appointed by the Minnesota Chamber of Commerce, including one self-insured employer and one small employer; and (2) two members appointed by the governor.

(e) [CONSUMERS.] The commission includes five consumer members, including three members appointed by the governor, one of whom must represent persons over age 65; one appointed under the rules of the senate; and one appointed under the rules of the house of representatives.

(f) [EMPLOYEE UNIONS.] The commission includes three representatives of labor unions, including two appointed by the AFL-CIO

Minnesota and one appointed by the governor to represent other unions.

(g) [STATE AGENCIES.] The commission includes the commissioners of commerce, employee relations, and human services.

(h) [CHAIR.] The governor shall designate the chair of the commission from among the governor's appointees.

Subd. 3. [FINANCIAL INTERESTS OF MEMBERS.] A member representing employers, consumers, or employee unions must not have any personal financial interest in the health care system except as an individual consumer of health care services. An employee who participates in the management of a health benefit plan may serve as a member representing employers or unions.

Subd. 4. [CONFLICTS OF INTEREST.] No member may participate or vote in commission proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the member has a direct financial interest in the outcome of the commission's proceedings other than as an individual consumer of health care services.

Subd. 5. [IMMUNITY FROM LIABILITY.] No member of the commission shall be held civilly or criminally liable for an act or omission by that person if the act or omission was in good faith and within the scope of the member's responsibilities under this chapter.

Subd. 6. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] The commission is governed by section 15.0575.

Subd. 7. [ADMINISTRATION.] The commissioner of health shall provide office space, equipment and supplies, and technical support to the commission.

Subd. 8. [STAFF.] The commission may hire an executive director who serves in the unclassified service. The executive director may hire employees and consultants as authorized by the commission and may prescribe their duties. The attorney general shall provide legal services to the commission.

Sec. 5. [62J.07] [LEGISLATIVE OVERSIGHT COMMISSION.]

Subdivision 1. [LEGISLATIVE OVERSIGHT.] The legislative commission on health care access reviews the activities of the commissioner of health, the state health care commission, and all other state agencies involved in the implementation and administration of this chapter, including efforts to obtain federal approval through waivers and other means.

Subd. 2. [MEMBERSHIP.] The legislative commission on health care access consists of five members of the senate appointed under the rules of the senate and five members of the house of representatives appointed under the rules of the house of representatives. The legislative commission on health care access must include three members of the majority party and two members of the minority party in each house.

Subd. 3. [REPORTS TO THE COMMISSION.] The commissioner of health and the Minnesota health care commission shall report on their activities and the activities of the regional boards annually and at other times at the request of the legislative commission on health care access. The commissioners of health, commerce, and human services shall provide periodic reports to the legislative commission on the progress of rulemaking that is authorized or required under this act and shall notify members of the commission when a draft of a proposed rule has been completed and scheduled for publication in the State Register. At the request of a member of the commission, a commissioner shall provide a description and a copy of a proposed rule.

Subd. 4. [REPORT ON REVENUE SOURCES.] The legislative commission on health care access shall study the long-term integrity and stability of the revenue sources created in this act as the funding mechanism for the health right program and related health care initiatives. The study must include:

(1) an analysis of the impact of the provider taxes on the health care system and the relationship between the taxes and other initiatives related to health care access, affordability, and quality;

(2) the adequacy of the revenues generated in relation to the costs of a fully implemented and appropriately designed health right program;

(3) the extent to which provider taxes are passed on to individual and group purchasers and the ability of individual providers and groups of provider to absorb all or part of the tax burden;

(4) alternative funding sources and financing methods; and

(5) other appropriate issues relating to the financing of the health right program and related initiatives.

The commission shall provide a preliminary report and recommendations to the legislature by January 15, 1993, and a final report and recommendations by January 15, 1994. The commissioners of revenue, human services, and health shall provide assistance to the commission.

Sec. 6. [62J.09] [REGIONAL COORDINATING BOARDS.]

Subdivision 1. [GENERAL DUTIES.] The regional coordinating boards are locally controlled boards consisting of providers, health plan companies, employers, consumers, and elected officials. Regional boards may:

(1) recommend that the commissioner sanction voluntary agreements between providers in the region that will improve quality, access, or affordability of health care but might constitute a violation of antitrust laws if undertaken without government direction;

(2) make recommendations to the commissioner regarding major capital expenditures or the introduction of expensive new technologies and medical practices that are being proposed or considered by providers;

(3) undertake voluntary activities to educate consumers, providers, and purchasers or to promote voluntary, cooperative community cost containment, access, or quality of care projects;

(4) make recommendations to the commissioner regarding ways of improving affordability, accessibility, and quality of health care in the region and throughout the state.

Subd. 2. [MEMBERSHIP.] (a) Each regional health care management board consists of 16 members as provided in this subdivision. A member may designate a representative to act as a member of the commission in the member's absence.

(b) [PROVIDER REPRESENTATIVES.] Each regional board must include four members representing health care providers who practice in the region. One member is appointed by the Minnesota Medical Association. One member is appointed by the Minnesota Hospital Association. One member is appointed by the Minnesota Nurses' Association. The remaining member is appointed by the governor to represent providers other than physicians, hospitals, and nurses.

(c) [HEALTH PLAN COMPANY REPRESENTATIVES.] Each regional board includes three members representing health plan companies who provide coverage for residents of the region, including one member representing health insurers who is elected by a vote of all health insurers providing coverage in the region, one member elected by a vote of all health maintenance organizations providing coverage in the region, and one member appointed by Blue Cross and Blue Shield of Minnesota. The fourth member is appointed by the governor.

(d) [EMPLOYER REPRESENTATIVES.] Regional boards include

three members representing employers in the region. Employer representatives are elected by a vote of the employers who are members of chambers of commerce in the region. At least one member must represent self-insured employers.

(e) [EMPLOYEE UNIONS.] Regional boards include one member appointed by the AFL-CIO Minnesota who is a union member residing or working in the region or who is a representative of a union that is active in the region.

(f) [PUBLIC MEMBERS.] Regional boards include three consumer members. One consumer member is elected by the community health boards in the region, with each community health board having one vote. One consumer member is elected by the state legislators with districts in the region. One consumer member is appointed by the governor.

(g) [COUNTY COMMISSIONER.] Regional boards include one member who is a county board member. The county board member is elected by a vote of all of the county board members in the region, with each county board having one vote.

(h) [STATE AGENCY.] Regional boards include one state agency commissioner appointed by the governor to represent state health coverage programs.

Subd. 3. [ESTABLISHMENT OF REGIONAL COORDINATING ORGANIZATIONS AND STRUCTURE.] The providers of health services in each region should begin formulating the appropriate structure for organizing the delivery networks or systems to accomplish the objectives in subdivision 1. Once a draft plan is outlined, or during the drafting process, other entities should be included as appropriate so as to ensure the comprehensiveness of the plan and the regional planning process. The ultimate structure of the regional coordinating organization may vary by region and in composition. Each region may consult with the commissioner of health and the Minnesota health care commission during the planning process.

Subd. 4. [FINANCIAL INTERESTS OF MEMBERS.] A member representing employers, consumers, or employee unions must not have any personal financial interest in the health care system except as an individual consumer of health care services. An employee who participates in the management of a health benefit plan may serve as a member representing employers or unions.

Subd. 5. [CONFLICTS OF INTEREST.] No member may participate or vote in commission proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the member has a direct financial interest in the outcome of the commission's proceedings other than as an individual consumer of health care services.

Subd. 6. [TECHNICAL ASSISTANCE.] The state health care commission shall provide technical assistance to regional boards.

Subd. 7. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] Regional coordinating boards are governed by section 15.0575, except that members do not receive per diem payments.

Subd. 8. [REPEALER.] This section is repealed effective July 1, 1993.

Sec. 7. [62J.15] [HEALTH PLANNING.]

Subdivision 1. [HEALTH PLANNING ADVISORY COMMITTEE.] The Minnesota health care commission shall convene an advisory committee to make recommendations regarding the use and distribution of new and existing health care technologies and procedures and major capital expenditures by providers. The advisory committee may include members of the state commission and other persons appointed by the commission. The advisory committee must include at least one person representing physicians, at least one person representing hospitals, and at least one person representing the health care technology industry. Health care technologies and procedures include high-cost pharmaceuticals, organ and other high-cost transplants, high-cost health care procedures and devices excluding United States Food and Drug Administration approved implantable or wearable medical devices, and expensive, large-scale technologies such as scanners and imagers.

Subd. 2. [HEALTH PLANNING.] In consultation with the health planning advisory committee, the Minnesota health care commission shall:

(1) make recommendations on the types of high-cost technologies, procedures, and capital expenditures for which a plan on statewide use and distribution should be made;

(2) develop criteria for evaluating new high-cost health care technology and procedures and major capital expenditures that take into consideration the clinical effectiveness, cost effectiveness, and health outcome;

(3) recommend to the commissioner of health and the regional coordinating organizations statewide and regional goals and targets for the distribution and use of new and existing high-cost health care technologies and procedures and major capital expenditures;

(4) make recommendations to the commissioner regarding the designation of centers of excellence for transplants and other specialized medical procedures; and

(5) make recommendations to the commissioner regarding minimum volume requirements for the performance of certain procedures by hospitals and other health care facilities or providers.

Sec. 8. [62J.17] [EXPENDITURE REPORTING.]

Subdivision 1. [PURPOSE.] To ensure access to affordable health care services for all Minnesotans it is necessary to restrain the rate of growth in health care costs. An important factor believed to contribute to escalating costs may be the purchase of costly new medical equipment, major capital expenditures, and the addition of new specialized services. After spending limits are established under section 62J.04, providers, patients, and communities will have the opportunity to decide for themselves whether they can afford capital expenditures or new equipment or specialized services within the constraints of a spending limit. In this environment, the state's role in reviewing these spending commitments can be more limited. However, during the interim period until spending targets are established, it is important to prevent unrestrained major spending commitments that will contribute further to the escalation of health care costs and make future cost containment efforts more difficult. In addition, it is essential to protect against the possibility that the legislature's expression of its attempt to control health care costs may lead a provider to make major spending commitments before targets or other cost containment constraints are fully implemented because the provider recognizes that the spending commitment may not be considered appropriate, needed, or affordable within the context of a fixed budget for health care spending. Therefore, the legislature finds that a requirement for reporting health care expenditures is necessary.

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

(a) [CAPITAL EXPENDITURE.] "Capital expenditure" means an expenditure which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance.

(b) [HEALTH CARE SERVICE.] "Health care service" means:

(1) a service or item that would be covered by the medical assistance program under chapter 256B if provided in accordance with medical assistance requirements to an eligible medical assistance recipient; and

(2) a service or item that would be covered by medical assistance except that it is characterized as experimental, cosmetic, or voluntary.

“Health care service” does not include retail, over-the-counter sales of nonprescription drugs and other retail sales of health-related products that are not generally paid for by medical assistance and other third-party coverage.

(c) [MAJOR SPENDING COMMITMENT.] “Major spending commitment” means:

(1) acquisition of a unit of medical equipment;

(2) a capital expenditure for a single project for the purposes of providing health care services, other than for the acquisition of medical equipment;

(3) offering a new specialized service not offered before;

(4) planning for an activity that would qualify as a major spending commitment under this paragraph; or

(5) a project involving a combination of two or more of the activities in clauses (1) to (4).

The cost of acquisition of medical equipment, and the amount of a capital expenditure, is the total cost to the provider regardless of whether the cost is distributed over time through a lease arrangement or other financing or payment mechanism.

(d) [MEDICAL EQUIPMENT.] “Medical equipment” means fixed and movable equipment that is used by a provider in the provision of a health care service. “Medical equipment” includes, but is not limited to, the following:

(1) an extracorporeal shock wave lithotripter;

(2) a computerized axial tomography (CAT) scanner;

(3) a magnetic resonance imaging (MRI) unit;

(4) a positron emission tomography (PET) scanner; and

(5) emergency and nonemergency medical transportation equipment and vehicles.

(e) [NEW SPECIALIZED SERVICE.] “New specialized service” means a specialized health care procedure or treatment regimen offered by a provider that was not previously offered by the provider, including, but not limited to:

(1) cardiac catheterization services involving high-risk patients as defined in the Guidelines for Coronary Angiography established by the American Heart Association and the American College of Cardiology;

(2) heart, heart-lung, liver, kidney, bowel, or pancreas transplantation service, or any other service for transplantation of any other organ;

(3) megavoltage radiation therapy;

(4) open heart surgery;

(5) neonatal intensive care services; and

(6) any new medical technology for which premarket approval has been granted by the United States Food and Drug Administration, excluding implantable and wearable devices.

(f) [PROVIDER.] "Provider" means an individual, corporation, association, firm, partnership, or other entity that is regularly engaged in providing health care services in Minnesota.

Subd. 3. [HOSPITAL AND NURSING HOME MORATORIA PRESERVED; NURSING HOMES EXEMPT.] Nothing in this section supersedes or limits the applicability of section 144.551 or 144A.071. This section does not apply to major spending commitments made by nursing homes or intermediate care facilities that are related to the provision of long-term care services to residents.

Subd. 4. [EXPENDITURE REPORTING.] Any provider making a capital expenditure establishing a health care service or new specialized service, or making a major spending commitment after April 1, 1992, that is in excess of \$500,000, shall submit notification of this expenditure to the commissioner and provide the commissioner with any relevant background or other information. The commissioner shall not have any approval or denial authority, but should use such information in the ongoing evaluation of statewide and regional progress toward cost containment and other objectives.

Subd. 5. [RETROSPECTIVE REVIEW.] The commissioner of health, in consultation with the Minnesota health care commission, shall retrospectively review capital expenditures and major spending commitments that are required to be reported by providers under subdivision 4. In the event that health care providers refuse to cooperate with attempts by the Minnesota health care commission and regional coordinating organizations to coordinate the use of health care technologies and procedures, and reduce the growth rate in health care expenditures; or in the event that health care providers use, purchase, or perform health care technologies and

procedures that are not clinically effective and cost effective and do not improve health outcomes based on the results of medical research; or in the event providers have failed to pursue collaborative arrangements; the commissioner shall require those health care providers to follow the procedures for prospective review and approval established in subdivision 6.

Subd. 6. [PROSPECTIVE REVIEW AND APPROVAL.] (a) [REQUIREMENT.] The commissioner shall prohibit those health care providers subject to retrospective review under subdivision 5 from making future major spending commitments or capital expenditures that are required to be reported under subdivision 4 for a period of up to five years, unless: (1) the provider has filed an application to proceed with the major spending commitment or capital expenditure with the commissioner and provided supporting documentation and evidence requested by the commissioner; and (2) the commissioner determines, based upon this documentation and evidence, that the spending commitment or capital expenditure is appropriate. The commissioner shall make a decision on a completed application within 60 days after an application is submitted. The Minnesota health care commission shall convene an expert review panel made up of persons with knowledge and expertise regarding medical equipment, specialized services, and health care expenditures to review applications and make recommendations to the commissioner and the commission.

(b) [EXCEPTIONS.] This subdivision does not apply to:

(1) a major spending commitment to replace existing equipment with comparable equipment, if the old equipment will no longer be used in the state;

(2) a major spending commitment made by a research and teaching institution for purposes of conducting medical education, medical research supported or sponsored by a medical school, or by a federal or foundation grant, or clinical trials;

(3) a major spending commitment to repair, remodel, or replace existing buildings or fixtures if, in the judgment of the commissioner, the project does not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided; and

(4) mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

(c) [APPEALS.] A provider may appeal a decision of the commissioner under this section through a contested case proceeding under chapter 14.

(d) [PENALTIES AND REMEDIES.] The commissioner of health shall have the authority to issue fines, seek injunctions, and pursue other remedies as provided by law.

Sec. 9. [62J.19] [SUBMISSION OF REGIONAL PLAN TO COMMISSIONER.]

Each regional coordinating organization shall submit its plan to the commissioner on or before June 30, 1993. In the event that any major provider, provider group or other entity within the region chooses to not participate in the regional planning process, the commissioner may require the participation of that entity in the planning process or adopt other rules or criteria for that entity. In the event that a region fails to submit a plan to the commissioner that satisfactorily promotes the objectives in section 62J.09, subdivisions 1 and 2, or where competing plans and regional coordination organizations exist, the commissioner has the authority to establish a public regional coordinating organization for purposes of establishing a regional plan which will achieve the objectives. The public regional coordinating organization shall be appointed by the commissioner and under the commissioner's direction.

Sec. 10. [62J.21] [REPORTING TO THE LEGISLATURE.]

The commissioner shall report to the legislature by January 1, 1993 regarding the process being made within each region with respect to the establishment of a regional coordinating organization and the development of a regional plan. In the event that the commissioner determines that any region is not making reasonable progress or a good-faith commitment towards establishing a regional coordinating organization and regional plan, the commissioner may establish a public regional board for this purpose. The commissioner's report should also include the issues, if any, raised during the planning process to date and request any appropriate legislative action that would facilitate the planning process.

Sec. 11. [62J.22] [PARTICIPATION OF FEDERAL PROGRAMS.]

The commissioner of health shall seek the full participation of federal health care programs under this chapter, including Medicare, medical assistance, veterans administration programs, and other federal programs. The commissioner of human services shall under the direction of the health care commission submit waiver requests and take other action necessary to obtain federal approval to allow participation of the medical assistance program. Other state agencies shall provide assistance at the request of the commission. If federal approval is not given for one or more federal programs, data on the amount of health care spending that is collected under section 62J.04 shall be adjusted so that state and regional spending limits take into account the failure of the federal program to participate.

Sec. 12. [62J.23] [PROVIDER CONFLICTS OF INTEREST.]

Subdivision 1. [RULES PROHIBITING CONFLICTS OF INTEREST.] The commissioner of health shall adopt rules restricting financial relationships or payment arrangements involving health care providers under which a provider benefits financially by referring a patient to another provider, recommending another provider, or furnishing or recommending an item or service. The rules must be compatible with, and no less restrictive than, the federal Medicare antikickback statute, in section 1128B(b) of the Social Security Act, United States Code, title 42, section 1320a-7b(b), and regulations adopted under it. However, the commissioner's rules may be more restrictive than the federal law and regulations and may apply to additional provider groups and business and professional arrangements. When the state rules restrict an arrangement or relationship that is permissible under federal laws and regulations, including an arrangement or relationship expressly permitted under the federal safe harbor regulations, the fact that the state requirement is more restrictive than federal requirements must be clearly stated in the rule.

Subd. 2. [INTERIM RESTRICTIONS.] From July 1, 1992, until rules are adopted by the commissioner under this section, the restrictions in the federal Medicare antikickback statutes in section 1128B(b) of the Social Security Act, United States Code, title 42, section 1320a-7b(b), and rules adopted under the federal statutes, apply to all health care providers in the state, regardless of whether the provider participates in any state health care program. The commissioner shall approve a transition plan submitted to the commissioner by January 1, 1993, by a provider who is in violation of this section that provides a reasonable time for the provider to modify prohibited practices or divest financial interests in other providers in order to come into compliance with this section.

Subd. 3. [PENALTY.] The commissioner may assess a fine against a provider who violates this section. The amount of the fine is \$1,000 or 110 percent of the estimated financial benefit that the provider realized as a result of the prohibited financial arrangement or payment relationship, whichever is greater. A provider who is in compliance with a transition plan approved by the commissioner under subdivision 2, or who is making a good faith effort to obtain the commissioner's approval of a transition plan, is not in violation of this section.

Sec. 13. [62J.25] [MANDATORY MEDICARE ASSIGNMENT.]

(a) Effective January 1, 1993, a health care provider authorized to participate in the Medicare program shall not charge to or collect from a Medicare beneficiary who is a Minnesota resident any amount in excess of 115 percent of the Medicare-approved amount for any Medicare-covered service provided.

(b) Effective January 1, 1994, a health care provider authorized to participate in the Medicare program shall not charge to or collect from a Medicare beneficiary who is a Minnesota resident any amount in excess of 110 percent of the Medicare-approved amount for any Medicare-covered service provided.

(c) Effective January 1, 1995, a health care provider authorized to participate in the Medicare program shall not charge to or collect from a Medicare beneficiary who is a Minnesota resident any amount in excess of 105 percent of the Medicare-approved amount for any Medicare-covered service provided.

(d) Effective January 1, 1996, a health care provider authorized to participate in the Medicare program shall not charge to or collect from a Medicare beneficiary who is a Minnesota resident any amount in excess of the Medicare-approved amount for any Medicare-covered service provided.

(e) This section does not apply to ambulance services as defined in section 144.801, subdivision 4.

Sec. 14. [62J.29] [ANTITRUST EXCEPTIONS.]

Subdivision 1. [PURPOSE.] The legislature finds that the goals of controlling health care costs and improving the quality of and access to health care services will be significantly enhanced by some cooperative arrangements involving providers or purchasers that would be prohibited by state and federal antitrust laws if undertaken without governmental involvement. The purpose of this section is to create an opportunity for the state to review proposed arrangements and to substitute regulation for competition when an arrangement is likely to result in lower costs, or greater access or quality, than would otherwise occur in the competitive marketplace. The legislature intends that approval of relationships be accompanied by appropriate conditions, supervision, and regulation to protect against private abuses of economic power.

Subd. 2. [REVIEW AND APPROVAL.] The commissioner shall establish criteria and procedures to review and authorize contracts, business or financial arrangements, or other activities, practices, or arrangements involving providers or purchasers that might be construed to be violations of state or federal antitrust laws but which are in the best interests of the state and further the policies and goals of this chapter. The commissioner shall not approve any application unless the commissioner finds that the proposed arrangement is likely to result in lower health care costs, or greater access to or quality of health care, than would occur in the competitive marketplace. The commissioner may condition approval of a proposed arrangement on a modification of all or part of the arrangement to eliminate any restriction on competition that is not reasonably related to the goals of controlling costs or improving

access or quality. The commissioner may also establish conditions for approval that are reasonably necessary to protect against any abuses of private economic power and to ensure that the arrangement is appropriately supervised and regulated by the state. The commissioner shall actively monitor and regulate arrangements approved under this section to ensure that the arrangements remain in compliance with the conditions of approval. The commissioner may revoke an approval upon a finding that the arrangement is not in substantial compliance with the terms of the application or the conditions of approval.

Subd. 3. [APPLICATIONS.] Applications for approval under this section must be filed with the commissioner. An application for approval must describe the proposed arrangement in detail. The application must include at least: the identities of all parties, the intent of the arrangement, the expected effects of the arrangement, an explanation of how the arrangement will control costs or improve access or quality, and financial statements showing how the efficiencies of operation will be passed along to patients and purchasers of health care. The commissioner may ask the attorney general to comment on an application, but the application and any information obtained by the commissioner under this section is not admissible in any proceeding brought by the attorney general based on antitrust.

Subd. 4. [STATE ANTITRUST LAW.] Notwithstanding the Minnesota antitrust law of 1971, as amended, in Minnesota Statutes, sections 325D.49 to 325D.66, contracts, business or financial arrangements, or other activities, practices, or arrangements involving providers or purchasers that are approved by the commissioner under this section do not constitute an unlawful contract, combination, or conspiracy in unreasonable restraint of trade or commerce under Minnesota Statutes, sections 325D.49 to 325D.66. Approval by the state commission is an absolute defense against any action under state antitrust laws.

Subd. 5. [RULEMAKING.] The commissioner shall by January 1, 1994, adopt permanent rules to implement this section. The commissioner is exempt from rulemaking until January 1, 1994.

Sec. 15. [HOSPITAL PLANNING TASK FORCE.]

The legislative commission on health care access shall convene a hospital health planning task force to undertake preliminary planning relating to cost containment, accessibility of health care services, and quality of care, and to develop options and recommendations to be presented to the legislative commission and to the Minnesota health care commission. The task force consists of interested representatives of Minnesota hospitals, the commissioner of health or the commissioner's representatives, and the members of the legislative commission or their representatives. The task force shall submit reports to the Minnesota health care commission by

August 1, 1992, and July 1, 1993. The task force expires on August 1, 1993. The expenses and compensation of members is the responsibility of the institutions, organizations, or agencies they represent.

Sec. 16. [STUDY ON RECOVERY OF UNCOMPENSATED CARE COSTS.]

The commissioner of health shall study cost-shifting and uncompensated care costs in the health care industry. The commissioner shall recommend to the legislature by January 15, 1993, methods to recover from health care providers an amount equal to the share of uncompensated care costs shifted to other payers that are no longer incurred by the provider as uncompensated care costs, due to the availability of the health right plan.

Sec. 17. [STUDY OF HEALTH CARE MANAGEMENT COMPANIES.]

The commissioner of commerce and the commissioner of health shall study and make recommendations to the legislature regarding the regulation of health care management companies. The recommendations shall include, but are not limited to:

(1) the definition of a for-profit, and nonprofit health care management company;

(2) the scope and appropriateness of regulation of for-profit health care management companies, and of nonprofit health care management companies;

(3) the extent to which cost containment and expenditure targets can be attained or realized through regulation of health care management companies; and

(4) the relationship between health care management companies and health care providers, health care plans, health care technology entities, and other components of the health care system.

The commissioners of commerce and health shall present a joint report to the legislature on or before January 15, 1993.

Sec. 18. [STUDY OF HEALTH MAINTENANCE ORGANIZATION REGULATION.]

The commissioners of health and commerce shall jointly study the regulation of health maintenance organizations. The commissioners shall examine the level and type of regulation that is appropriate for the department of health and for the department of commerce and shall report to the legislature by January 15, 1993. The report must contain a consensus plan to transfer authority over the financial

aspects of health maintenance organizations to the commissioner of commerce, while allowing the commissioner of health to retain authority over the health care quality aspects of health maintenance organizations.

Sec. 19. [STUDY OF MEDICARE ASSIGNMENT FOR HOME MEDICAL EQUIPMENT.]

The commissioner of health, in consultation with representatives of the home medical equipment industry, shall study the financial impact of the phase-in of mandatory Medicare assignment on the home medical equipment suppliers. The study must include an examination of charges for medical equipment, physician documentation of medical need for medical equipment, the appropriateness of federal guidelines regarding the treatment of assignment, and other factors related to Medicare assignment that may be unique to the home medical equipment industry. The commissioner shall present recommendations to the legislature by January 15, 1993.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 11; 12, subdivisions 1 and 2; and 13 to 19 are effective the day following final enactment. Section 12, subdivision 3, is effective July 1, 1993.

ARTICLE 2

SMALL EMPLOYER INSURANCE REFORM

Section 1. [62L.01] [CITATION.]

Subdivision 1. [POPULAR NAME.] Sections 62L.01 to 62L.23 may be cited as the Minnesota small employer health benefit act.

Subd. 2. [JURISDICTION.] Sections 62L.01 to 62L.23 apply to any health carrier that offers, issues, delivers, or renews a health benefit plan to a small employer.

Subd. 3. [LEGISLATIVE FINDINGS AND PURPOSE.] The legislature finds that underwriting and rating practices in the individual and small employer markets for health coverage create substantial hardship and unfairness, create unnecessary administrative costs, and adversely affect the health of residents of this state. The legislature finds that the premium restrictions provided by this chapter reduce but do not eliminate these harmful effects. Accordingly, the legislature declares its desire to phase out the remaining rating bands as quickly as possible, with the end result of eliminating all rating practices based on risk by July 1, 1997.

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

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 62L.01 to 62L.23.

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

Subd. 3. [ASSOCIATION.] "Association" means the health coverage reinsurance association.

Subd. 4. [BASE PREMIUM RATE.] "Base premium rate" means as to a rating period, the lowest premium rate charged or which could have been charged under the rating system by the health carrier to small employers for health benefit plans with the same or similar coverage.

Subd. 5. [BOARD OF DIRECTORS.] "Board of directors" means the board of directors of the health coverage reinsurance association.

Subd. 6. [CASE CHARACTERISTICS.] "Case characteristics" means the relevant characteristics of a small employer, as determined by a health carrier in accordance with this chapter, which are considered by the carrier in the determination of premium rates for the small employer.

Subd. 7. [COINSURANCE.] "Coinsurance" means an established dollar amount or percentage of health care expenses that an eligible employee or dependent is required to pay directly to a provider of medical services or supplies under the terms of a health benefit plan.

Subd. 8. [COMMISSIONER.] "Commissioner" means the commissioner of commerce for health carriers subject to the jurisdiction of the department of commerce or the commissioner of health for health carriers subject to the jurisdiction of the department of health, or the relevant commissioner's designated representative.

Subd. 9. [CONTINUOUS COVERAGE.] "Continuous coverage" means the maintenance of continuous and uninterrupted qualifying prior coverage by an eligible employee or dependent. An eligible employee or dependent is considered to have maintained continuous coverage if the individual requests enrollment in a health benefit plan within 30 days of termination of the qualifying prior coverage.

Subd. 10. [DEDUCTIBLE.] "Deductible" means the amount of

health care expenses an eligible employee or dependent is required to incur before benefits are payable under a health benefit plan.

Subd. 11. [DEPENDENT.] “Dependent” means an eligible employee’s spouse, unmarried child who is under the age of 19 years, unmarried child who is a full-time student under the age of 25 years as defined in section 62A.301 and financially dependent upon the eligible employee, or dependent child of any age who is handicapped and who meets the eligibility criteria in section 62A.14, subdivision 2. For the purpose of this definition, a child may include a child for whom the employee or the employee’s spouse has been appointed legal guardian.

Subd. 12. [ELIGIBLE CHARGES.] “Eligible charges” means the actual charges submitted to a health carrier by or on behalf of a provider, eligible employee, or dependent for health services covered by the health carrier’s health benefit plan. Eligible charges do not include charges for health services excluded by the health benefit plan or charges for which an alternate health carrier is liable under the coordination of benefit provisions of the health benefit plan.

Subd. 13. [ELIGIBLE EMPLOYEE.] “Eligible employee” means an individual employed by a small employer for at least 20 hours per week and who has satisfied all employer participation and eligibility requirements, including, but not limited to, the satisfactory completion of a probationary period of not less than 30 days but no more than 90 days. The term includes a sole proprietor, a partner of a partnership, or an independent contractor, if the sole proprietor, partner, or independent contractor is included as an employee under a health benefit plan of a small employer, but does not include employees who work on a temporary, seasonal, or substitute basis.

Subd. 14. [FINANCIALLY IMPAIRED CONDITION.] “Financially impaired condition” means a situation in which a health carrier is not insolvent, but (1) is considered by the commissioner to be potentially unable to fulfill its contractual obligations, or (2) is placed under an order of rehabilitation or conservation by a court of competent jurisdiction.

Subd. 15. [HEALTH BENEFIT PLAN.] “Health benefit plan” means a policy, contract, or certificate issued by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan. Health benefit plan does not include coverage that is:

- (1) limited to disability or income protection coverage;
- (2) automobile medical payment coverage;
- (3) supplemental to liability insurance;

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

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

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

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

(8) accident-only coverage;

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

(10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44, or policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the Federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended through December 31, 1991; or

(11) workers' compensation insurance.

For the purpose of this chapter, a health benefit plan issued to employees of a small employer who meets the participation requirements of section 62L.03, subdivision 3, is considered to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier is considered to be issued by the health carrier.

Subd. 16. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in United States Code, title 29, section 1002(40), as amended through December 31, 1991. For the purpose of this chapter, companies that are affiliated companies or that are eligible to file a consolidated tax return must be treated as one carrier, except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota, or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation, or any health maintenance organization that is an affiliate of another health maintenance organization in Minnesota, may treat the health maintenance organization as a separate carrier.

Subd. 17. [HEALTH PLAN.] "Health plan" means a health benefit plan issued by a health carrier, except that it may be issued:

- (1) to a small employer;
- (2) to an employer who does not satisfy the definition of a small employer as defined under subdivision 26; or
- (3) to an individual purchasing an individual or conversion policy of health care coverage issued by a health carrier.

Subd. 18. [INDEX RATE.] "Index rate" means as to a rating period for small employers the arithmetic average of the applicable base premium rate and the corresponding highest premium rate.

Subd. 19. [LATE ENTRANT.] "Late entrant" means an eligible employee or dependent who requests enrollment in a health benefit plan of a small employer following the initial enrollment period applicable to the employee or dependent under the terms of the health benefit plan, provided that the initial enrollment period must be a period of at least 30 days. However, an eligible employee or dependent must not be considered a late entrant if:

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

(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law Number 99-272, as amended, and any state continuation laws applicable to the employer or carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of becoming legally married;

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of becoming a dependent;

(5) the individual is employed by an employer that offers multiple health benefit plans and the individual elects a different plan during an open enrollment period; or

(6) a court has ordered that coverage be provided for a dependent

child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order.

Subd. 20. [MCHA.] "MCHA" means the Minnesota comprehensive health association established under section 62E.10.

Subd. 21. [MEDICAL NECESSITY.] "Medical necessity" means the appropriate and necessary medical and hospital services eligible for payment under a health benefit plan as determined by a health carrier.

Subd. 22. [MEMBERS.] "Members" means the health carriers operating in the small employer market who may participate in the association.

Subd. 23. [PREEXISTING CONDITION.] "Preexisting condition" means a condition manifesting in a manner that causes an ordinarily prudent person to seek medical advice, diagnosis, care, or treatment or for which medical advice, diagnosis, care, or treatment was recommended or received during the six months immediately preceding the effective date of coverage, or a pregnancy existing as of the effective date of coverage of a health benefit plan.

Subd. 24. [QUALIFYING PRIOR COVERAGE OR QUALIFYING EXISTING COVERAGE.] "Qualifying prior coverage" or "qualifying existing coverage" means health benefits or health coverage provided under:

- (1) a health plan, as defined in this section;
- (2) Medicare;
- (3) medical assistance under chapter 256B;
- (4) general assistance medical care under chapter 256D;
- (5) MCHA;
- (6) a self-insured health plan;
- (7) the health right plan established under section 256.936, subdivision 2, when the plan includes inpatient hospital services as provided in section 256.936, subdivision 2a, paragraph (c);
- (8) a plan provided under section 43A.316; or
- (9) a plan similar to any of the above plans provided in this state or in another state as determined by the commissioner.

Subd. 25. [RATING PERIOD.] "Rating period" means the 12-month period for which premium rates established by a health carrier are assumed to be in effect, as determined by the health carrier. During the rating period, a health carrier may adjust the rate based on the prorated change in the index rate.

Subd. 26. [SMALL EMPLOYER.] "Small employer" means a person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the preceding calendar year, employed no fewer than two nor more than 29 eligible employees, the majority of whom were employed in this state. If a small employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other, except that a small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two employees or the employees are family members. Entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer for purposes of determining the number of eligible employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan. Where an association, described in section 62A.10, subdivision 1, comprised of employers contracts with a health carrier to provide coverage to its members who are small employers, the association may elect to be considered to be a small employer, even though the association provides coverage to more than 29 employees of its members, so long as each employer that is provided coverage through the association qualifies as a small employer. An association's election to be considered a small employer under this section is not effective unless filed with the commissioner of commerce. The association may revoke its election at any time by filing notice of revocation with the commissioner.

Subd. 27. [SMALL EMPLOYER MARKET.] (a) "Small employer market" means the market for health benefit plans for small employers.

(b) A health carrier is considered to be participating in the small employer market if the carrier offers, sells, issues, or renews a health benefit plan to: (1) any small employer; or (2) the eligible employees of a small employer offering a health benefit plan if, with the knowledge of the health carrier, both of the following conditions are met:

(i) any portion of the premium or benefits is paid for or reimbursed by a small employer; and

(ii) the health benefit plan is treated by the employer or any of the eligible employees or dependents as part of a plan or program for the purposes of the Internal Revenue Code, section 106, 125, or 162.

Subd. 28. [SMALL EMPLOYER PLAN.] "Small employer plan" means a health benefit plan issued by a health carrier to a small employer for coverage of the medical and hospital benefits described in section 62L.05.

Sec. 3. [62L.03] [AVAILABILITY OF COVERAGE.]

Subdivision 1. [GUARANTEED ISSUE AND REISSUE.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, affirmatively market, offer, sell, issue, and renew any of its health benefit plans to any small employer as provided in this chapter. Every health carrier participating in the small employer market shall make available both of the plans described in section 62L.05 to small employers and shall fully comply with the underwriting and the rate restrictions specified in this chapter for all health benefit plans issued to small employers. A health carrier may cease to transact business in the small employer market as provided under section 62L.09.

Subd. 2. [EXCEPTIONS.] (a) No health maintenance organization is required to offer coverage or accept applications under subdivision 1 in the case of the following:

(1) with respect to a small employer, where the worksite of the employees of the small employer is not physically located in the health maintenance organization's approved service areas; or

(2) with respect to an employee, when the employee does not work or reside within the health maintenance organization's approved service areas.

(b) A small employer carrier shall not be required to offer coverage or accept applications pursuant to subdivision 1 where the commissioner finds that the acceptance of an application or applications would place the small employer carrier in a financially impaired condition, provided, however, that a small employer carrier that has not offered coverage or accepted applications pursuant to this paragraph shall not offer coverage or accept applications for any health benefit plan until 180 days following a determination by the commissioner that the small employer carrier has ceased to be financially impaired.

Subd. 3. [MINIMUM PARTICIPATION.] (a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan must be guaranteed coverage from any health carrier participating in the small employer

market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier may not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to coverage under another group health plan.

(b) A health carrier may require that small employers contribute a specified minimum percentage toward the cost of the coverage of eligible employees, so long as the requirement is uniformly applied for all small employers. For the small employer plans, a health carrier must require that small employers contribute at least 50 percent of the cost of the coverage of eligible employees. The health carrier must impose this requirement on a uniform basis for both small employer plans and for all small employers.

(c) Nothing in this section obligates a health carrier to issue coverage to a small employer that currently offers coverage through a health benefit plan from another health carrier, unless the new coverage will replace the existing coverage and not serve as one of two or more health benefit plans offered by the employer.

Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted under this chapter. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees of small employers. Except as otherwise authorized for late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee or dependent. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by qualifying prior coverage, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the effective date of coverage of the late entrant. Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation must not exceed 18 months.

Subd. 5. [CANCELLATIONS AND FAILURES TO RENEW.] No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the small employer group. A health carrier may cancel or fail to renew a health benefit plan:

- (1) for nonpayment of the required premium;
- (2) for fraud or misrepresentation by the small employer, or, with respect to coverage of an individual eligible employee or dependent, fraud or misrepresentation by the eligible employee or dependent, with respect to eligibility for coverage or any other material fact;
- (3) if eligible employee participation during the preceding calendar year declines to less than 75 percent, subject to the waiver of coverage provision in subdivision 3;
- (4) if the employer fails to comply with the minimum contribution percentage legally required by the health carrier;
- (5) if the health carrier ceases to do business in the small employer market; or
- (6) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including, but not limited to, service area restrictions imposed on health maintenance organizations under section 62D.03, subdivision 4, paragraph (m), to the extent that these grounds are not expressly inconsistent with this chapter.

Subd. 6. [MCHA ENROLLEES.] Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance or renewal of a health benefit plan to a small employer. The health benefit plan must require that the employer permit MCHA enrollees to enroll in the small employer's health benefit plan as of the first date of renewal of a health benefit plan occurring on or after July 1, 1993, or, in the case of a new group, as of the initial effective date of the health benefit plan. Unless otherwise permitted by this chapter, health carriers must not impose any underwriting restrictions, including any preexisting condition limitations or exclusions, on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan so long as continuous coverage is maintained, provided that the health carrier may impose any unexpired portion of a preexisting condition limitation under the person's MCHA coverage. An MCHA enrollee is not a late entrant, so long as the enrollee has maintained continuous coverage.

Sec. 4. [62L.04] [COMPLIANCE REQUIREMENTS.]

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] Beginning July 1, 1993, health carriers participating in the small employer market must offer and make available any health benefit plan that they offer, including both of the small employer plans provided in section 62L.05, to all small employers who satisfy the small employer participation requirements specified

in this chapter. Compliance with these requirements is required as of the first renewal date of any small employer group occurring after July 1, 1993. For new small employer business, compliance is required as of the first date of offering occurring after July 1, 1993.

Compliance with these requirements is required as of the first renewal date occurring after July 1, 1994, with respect to employees of a small employer who had been issued individual coverage prior to July 1, 1993, administered by the health carrier on a group basis. Notwithstanding any other law to the contrary, the health carrier shall terminate any individual coverage for employees of small employers who satisfy the small employer participation requirements specified in section 62L.03 and offer to replace it with a health benefit plan. If the employer elects not to purchase a health benefit plan, the health carrier must offer all covered employees and dependents the option of maintaining their current coverage, administered on an individual basis, or replacement individual coverage. Small employer and replacement individual coverage provided under this subdivision must be without application of underwriting restrictions, provided continuous coverage is maintained.

Subd. 2. [NEW CARRIERS.] A health carrier entering the small employer market after July 1, 1993, shall begin complying with the requirements of this chapter as of the first date of offering of a health benefit plan to a small employer. A health carrier entering the small employer market after July 1, 1993, is considered to be a member of the health coverage reinsurance association as of the date of the health carrier's initial offer of a health benefit plan to a small employer.

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

Subdivision 1. [TWO SMALL EMPLOYER PLANS.] Each health carrier in the small employer market must make available to any small employer both of the small employer plans described in subdivisions 2 and 3. Under subdivisions 2 and 3, coinsurance and deductibles do not apply to child health supervision services and prenatal services, as defined by section 62A.047. The maximum out-of-pocket costs for covered services must be \$3,000 per individual and \$6,000 per family per year. The maximum lifetime benefit must be \$500,000. The out-of-pocket cost limits and the deductible amounts provided in subdivision 2 must be adjusted on July 1 every two years, based upon changes in the consumer price index, as of the end of the previous calendar year, as determined by the commissioner of commerce. Adjustments must be in increments of \$50 and must not be made unless at least that amount of adjustment is required.

Subd. 2. [DEDUCTIBLE-TYPE SMALL EMPLOYER PLAN.] The benefits of the deductible-type small employer plan offered by a health carrier must be equal to 80 percent of the eligible charges for

health care services, supplies, or other articles covered under the small employer plan, in excess of an annual deductible which must be \$500 per individual and \$1,000 per family.

Subd. 3. [COPAYMENT-TYPE SMALL EMPLOYER PLAN.] The benefits of the copayment-type small employer plan offered by a health carrier must be equal to 80 percent of the eligible charges for health care services, supplies, or other articles covered under the small employer plan, in excess of the following copayments:

(1) \$15 per outpatient visit, other than to a hospital outpatient department or emergency room, urgent care center, or similar facility;

(2) \$15 per day for the services of a home health agency or private duty registered nurse;

(3) \$50 per outpatient visit to a hospital outpatient department or emergency room, urgent care center, or similar facility; and

(4) \$300 per inpatient admission to a hospital.

Subd. 4. [BENEFITS.] The medical services and supplies listed in this subdivision are the benefits that must be covered by the small employer plans described in subdivisions 2 and 3:

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

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

(3) diagnostic X-rays and laboratory tests;

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

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

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

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

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

(9) maternity and prenatal care services, as defined in sections 62A.041 and 62A.047;

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

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

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

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

Subd. 5. [PLAN VARIATIONS.] (a) No health carrier shall offer to a small employer a health benefit plan that differs from the two small employer plans described in subdivisions 1 to 4, unless the health benefit plan complies with all provisions of chapters 62A, 62C, 62D, 62E, 62H, and 64B that otherwise apply to the health carrier, except as expressly permitted by paragraph (b).

(b) As an exception to paragraph (a), a health benefit plan is deemed to be a small employer plan and to be in compliance with paragraph (a) if it differs from one of the two small employer plans described in subdivisions 1 to 4 only by providing benefits in addition to those described in subdivision 4, provided that the health care benefit plan has an actuarial value that exceeds the actuarial value of the benefits described in subdivision 4 by no more than two percent. "Benefits in addition" means additional units of a benefit listed in subdivision 4 or one or more benefits not listed in subdivision 4.

Subd. 6. [CHOICE PRODUCTS EXCEPTION.] Nothing in subdivision 1 prohibits a health carrier from offering a small employer plan which provides for different benefit coverages based on whether the benefit is provided through a primary network of providers or through a secondary network of providers so long as the benefits provided in the primary network equal the benefit requirements of the small employer plan as described in this section. For purposes of products issued under this subdivision, out-of-pocket costs in the

secondary network may exceed the out-of-pocket limits described in subdivision 1.

Subd. 7. [BENEFIT EXCLUSIONS.] No medical, hospital, or other health care benefits, services, supplies, or articles not expressly specified in subdivision 4 are required to be included in a small employer plan. Nothing in subdivision 4 restricts the right of a health carrier to restrict coverage to those services, supplies, or articles which are medically necessary. Health carriers may exclude a benefit, service, supply, or article not expressly specified in subdivision 4 from a small employer plan.

Subd. 8. [CONTINUATION COVERAGE.] Small employer plans must include the continuation of coverage provisions required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Public Law Number 99-272, as amended through December 31, 1991, and by state law.

Subd. 9. [DEPENDENT COVERAGE.] Other state law and rules applicable to health plan coverage of newborn infants, dependent children who do not reside with the eligible employee, handicapped children and dependents, and adopted children apply to a small employer plan. Health benefit plans that provide dependent coverage must define "dependent" no more restrictively than the definition provided in section 62L.02.

Subd. 10. [MEDICAL EXPENSE REIMBURSEMENT.] Health carriers may reimburse or pay for medical services, supplies, or articles provided under a small employer plan in accordance with the health carrier's provider contract requirements including, but not limited to, salaried arrangements, capitation, the payment of usual and customary charges, fee schedules, discounts from fee-for-service, per diems, diagnostic-related groups (DRGs), and other payment arrangements. Nothing in this chapter requires a health carrier to develop, implement, or change its provider contract requirements for a small employer plan. Coinsurance, deductibles, out-of-pocket maximums, and maximum lifetime benefits must be calculated and determined in accordance with each health carrier's standard business practices.

Subd. 11. [PLAN DESIGN.] Notwithstanding any other law, regulation, or administrative interpretation to the contrary, health carriers may offer small employer plans through any provider arrangement, including, but not limited to, the use of open, closed, or limited provider networks. A health carrier may only use product and network designs currently allowed under existing statutory requirements. The provider networks offered by any health carrier may be specifically designed for the small employer market and may be modified at the carrier's election so long as all otherwise applicable regulatory requirements are met. Health carriers may use professionally recognized provider standards of practice when

they are available, and may use utilization management practices otherwise permitted by law, including, but not limited to, second surgical opinions, prior authorization, concurrent and retrospective review, referral authorizations, case management, and discharge planning. A health carrier may contract with groups of providers with respect to health care services or benefits, and may negotiate with providers regarding the level or method of reimbursement provided for services rendered under a small employer plan.

Subd. 12. [DEMONSTRATION PROJECTS.] Nothing in this chapter prohibits a health maintenance organization from offering a demonstration project authorized under section 62D.30. The commissioner of health may approve a demonstration project which offers benefits that do not meet the requirements of a small employer plan if the commissioner finds that the requirements of section 62D.30 are otherwise met.

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

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

(1) the case characteristics and other rating factors used to determine initial and renewal rates;

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

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

(4) provisions relating to renewability of coverage;

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

(6) the application of any provider network limitations and their effect on eligibility for benefits.

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

Subdivision 1. [VERIFICATION OF ELIGIBILITY.] Health benefit plans must require that small employers offering a health benefit plan maintain information verifying the continuing eligibility of the employer, its employees, and their dependents, and provide the information to health carriers on a quarterly basis or as reasonably requested by the health carrier.

Subd. 2. [WAIVERS.] Health benefit plans must require that small employers offering a health benefit plan maintain written documentation of a waiver of coverage by an eligible employee or dependent and provide the documentation to the health carrier upon reasonable request.

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

Subdivision 1. [RATE RESTRICTIONS.] Premium rates for all health benefit plans sold or issued to small employers are subject to the restrictions specified in this section.

Subd. 2. [GENERAL PREMIUM VARIATIONS.] Beginning July 1, 1993, each health carrier must offer premium rates to small employers that are no more than 25 percent above and no more than 25 percent below the index rate charged to small employers for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this subdivision must be based only on health status, claims experience, industry of the employer, and duration of coverage from the date of issue. For purposes of this subdivision, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined to be actuarially valid and approved by the commissioner.

Subd. 3. [AGE-BASED PREMIUM VARIATIONS.] Beginning July 1, 1993, each health carrier may offer premium rates to small employers that vary based upon the ages of the eligible employees and dependents of the small employer only as provided in this subdivision. In addition to the variation permitted by subdivision 2, each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate.

Subd. 4. [GEOGRAPHIC PREMIUM VARIATIONS.] A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between any two regions by more than twenty percent. The commissioner may grant approval if the following conditions are met:

(1) the geographic regions must be applied uniformly by the health carrier;

(2) one geographic region must be based on the Minneapolis/St. Paul metropolitan area;

(3) if one geographic region is rural, the index rate for the rural

region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area;

(4) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

Subd. 5. [GENDER-BASED RATES PROHIBITED.] Beginning July 1, 1993, no health carrier may determine premium rates through a method that is in any way based upon the gender of eligible employees or dependents.

Subd. 6. [RATE CELLS PERMITTED.] Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based on the number of adults and children covered under the policy and may reflect the availability of Medicare coverage.

Subd. 7. [INDEX AND PREMIUM RATE DEVELOPMENT.] In developing its index rates and premiums, a health carrier may take into account only the following factors:

(1) actuarially valid differences in benefit designs of health benefit plans;

(2) actuarially valid differences in the rating factors permitted in subdivisions 2 and 3;

(3) actuarially valid geographic variations if approved by the commissioner as provided in subdivision 4.

Subd. 8. [FILING REQUIREMENT.] No later than July 1, 1993, and each year thereafter, a health carrier that offers, sells, issues, or renews a health benefit plan for small employers shall file with the commissioner the index rates and must demonstrate that all rates shall be within the rating restrictions defined in this chapter. Such demonstration must include the allowable range of rates from the index rates and a description of how the health carrier intends to use demographic factors including case characteristics in calculating the premium rates.

Subd. 9. [EFFECT OF ASSESSMENTS.] Premium rates must comply with the rating requirements of this section, notwithstanding the imposition of any assessments or premiums paid by health carriers as provided under sections 62L.13 to 62L.22.

Subd. 10. [RATING REPORT.] Beginning January 1, 1995, and annually thereafter, the commissioners of health and commerce shall provide a joint report to the legislature on the effect of the

rating restrictions required by this section and the appropriateness of proceeding with additional rate reform. Each report must include an analysis of the availability of health care coverage due to the rating reform, the equitable and appropriate distribution of risk and associated costs, the effect on the self-insurance market, and any resulting or anticipated change in health plan design and market share and availability of health carriers.

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

Subdivision 1. [NOTICE TO COMMISSIONER.] A health carrier electing to cease doing business in the small employer market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the failure of a health carrier to offer or issue new business in the small employer market or continue an existing product line, provided that a health carrier does not terminate, cancel, or fail to renew its current small employer business or other product lines.

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

Subd. 3. [REENTRY PROHIBITION.] A health carrier that ceases to do business in the small employer market after July 1, 1993, is prohibited from writing new business in the small employer market in this state for a period of five years from the date of notice to the commissioner. This subdivision applies to any health maintenance organization that ceases to do business in the small employer market in one service area with respect to that service area only. Nothing in this subdivision prohibits an affiliated health maintenance organization from continuing to do business in the small employer market in that same service area.

Subd. 4. [CONTINUING ASSESSMENT LIABILITY.] A health carrier that ceases to do business in the small employer market remains liable for assessments levied by the association as provided in section 62L.22.

Sec. 10. [62L.10] [SUPERVISION BY COMMISSIONER.]

Subdivision 1. [REPORTS.] A health carrier doing business in the small employer market shall file by April 1 of each year an annual actuarial opinion with the commissioner certifying that the health carrier complied with the underwriting and rating requirements of this chapter during the preceding year and that the rating methods

used by the health carrier were actuarially sound. A health carrier shall retain a copy of the opinion at its principal place of business.

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

Subd. 3. [SUBMISSIONS TO COMMISSIONER.] Subsequent to the annual filing, the commissioner may request information and documentation from a health carrier describing its rating practices and renewal underwriting practices, including information and documentation that demonstrates that a health carrier's rating methods and practices are in accordance with sound actuarial principles and the requirements of this chapter. Except in cases of violations of this chapter or of another chapter, information received by the commissioner as provided under this subdivision is nonpublic.

Subd. 4. [REVIEW OF PREMIUM RATES.] The commissioner shall regulate premium rates charged or proposed to be charged by all health carriers in the small employer market under section 62A.02. The commissioner of health has, with respect to carriers under that commissioner's jurisdiction, all of the powers of the commissioner of commerce under that section.

Subd. 5. [TRANSITIONAL PRACTICES.] The commissioner shall disapprove index rates, premium variations, or other practices of a health carrier if they violate the spirit of this chapter and are the result of practices engaged in by the health carrier between the date of final enactment of this act and July 1, 1993, where the practices engaged in were carried out for the purpose of evading the spirit of this chapter. Each health carrier shall report to the commissioner, within 30 days and on a form prescribed by the commissioner, each cancellation, nonrenewal, or other termination of coverage of a small employer between the date of final enactment of this act and June 30, 1993. The health carrier shall provide any related information requested by the commissioner within the time specified in the request. Any health carrier that engages in a practice of terminating or inducing termination of coverage of small employers in order to evade the effects of this act, is guilty of an unfair method of competition and an unfair or deceptive act or practice in the business of insurance and is subject to the remedies provided in sections 72A.17 to 72A.32.

Sec. 11. [62L.11] [PENALTIES AND ENFORCEMENT.]

Subdivision 1. [DISCIPLINARY PROCEEDINGS.] The commis-

sioner may, by order, suspend or revoke a health carrier's license or certificate of authority and impose a monetary penalty not to exceed \$25,000 for each violation of this chapter, including the failure to pay an assessment required by section 62L.22. The notice, hearing, and appeal procedures specified in section 60A.051 or 62D.16, as appropriate, apply to the order. The order is subject to judicial review as provided under chapter 14.

Subd. 2. [ENFORCEMENT POWERS.] The commissioners of health and commerce each has for purposes of this chapter all of each commissioner's respective powers under other chapters that are applicable to their respective duties under this chapter.

Sec. 12. [62L.12] [PROHIBITED PRACTICES.]

Subdivision 1. [PROHIBITION ON ISSUANCE OF INDIVIDUAL POLICIES.] A health carrier operating in the small employer market shall not knowingly offer, issue, or renew an individual policy, subscriber contract, or certificate to an eligible employee or dependent of a small employer that meets the minimum participation requirements defined in section 62L.03, subdivision 3, except as authorized under subdivision 2.

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

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

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees and dependents.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees and dependents as required.

(e) A health carrier may sell, issue, or renew individual coverage if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group coverage or due to the person's need for health care services not covered under the employer's group policy.

(f) A health carrier may sell, issue, or renew an individual policy, with the prior consent of the commissioner, if the individual has elected to buy the individual coverage not as part of a general plan

to substitute individual coverage for group coverage nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

Subd. 3. [AGENT'S LICENSURE.] An agent licensed under chapter 60A or section 62C.17 who knowingly and willfully breaks apart a small group for the purpose of selling individual policies to eligible employees and dependents of a small employer that meets the participation requirements of section 62L.03, subdivision 3, is guilty of an unfair trade practice and subject to the revocation or suspension of license under section 60A.17, subdivision 6c, or 62C.17. The action must be by order and subject to the notice, hearing, and appeal procedures specified in section 60A.17, subdivision 6d. The action of the commissioner is subject to judicial review as provided under chapter 14.

Subd. 4. [EMPLOYER PROHIBITION.] A small employer shall not encourage or direct an employee or applicant to:

(1) refrain from filing an application for health coverage when other similarly situated employees may file an application for health coverage;

(2) file an application for health coverage during initial eligibility for coverage, the acceptance of which is contingent on health status, when other similarly situated employees may apply for health coverage, the acceptance of which is not contingent on health status;

(3) seek coverage from another carrier, including, but not limited to, MCHA; or

(4) cause coverage to be issued on different terms because of the health status or claims experience of that person or the person's dependents.

Subd. 5. [SALE OF OTHER PRODUCTS.] A health carrier shall not condition the offer, sale, issuance, or renewal of a health benefit plan on the purchase by a small employer of other insurance products offered by the health carrier or a subsidiary or affiliate of the health carrier, including, but not limited to, life, disability, property, and general liability insurance. This prohibition does not apply to insurance products offered as a supplement to a health maintenance organization plan, including, but not limited to, supplemental benefit plans under section 62D.05, subdivision 6.

Sec. 13. [62L.13] [REINSURANCE ASSOCIATION.]

Subdivision 1. [CREATION.] The health coverage reinsurance association is established as a nonprofit corporation. All health carriers in the small employer market shall be and remain members of the association as a condition of their authority to transact business.

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

Subd. 3. [EXEMPTIONS.] The association, its transactions, and all property owned by it are exempt from taxation under the laws of this state or any of its subdivisions, including, but not limited to, income tax, sales tax, use tax, and property tax. The association may seek exemption from payment of all fees and taxes levied by the federal government. Except as otherwise provided in this chapter, the association is not subject to the provisions of chapters 13, 14, 60A, 62A to 62H, and section 471.705. The association is not a public employer and is not subject to the provisions of chapters 179A and 353. Health carriers who are members of the association are exempt from the provisions of sections 325D.49 to 325D.66 in the performance of their duties as members of the association.

Subd. 4. [POWERS OF ASSOCIATION.] The association may exercise all of the powers of a corporation formed under chapter 317A, including, but not limited to, the authority to:

(1) establish operating rules, conditions, and procedures relating to the reinsurance of members' risks;

(2) assess members in accordance with the provisions of this section and to make advance interim assessments as may be reasonable and necessary for organizational and interim operating expenses;

(3) sue and be sued, including taking any legal action necessary to recover any assessments;

(4) enter into contracts necessary to carry out the provisions of this chapter;

(5) establish operating, administrative, and accounting procedures for the operation of the association; and

(6) borrow money against the future receipt of premiums and assessments up to the amount of the previous year's assessment, with the prior approval of the commissioner.

The provisions of this chapter govern if the provisions of chapter

317A conflict with this chapter. The association shall adopt bylaws and shall be governed in accordance with this chapter and chapter 317A.

Subd. 5. [SUPERVISION BY COMMISSIONER.] The commissioner of commerce shall supervise the association in accordance with this chapter. The commissioner of commerce may examine the association. The association's reinsurance policy forms, its contracts, its premium rates, and its assessments are subject to the approval of the commissioner of commerce. The association's policy forms, contracts, and premium rates are deemed approved if not disapproved by the commissioner of commerce within 60 days after the date of filing them with the commissioner of commerce. The association's assessments are deemed approved if not disapproved by the commissioner of commerce within 15 business days after filing them with the commissioner of commerce. The association shall notify the commissioner of all association or board meetings, and the commissioner or the commissioner's designee may attend all association or board meetings. The association shall file an annual report with the commissioner on or before July 1 of each year, beginning July 1, 1994, describing its activities during the preceding calendar year. The report must include a financial report and a summary of claims paid by the association. The annual report must be available for public inspection.

Sec. 14. [62L.14] [BOARD OF DIRECTORS.]

Subdivision 1. [COMPOSITION OF BOARD.] The association shall exercise its powers through a board of 13 directors. Four members must be public members appointed by the commissioner. The public members must not be employees of or otherwise affiliated with any member of the association. The nonpublic members of the board must be representative of the membership of the association and must be officers, employees, or directors of the members during their term of office. No member of the association may have more than three members of the board. Directors are automatically removed if they fail to satisfy this qualification.

Subd. 2. [ELECTION OF BOARD.] On or before July 1, 1992, the commissioner shall appoint an interim board of directors of the association who shall serve through the first annual meeting of the members and for the next two years. Except for the public members, the commissioner's initial appointments must be equally apportioned among the following three categories: accident and health insurance companies, nonprofit health service plan corporations, and health maintenance organizations. Thereafter, members of the association shall elect the board of directors in accordance with this chapter and the bylaws of the association, subject to approval by the commissioner. Members of the association may vote in person or by proxy. The public members shall continue to be appointed by the commissioner.

Subd 3. [TERM OF OFFICE.] The first annual meeting must be held by December 1, 1992. After the initial two-year period, each director shall serve a three-year term, except that the board shall make appropriate arrangements to stagger the terms of the board members so that approximately one-third of the terms expire each year. Each director shall hold office until expiration of the director's term or until the director's successor is duly elected or appointed and qualified, or until the director's death, resignation, or removal.

Subd. 4. [RESIGNATION AND REMOVAL.] A director may resign at any time by giving written notice to the commissioner. The resignation takes effect at the time the resignation is received unless the resignation specifies a later date. A nonpublic director may be removed at any time, with cause, by the members.

Subd. 5. [QUORUM.] A majority of the members of the board of directors constitutes a quorum for the transaction of business. If a vacancy exists by reason of death, resignation, or otherwise, a majority of the remaining directors constitutes a quorum.

Subd. 6. [DUTIES OF DIRECTORS.] The board of directors shall adopt or amend the association's bylaws. The bylaws may contain any provision for the purpose of administering the association that is not inconsistent with this chapter. The board shall manage the association in furtherance of its purposes and as provided in its bylaws. On or before January 1, 1993, the board or the interim board shall develop a plan of operation and reasonable operating rules to assure the fair, reasonable, and equitable administration of the association. The plan of operation must include the development of procedures for selecting an administering carrier, establishment of the powers and duties of the administering carrier, and establishment of procedures for collecting assessments from members, including the imposition of interest penalties for late payments of assessments. The plan of operation must be submitted to the commissioner for review and approval and must be submitted to the members for approval at the first meeting of the members. The board of directors may subsequently amend, change, or revise the plan of operation without approval by the members.

Subd. 7. [COMPENSATION.] Members of the board may be reimbursed by the association for reasonable and necessary expenses incurred by them in performing their duties as directors, but shall not otherwise be compensated by the association for their services.

Subd. 8. [OFFICERS.] The board may elect officers and establish committees as provided in the bylaws of the association. Officers have the authority and duties in the management of the association as prescribed by the bylaws and determined by the board of directors.

Subd. 9. [MAJORITY VOTE.] Approval by a majority of the board

members present is required for any action of the board. The majority vote must include one vote from a board member representing an accident and health insurance company, one vote from a board member representing a health service plan corporation, one vote from a board member representing a health maintenance organization, and one vote from a public member.

Sec. 15. [62L.15] [MEMBERS.]

Subdivision 1. [ANNUAL MEETING.] The association shall conduct an annual meeting of the members of the association for the purpose of electing directors and transacting any other appropriate business of the membership of the association. The board shall determine the date, time, and place of the annual meeting. The association shall conduct its first annual member meeting on or before December 1, 1992.

Subd. 2. [SPECIAL MEETINGS.] Special meetings of the members must be held whenever called by any three of the directors. At least two categories must be represented among the directors calling a special meeting of the members. The categories are accident and health insurance companies, nonprofit health service plan corporations, and health maintenance organizations. Special meetings of the members must be held at a time and place designated in the notice of the meeting.

Subd. 3. [MEMBER VOTING.] Each member's vote is a weighted vote and is based on each member's total insurance premiums, subscriber contract charges, health maintenance contract payments, or other health benefit plan revenue derived from, or on behalf of, small employers during the preceding calendar year, as determined by the board and approved by the commissioner, based on annual statements and other reports considered necessary by the board of directors.

Subd. 4. [INITIAL MEMBER MEETING.] At least 60 days before the first annual meeting of the members, the commissioner shall give written notice to all members of the time and place of the member meeting. The members shall elect directors representing the members, approve the initial plan of operation of the association, and transact any other appropriate business of the membership of the association.

Subd. 5. [MEMBER COMPLIANCE.] All members shall comply with the provisions of this chapter, the association's bylaws, the plan of operation developed by the board of directors, and any other operating, administrative, or other procedures established by the board of directors for the operation of the association. The board may request the commissioner to secure compliance with this chapter through the use of any enforcement action otherwise available to the commissioner.

Sec. 16. [62L.16] [ADMINISTRATION OF ASSOCIATION.]

Subdivision 1. [ADMINISTRATOR.] The association shall contract with a qualified entity to operate and administer the association. If there is no available qualified entity, or in the event of a termination under subdivision 2, the association may directly operate and administer the reinsurance program. The administrator shall perform all administrative functions required by this chapter. The board of directors shall develop administrative functions required by this chapter and written criteria for the selection of an administrator. The administrator must be selected by the board of directors, subject to approval by the commissioner.

Subd. 2. [TERM.] The administrator shall serve for a period of three years, unless the administrator requests the termination of its contract and the termination is approved by the board of directors. The board of directors shall approve or deny a request to terminate within 90 days of its receipt after consultation with the commissioner. A failure to make a final decision on a request to terminate within 90 days is considered an approval.

Subd. 3. [DUTIES OF ADMINISTRATOR.] The association shall enter into a written contract with the administrator to carry out its duties and responsibilities. The administrator shall perform all administrative functions required by this chapter including the:

(1) preparation and submission of an annual report to the commissioner;

(2) preparation and submission of monthly reports to the board of directors;

(3) calculation of all assessments and the notification thereof of members;

(4) payment of claims to health carriers following the submission by health carriers of acceptable claim documentation; and

(5) provision of claim reports to health carriers as determined by the board of directors.

Subd. 4. [BID PROCESS.] The association shall issue a request for proposal for administration of the reinsurance association and shall solicit responses from health carriers participating in the small employer market and from other qualified entities. Methods of compensation of the administrator must be a part of the bid process. The administrator shall substantiate its cost reports consistent with generally accepted accounting principles.

Subd. 5. [AUDITS.] The board of directors may conduct periodic

audits to verify the accuracy of financial data and reports submitted by the administrator.

Subd. 6. [RECORDS OF ASSOCIATION.] The association shall maintain appropriate records and documentation relating to the activities of the association. All individual patient-identifying claims data and information are confidential and not subject to disclosure of any kind, except that a health carrier shall have access upon request to individual claims data relating to eligible employees and dependents covered by a health benefit plan issued by the health carrier. All records, documents, and work product prepared by the association or by the administrator for the association are the property of the association. The commissioner shall have access to the data for the purposes of carrying out the supervisory functions provided for in this chapter.

Sec. 17. [62L.17] [PARTICIPATION IN THE REINSURANCE ASSOCIATION.]

Subdivision 1. [MINIMUM STANDARDS.] The board of directors or the interim board shall establish minimum claim processing and managed care standards which must be met by a health carrier in order to reinsure business.

Subd. 2. [PARTICIPATION.] A health carrier may elect to not participate in the reinsurance association through transferring risk only after filing an application with the commissioner of commerce. The commissioner may approve the application after consultation with the board of directors. In determining whether to approve an application, the commissioner shall consider whether the health carrier meets the following standards:

(1) demonstration by the health carrier of a substantial and established market presence;

(2) demonstrated experience in the small group market and history of rating and underwriting small employer groups;

(3) commitment to comply with the requirements of this chapter for small employers in the state or its service area; and

(4) financial ability to assume and manage the risk of enrolling small employer groups without the protection of the reinsurance.

Initial application for nonparticipation must be filed with the commissioner no later than February 1993. The commissioner shall make the determination and notify the carrier no later than April 15, 1993.

Subd. 3. [LENGTH OF PARTICIPATION.] A health carrier's

initial election is for a period of two years. Subsequent elections of participation are for five-year periods.

Subd. 4. [APPEAL.] A health carrier whose application for non-participation has been rejected by the commissioner may appeal the decision. The association may also appeal a decision of the commissioner, if approved by a two-thirds majority of the board. Chapter 14 applies to all appeals.

Subd. 5. [ANNUAL CERTIFICATION.] A health carrier that has received approval to not participate in the reinsurance association shall annually certify to the commissioner on or before December 1 that it continues to meet the standards described in subdivision 2.

Subd. 6. [SUBSEQUENT ELECTION.] Election to participate in the reinsurance association must occur on or before December 31 of each year. If after a period of nonparticipation, the nonparticipating health carrier subsequently elects to participate in the reinsurance association, the health carrier retains the risk it assumed when not participating in the association.

If a participating health carrier subsequently elects to not participate in the reinsurance association, the health carrier shall cease reinsuring through the association all of its small employer business and is liable for any assessment described in section 62L.22 which has been prorated based on the business covered by the reinsurance mechanism during the year of the assessment.

Subd. 7. [ELECTION MODIFICATION.] The commissioner, after consultation with the board, may authorize a health carrier to modify its election to not participate in the association at any time, if the risk from the carrier's existing small employer business jeopardizes the financial condition of the health carrier. If the commissioner authorizes a health carrier to participate in the association, the health carrier shall retain the risk it assumed while not participating in the association. This election option may not be exercised if the health carrier is in rehabilitation.

Sec. 18. [62L.18] [CEDING OF RISK.]

Subdivision 1. [PROSPECTIVE CEDING.] For health benefit plans issued on or after July 1, 1993, all health carriers participating in the association may prospectively reinsure an employee or dependent within a small employer group and entire employer groups of seven or fewer eligible employees. A health carrier must determine whether to reinsure an employee or dependent or entire group within 60 days of the commencement of the coverage of the small employer and must notify the association during that time period.

Subd. 2. [ELIGIBILITY FOR REINSURANCE.] A health carrier may not reinsure existing small employer business through the association. A health carrier may reinsure an employee or dependent who previously had coverage from MCHA who is now eligible for coverage through the small employer group at the time of enrollment as defined in section 62L.03, subdivision 6. A health carrier may not reinsure individuals who have existing individual health care coverage with that health carrier upon replacement of the individual coverage with group coverage as provided in section 62L.04, subdivision 1.

Subd. 3. [REINSURANCE TERMINATION.] A health carrier may terminate reinsurance through the association for an employee or dependent or entire group on the anniversary date of coverage for the small employer. If the health carrier terminates the reinsurance, the health carrier may not subsequently reinsure the individual or entire group.

Subd. 4. [CONTINUING CARRIER RESPONSIBILITY.] A health carrier transferring risk to the association is completely responsible for administering its health benefit plans. A health carrier shall apply its case management and claim processing techniques consistently between reinsured and nonreinsured business. Small employers, eligible employees, and dependents shall not be notified that the health carrier has reinsured their coverage through the association.

Sec. 19. [62L.19] [ALLOWED REINSURANCE BENEFITS.]

A health carrier may reinsure through the association only those benefits described in section 62L.05.

Sec. 20. [62L.20] [TRANSFER OF RISK.]

Subdivision 1. [REINSURANCE THRESHOLD.] A health carrier participating in the association may transfer up to 90 percent of the risk above a reinsurance threshold of \$5,000 of eligible charges resulting from issuance of a health benefit plan to an eligible employee or dependent of a small employer group whose risk has been prospectively ceded to the association. If the eligible charges exceed \$50,000, a health carrier participating in the association may transfer 100 percent of the risk each policy year not to exceed 12 months.

Satisfaction of the reinsurance threshold must be determined by the board of directors based on eligible charges. The board may establish an audit process to assure consistency in the submission of charge calculations by health carriers to the association.

Subd. 2. [CONVERSION FACTORS.] The board shall establish a standardized conversion table for determining equivalent charges

for health carriers that use alternative provider reimbursement methods. If a health carrier establishes to the board that the carrier's conversion factor is equivalent to the association's standardized conversion table, the association shall accept the health carrier's conversion factor.

Subd. 3. [BOARD AUTHORITY.] The board shall establish criteria for changing the threshold amount or retention percentage. The board shall review the criteria on an annual basis. The board shall provide the members with an opportunity to comment on the criteria at the time of the annual review.

Subd. 4. [NOTIFICATION OF TRANSFER OF RISK.] A participating health carrier must notify the association, within 90 days of receipt of proof of loss, of satisfaction of a reinsurance threshold. After satisfaction of the reinsurance threshold, a health carrier continues to be liable to its providers, eligible employees, and dependents for payment of claims in accordance with the health carrier's health benefit plan. Health carriers shall not pend or delay payment of otherwise valid claims due to the transfer of risk to the association.

Subd. 5. [PERIODIC STUDIES.] The board shall, on a biennial basis, prepare and submit a report to the commissioner of commerce on the effect of the reinsurance association on the small employer market. The first study must be presented to the commissioner no later than January 1, 1995, and must specifically address whether there has been disruption in the small employer market due to unnecessary churning of groups for the purpose of obtaining reinsurance and whether it is appropriate for health carriers to transfer the risk of their existing small group business to the reinsurance association. After two years of operation, the board shall study both the effect of ceding both individuals and entire small groups of seven or fewer eligible employees to the reinsurance association and the composition of the board and determine whether the initial appointments reflect the types of health carriers participating in the reinsurance association and whether the voting power of members of the association should be weighted and recommend any necessary changes.

Sec. 21. [62L.21] [REINSURANCE PREMIUMS.]

Subdivision 1. [MONTHLY PREMIUM.] A health carrier ceding an individual to the reinsurance association shall be assessed a monthly reinsurance coverage premium that is 5.0 times the adjusted average market price. A health carrier ceding an entire group to the reinsurance association shall be assessed a monthly reinsurance coverage premium that is 1.5 times the adjusted average market price. The adjusted average market premium price must be established by the board of directors in accordance with its plan of

operation. The board may consider benefit levels in establishing the reinsurance coverage premium.

Subd. 2. [ADJUSTMENT OF PREMIUM RATES.] The board of directors shall establish operating rules to allocate adjustments to the reinsurance premium charge of no more than minus 25 percent of the monthly reinsurance premium for health carriers that can demonstrate administrative efficiencies and cost-effective handling of equivalent risks. The adjustment must be made annually on a retrospective basis. The operating rules must establish objective and measurable criteria which must be met by a health carrier in order to be eligible for an adjustment. These criteria must include consideration of efficiency attributable to case management, but not consideration of such factors as provider discounts.

Subd. 3. [LIABILITY FOR PREMIUM.] A health carrier is liable for the cost of the reinsurance premium and may not directly charge the small employer for the costs. The reinsurance premium may be reflected only in the rating factors permitted in section 62L.08, as provided in section 62L.08, subdivision 10.

Sec. 22. [62L.22] [ASSESSMENTS.]

Subdivision 1. [ASSESSMENT BY BOARD.] For the purpose of providing the funds necessary to carry out the purposes of the association, the board of directors shall assess members as provided in subdivisions 2, 3, and 4 at the times and for the amounts the board of directors finds necessary. Assessments are due and payable on the date specified by the board of directors, but not less than 30 days after written notice to the member. Assessments accrue interest at the rate of six percent per year on or after the due date.

Subd. 2. [INITIAL CAPITALIZATION.] The interim board of directors shall determine the initial capital operating requirements for the association. The board shall assess each licensed health carrier \$100 for the initial capital requirements of the association. The assessment is due and payable no later than January 1, 1993.

Subd. 3. [RETROSPECTIVE ASSESSMENT.] On or before July 1 of each year, the administering carrier shall determine the association's net loss, if any, for the previous calendar year, the program expenses of administration, and other appropriate gains and losses. If reinsurance premium charges are not sufficient to satisfy the operating and administrative expenses incurred or estimated to be incurred by the association, the board of directors shall assess each member participating in the association in proportion to each member's respective share of the total insurance premiums, subscriber contract payments, health maintenance organization payments, and other health benefit plan revenue derived from or on behalf of small employers during the preceding calendar year. The assessments must be calculated by the board of directors based on

annual statements and other reports considered necessary by the board of directors and filed by members with the association. The amount of the assessment shall not exceed four percent of the member's small group market premium. In establishing this assessment, the board shall consider a formula based on total small employer premiums earned and premiums earned from newly issued small employer plans. A member's assessment may not be reduced or increased by more than 50 percent as a result of using that formula, which includes a reasonable cap on assessments on any premium category or premium classification. The board of directors may provide for interim assessments as it considers necessary to appropriately carry out the association's responsibilities. The board of directors may establish operating rules to provide for changes in the assessment calculation.

Subd. 4. [ADDITIONAL ASSESSMENTS.] If the board of directors determines that the retrospective assessment formula described in subdivision 3 is insufficient to meet the obligations of the association, the board of directors shall assess each member not participating in the reinsurance association, but which is providing health plan coverage in the small employer market, in proportion to each member's respective share of the total insurance premiums, subscriber contract payments, health maintenance organization payments, and other health benefit plan revenue derived from or on behalf of small employers during the preceding calendar year. The assessment must be calculated by the board of directors based on annual statements and other reports considered necessary by the board of directors and filed by members with the association. The amount of the assessment may not exceed one percent of the member's small group market premium. Members who paid the retrospective assessment described in subdivision 3 are not subject to the additional assessment.

If the additional assessment is insufficient to meet the obligations of the association, the board of directors may assess members participating in the association who paid the retrospective assessment described in subdivision 3 up to an additional one percent of the member's small group market premium.

Subd. 5. [ABATEMENT OR DEFERMENT.] The association may abate or defer, in whole or in part, the retrospective assessment of a member if, in the opinion of the commissioner, payment of the assessment would endanger the ability of the member to fulfill its contractual obligations or the member is placed under an order of rehabilitation, liquidation, receivership, or conservation by a court of competent jurisdiction. In the event that a retrospective assessment against a member is abated or deferred, in whole or in part, the amount by which the assessment is abated or deferred may be assessed against other members in accordance with the methodology specified in subdivisions 3 and 4.

Subd. 6. [REFUND.] The board of directors may refund to members, in proportion to their contributions, the amount by which the assets of the association exceed the amount the board of directors finds necessary to carry out its responsibilities during the next calendar year. A reasonable amount may be retained to provide funds for the continuing expenses of the association and for future losses.

Subd. 7. [APPEALS.] A health carrier may appeal to the commissioner of commerce within 30 days of notice of an assessment by the board of directors. A final action or order of the commissioner is subject to judicial review in the manner provided in chapter 14.

Subd. 8. [LIABILITY FOR ASSESSMENT.] Employer liability for other costs of a health carrier resulting from assessments made by the association under this section are limited by the rate spread restrictions specified in section 62L.08.

Sec. 23. [62L.23] [LOSS RATIO STANDARDS.]

Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, each policy or contract form used with respect to a health benefit plan offered, or issued in the small employer market, is subject, beginning July 1, 1993, to section 62A.021. The commissioner of health has, with respect to carriers under that commissioner's jurisdiction, all of the powers of the commissioner of commerce under that section.

Sec. 24. [COMMISSIONER OF COMMERCE STUDY.]

The commissioner of commerce shall study and provide a written report and recommendations to the legislature that analyze the effects of this article and future measures that the legislature could enact to achieve the purpose set forth in section 62L.01, subdivision 3. The commissioner shall study, report, and make recommendations on the following:

(1) the effects of this article on availability of coverage, average premium rates, variations in premium rates, the number of uninsured and underinsured residents of this state, the types of health benefit plans chosen by employers, and other effects on the market for health benefit plans for small employers;

(2) the desirability and feasibility of achieving the goal stated in section 62L.01, subdivision 3, in the small employer market by means of the following timetable:

(i) as of July 1, 1995, a reduction of the age rating bands to 30 percent on each side of the index rate, accompanied by a proportional

reduction of the general premium rating bands to 15 percent on each side of the index rate;

(ii) as of July 1, 1996, a reduction in the bands referenced in the preceding clause to 15 percent and 7.5 percent respectively; and

(iii) as of July 1, 1997, a ban on all rating bands; and

(3) Any other aspects of the small employer market considered relevant by the commissioner.

The commissioner shall file the written report and recommendations with the legislature no later than December 1, 1994.

Sec. 25. [EFFECTIVE DATES.]

Sections 1 to 12 and 23 are effective July 1, 1993, except that section 10, subdivision 5, is effective the day following final enactment. Sections 13 to 22 are effective the day following final enactment.

ARTICLE 3

INSURANCE REFORM: INDIVIDUAL MARKET AND MISCELLANEOUS

Section 1. [43A.317] [PRIVATE EMPLOYERS INSURANCE PROGRAM.]

Subdivision 1. [INTENT.] The legislature finds that the creation of a statewide program to provide employers with the advantages of a large pool for insurance purchasing would advance the welfare of the citizens of the state.

Subd. 2. [DEFINITIONS.] (a) [SCOPE.] For the purposes of this section, the terms defined have the meaning given them.

(b) [COMMISSIONER.] "Commissioner" means the commissioner of employee relations.

(c) [ELIGIBLE EMPLOYEE.] "Eligible employee" means an employee eligible to participate in the program under the terms described in subdivision 6.

(d) [ELIGIBLE EMPLOYER.] "Eligible employer" means an employer eligible to participate in the program under the terms described in subdivision 5.

(e) [ELIGIBLE INDIVIDUAL.] “Eligible individual” means a person eligible to participate in the program under the terms described in subdivision 6.

(f) [EMPLOYEE.] “Employee” means a common law employee of an eligible employer.

(g) [EMPLOYER.] “Employer” means a private person, firm, corporation, partnership, association, unit of local government, or other entity actively engaged in business or public services. “Employer” includes both for-profit and nonprofit entities.

(h) [PROGRAM.] “Program” means the private employers insurance program created by this section.

Subd. 3. [ADMINISTRATION.] The commissioner shall, consistent with the provisions of this section, administer the program and determine its coverage options, funding and premium arrangements, contractual arrangements, and all other matters necessary to administer the program. The commissioner’s contracting authority for the program, including authority for competitive bidding and negotiations, is governed by section 43A.23.

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall establish a ten-member advisory committee that includes five members who represent eligible employers and five members who represent eligible individuals. The committee shall advise the commissioner on issues related to administration of the program. The committee is governed by sections 15.014 and 15.059, and continues to exist while the program remains in operation.

Subd. 5. [EMPLOYER ELIGIBILITY.] (a) [PROCEDURES.] All employers are eligible for coverage through the program subject to the terms of this subdivision. The commissioner shall establish procedures for an employer to apply for coverage through the program.

(b) [TERM.] The initial term of an employer’s coverage will be two years from the effective date of the employer’s application. After that, coverage will be automatically renewed for additional two-year terms unless the employer gives notice of withdrawal from the program according to procedures established by the commissioner or the commissioner gives notice to the employer of the discontinuance of the program. The commissioner may establish conditions under which an employer may withdraw from the program prior to the expiration of a two-year term, including by reason of a midyear increase in health coverage premiums of 50 percent or more. An employer that withdraws from the program may not reapply for coverage for a period of two years from its date of withdrawal.

(c) [MINNESOTA WORK FORCE.] An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in Minnesota.

(d) [EMPLOYEE PARTICIPATION; AGGREGATION OF GROUPS.] An employer is not eligible for coverage through the program unless its application includes all eligible employees who work primarily in Minnesota, except employees who waive coverage as permitted by subdivision 6. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(e) [PRIVATE EMPLOYER.] A private employer is not eligible for coverage unless it has two or more eligible employees in the state of Minnesota. If an employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other.

(f) [MINIMUM PARTICIPATION.] The commissioner must require as a condition of employer eligibility that at least 75 percent of its eligible employees who have not waived coverage participate in the program. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. For purposes of this section, waiver of coverage includes only waivers due to coverage under another group health benefit plan.

(g) [EMPLOYER CONTRIBUTION.] The commissioner must require as a condition of employer eligibility that the employer contribute at least 50 percent toward the cost of the premium of the employee and may require that the contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.

(h) [ENROLLMENT CAP.] The commissioner may limit employer enrollment in the program if necessary to avoid exceeding the program's reserve capacity.

Subd. 6. [INDIVIDUAL ELIGIBILITY.] (a) [PROCEDURES.] The commissioner shall establish procedures for eligible employees and other eligible individuals to apply for coverage through the program.

(b) [EMPLOYEES.] An employer shall determine when it applies to the program the criteria its employees must meet to be eligible for coverage under its plan. An employer may subsequently change the criteria annually or at other times with approval of the commissioner. The criteria must provide that new employees become eligible

for coverage after a probationary period of at least 30 days, but no more than 90 days.

(c) [OTHER INDIVIDUALS.] An employer may elect to cover under its plan:

(1) the spouse, dependent children, and dependent grandchildren of a covered employee;

(2) a retiree who is eligible to receive a pension or annuity from the employer and a covered retiree's spouse, dependent children, and dependent grandchildren;

(3) the surviving spouse, dependent children, and dependent grandchildren of a deceased employee or retiree, if the spouse, children, or grandchildren were covered at the time of the death;

(4) a covered employee who becomes disabled, as provided in sections 62A.147 and 62A.148; or

(5) any other categories of individuals for whom group coverage is required by state or federal law.

An employer shall determine when it applies to the program the criteria individuals in these categories must meet to be eligible for coverage. An employer may subsequently change the criteria annually, or at other times with approval of the commissioner. The criteria for dependent children and dependent grandchildren may be no more inclusive than the criteria under section 43A.18, subdivision 2. This paragraph shall not be interpreted as relieving the program from compliance with any federal and state continuation of coverage requirements.

(d) [WAIVER AND LATE ENTRANCE.] An eligible individual may waive coverage at the time the employer joins the program or when coverage first becomes available. The commissioner may establish a preexisting condition exclusion of not more than 18 months for late entrants as defined in section 62L.02, subdivision 19.

(e) [CONTINUATION COVERAGE.] The program shall provide all continuation coverage required by state and federal law.

Subd. 7. [COVERAGE.] Coverage is available through the program beginning on July 1, 1993. At least annually, the commissioner shall solicit bids from carriers regulated under chapters 62A, 62C, and 62D, to provide coverage of eligible individuals. The commissioner shall provide coverage through contracts with carriers, unless the commissioner receives no reasonable bids from carriers.

(a) [HEALTH COVERAGE.] Health coverage is available to all employers in the program. The commissioner shall attempt to establish health coverage options that have strong care management features to control costs and promote quality and shall attempt to make a choice of health coverage options available. Health coverage for a retiree who is eligible for the federal Medicare program must be administered as though the retiree is enrolled in Medicare parts A and B. To the extent feasible as determined by the commissioner and in the best interests of the program, the commissioner shall model coverage after the plan established in section 43A.18, subdivision 2. Health coverage must include at least the benefits required of a carrier regulated under chapter 62A, 62C, or 62D for comparable coverage. Coverage under this paragraph must not be provided as part of the health plans available to state employees.

(b) [OPTIONAL COVERAGES.] In addition to offering health coverage, the commissioner may arrange to offer dental coverage through the program. Employers with health coverage may choose to offer dental coverage according to the terms established by the commissioner.

(c) [OPEN ENROLLMENT.] The program must meet all underwriting requirements of chapter 62L and must provide periodic open enrollments for eligible individuals for those coverages where a choice exists.

(d) [TECHNICAL ASSISTANCE.] The commissioner may arrange for technical assistance and referrals for eligible employers in areas such as health promotion and wellness, employee benefits structure, tax planning, and health care analysis services as described in section 62J.33.

Subd. 8. [PREMIUMS.] (a) [PAYMENTS.] Employers enrolled in the program shall pay premiums according to terms established by the commissioner. If an employer fails to make the required payments, the commissioner may cancel coverage and pursue other civil remedies.

(b) [RATING METHOD.] The commissioner shall determine the premium rates and rating method for the program. The rating method for eligible small employers must meet or exceed the requirements of chapter 62L. The rating methods must recover in premiums all of the ongoing costs for state administration and for maintenance of a premium stability and claim fluctuation reserve. Premiums must be established so as to recover and repay within five years after July 1, 1993, any direct appropriations received to provide start-up administrative costs. Premiums must be established so as to recover and repay within five years after July 1, 1993, any direct appropriations received to establish initial reserves.

(c) [TAXES AND ASSESSMENTS.] To the extent that the pro-

gram operates as a self-insured group, the premiums paid to the program are not subject to the premium taxes imposed by sections 60A.15 and 60A.198, but the program is subject to a Minnesota comprehensive health association assessment under section 62E.11.

Subd. 9. [PRIVATE EMPLOYERS INSURANCE TRUST FUND.] (a) [CONTENTS.] The private employer insurance trust fund in the state treasury consists of deposits received from eligible employers and individuals, contractual settlements or rebates relating to the program, investment income or losses, and direct appropriations.

(b) [APPROPRIATION.] All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other costs necessary to administer the program.

(c) [RESERVES.] For any coverages for which the program does not contract to transfer full financial responsibility, the commissioner shall establish and maintain reserves:

(1) for claims in process, incomplete and unreported claims, premiums received but not yet earned, and all other accrued liabilities; and

(2) to ensure premium stability and the timely payment of claims in the event of adverse claims experience. The reserve for premium stability and claim fluctuations must be established according to the standards of section 62C.09, subdivision 3, except that the reserve may exceed the upper limit under this standard until July 1, 1997.

(d) [INVESTMENTS.] The state board of investment shall invest the fund's assets according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Subd. 10. [PROGRAM STATUS.] The private employers insurance program is a state program to provide the advantages of a large pool to small employers for purchasing health coverage, other coverages, and related services from insurance companies, health maintenance organizations, and other organizations. The program is not an insurance company. Coverage under this program shall be considered a certificate of insurance or similar evidence of coverage and is subject to all applicable requirements of chapters 60A, 62A, 62C, 62E, 62H, 62L, and 72A, and is subject to regulation by the commissioner of commerce to the extent applicable. Coverage is subject to section 471.617, subdivisions 2 and 3, and the bidding requirements of section 471.6161.

Subd. 11. [EVALUATION.] The commissioner shall report to the legislature on December 15, 1995. The report must provide a detailed summary of all direct and indirect administrative costs

associated with the program, and must include an analysis of whether the program (1) is providing coverage to persons who would otherwise be unable to purchase coverage in the private sector; (2) will provide coverage at lower premium costs without ongoing state subsidy; (3) will provide coverage to persons in geographic areas of the state where coverage options would otherwise be limited; and (4) will fulfill the intent of the legislature.

Sec. 2. [62A.011] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a nonprofit health service plan corporation operating under chapter 62C; a health maintenance organization operating under chapter 62D; a fraternal benefit society operating under chapter 64B; or a joint self-insurance employee health plan operating under chapter 62H.

Subd. 3. [HEALTH PLAN.] "Health plan" means a policy or certificate of accident and sickness insurance as defined in section 62A.01 offered by an insurance company licensed under chapter 60A; a subscriber contract or certificate offered by a nonprofit health service plan corporation operating under chapter 62C; a health maintenance contract or certificate offered by a health maintenance organization operating under chapter 62D; a health benefit certificate offered by a fraternal benefit society operating under chapter 64B; or health coverage offered by a joint self-insurance employee health plan operating under chapter 62H. Health plan means individual and group coverage, unless otherwise specified.

Sec. 3. Minnesota Statutes 1990, section 62A.02, subdivision 1, is amended to read:

Subdivision 1. [FILING.] No policy of accident and sickness insurance health plan as defined in section 62A.011 shall be issued or delivered to any person in this state, nor shall any application, rider, or endorsement be used in connection therewith with the health plan, until a copy of the its form thereof and of the classification of risks and the premium rates pertaining thereto to the form have been filed with the commissioner. The filing for nongroup policies health plan forms shall include a statement of actuarial reasons and data to support the need for any premium rate increase. For health benefit plans as defined in section 62L.02, and for health plans to be issued to individuals, the health carrier shall file with the commissioner the information required in section 62L.08, subdivision 8. For group health plans for which approval is sought for sales only outside of the small employer market as defined in section

62L.02, this section applies only to policies or contracts of accident and sickness insurance. All forms intended for issuance in the individual or small employer market must be accompanied by a statement as to the expected loss ratio for the form. Premium rates and forms relating to specific insureds or proposed insureds, whether individuals or groups, need not be filed, unless requested by the commissioner.

Sec. 4. Minnesota Statutes 1990, section 62A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] ~~No such policy~~ The health plan form shall not be issued, nor shall any application, rider, or endorsement, or rate be used in connection therewith with it, until the expiration of 60 days after it has been so filed unless the commissioner shall sooner give written approval thereto approves it before that time.

Sec. 5. Minnesota Statutes 1990, section 62A.02, subdivision 3, is amended to read:

Subd. 3. [STANDARDS FOR DISAPPROVAL.] The commissioner shall, within 60 days after the filing of any form or rate, disapprove the form or rate:

(1) if the benefits provided therein are unreasonable not reasonable in relation to the premium charged;

(2) if it contains a provision or provisions which are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of the policy health plan form, or otherwise does not comply with this chapter, chapter 62L, or chapter 72A; or

(3) if the proposed premium rate is excessive because the insurer has failed to exercise reasonable cost control or not adequate; or

(4) the actuarial reasons and data submitted do not justify the rate.

The party proposing a rate has the burden of proving by a preponderance of the evidence that it does not violate this subdivision.

In determining the reasonableness of a rate, the commissioner shall also review all administrative contracts, service contracts, and other agreements to determine the reasonableness of the cost of the contracts or agreement and effect of the contracts on the rate. If the commissioner determines that a contract or agreement is not reasonable, the commissioner shall disapprove any rate that reflects any unreasonable cost arising out of the contract or agreement. The

commissioner may require any information that the commissioner deems necessary to determine the reasonableness of the cost.

For the purposes of ~~clause (1)~~ this subdivision, the commissioner shall establish by rule a schedule of minimum anticipated loss ratios which shall be based on (i) the type or types of coverage provided, (ii) whether the policy is for group or individual coverage, and (iii) the size of the group for group policies. Except for individual policies of disability or income protection insurance, the minimum anticipated loss ratio shall not be less than 50 percent after the first year that a policy is in force. All applicants for a policy shall be informed in writing at the time of application of the anticipated loss ratio of the policy. ~~For the purposes of this subdivision,~~ "Anticipated loss ratio" means the ratio at the time of form filing, at the time of notice of withdrawal under subdivision 4a, or at the time of subsequent rate revision of the present value of all expected future benefits, excluding dividends, to the present value of all expected future premiums. Nothing in this paragraph shall prohibit the commissioner from disapproving a form which meets the requirements of this paragraph but which the commissioner determines still provides benefits which are unreasonable in relation to the premium charged.

If the commissioner notifies ~~an insurer which~~ a health carrier that has filed any form or rate that ~~the form it does not comply with the provisions of this section or sections 62A.03 to 62A.05 and 72A.20 chapter, chapter 62L, or chapter 72A,~~ it shall be unlawful thereafter for the insurer health carrier to issue or use the form or use it in connection with any policy rate. In the notice the commissioner shall specify the reasons for disapproval and state that a hearing will be granted within 20 days after request in writing by the ~~insurer~~ health carrier.

The 60-day period within which the commissioner is to approve or disapprove the form or rate does not begin to run until a complete filing of all data and materials required by statute or requested by the commissioner has been submitted.

However, if the supporting data is not filed within 30 days after a request by the commissioner, the rate is not effective and is presumed to be an excessive rate.

Sec. 6. Minnesota Statutes 1990, section 62A.02, is amended by adding a subdivision to read:

Subd. 4a. [WITHDRAWAL OF APPROVAL.] The commissioner may, at any time after a 20-day written notice has been given to the insurer, withdraw approval of any form or rate that has previously been approved on any of the grounds stated in this section. It is unlawful for the health carrier to issue a form or rate or use it in connection with any health plan after the effective date of the withdrawal of approval. The notice of withdrawal of approval must

advise the health carrier of the right to a hearing under the contested case procedures of chapter 14, and must specify the matters to be considered at the hearing.

The commissioner may request an health carrier to provide actuarial reasons and data, as well as other information, needed to determine if a previously approved rate continues to satisfy the requirements of this section. If the requested information is not provided within 30 days after request by the commissioner, the rate is presumed to be an excessive rate.

Sec. 7. Minnesota Statutes 1990, section 62A.02, is amended by adding a subdivision to read:

Subd. 5a. [HEARING.] The health carrier must request a hearing before the 20-day notice period has ended, or the commissioner's order is final. A request for hearing stays the commissioner's order until the commissioner notifies the health carrier of the result of the hearing. The commissioner's order may require the modification of any rate or form and may require continued coverage to persons covered under a health plan to which the disapproved form or rate applies.

Sec. 8. [62A.021] [HEALTH CARE POLICY RATES.]

Subdivision 1. [LOSS RATIO STANDARDS.] Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, a health care policy form or certificate form shall not be delivered or issued for delivery to an individual or to a small employer as defined in section 62L.02, unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to Minnesota policyholders and certificate holders in the form of aggregate benefits not including anticipated refunds or credits, provided under the policy form or certificate form, (1) at least 75 percent of the aggregate amount of premiums earned in the case of policies issued in the small employer market, as defined in section 62L.02, subdivision 27; and (2) at least 65 percent of the aggregate amount of premiums earned in the case of policies issued in the individual market, calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. A health carrier shall demonstrate that the third year loss ratio is greater than or equal to the applicable percentage. Assessments by the reinsurance association created in chapter 62L and any types of taxes, surcharges, or assessments created by this act or created on or after the date of final enactment of this act are included in the calculation of incurred claims experience or incurred health care expenses. The applicable percentage for policy forms and certificate forms issued in the small employer market, as defined in section

62L.02, increases by one percentage point on July 1 of each year, until an 80 percent loss ratio is reached on July 1, 1998. The applicable percentage for policy forms and certificate forms issued in the individual market increases by one percentage point on July 1 of each year, until a 70 percent loss ratio is reached on July 1, 1998. Premiums earned and claims incurred in markets other than the small employer and individual markets are not relevant for purposes of this section.

Notwithstanding section 645.26, any act enacted at this session that amends or repeals section 62A.135 or that otherwise changes the loss ratios provided in that section is void.

All filings of rates and rating schedules shall demonstrate that actual expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy form or certificate form shall equal or exceed the appropriate loss ratio standards.

A health carrier that issues health care policies and certificates to individuals or to small employers, as defined in section 62L.02, in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy form or certificate form duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policy forms or certificate forms in force less than three years. If the data submitted does not confirm that the health carrier has satisfied the loss ratio requirements of this section, the commissioner shall notify the health carrier in writing of the deficiency. The health carrier shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section. If the health carrier fails to file amended rates within the prescribed time, the commissioner shall order that the health carrier's filed rates for the nonconforming policy form or certificate form be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The health carrier's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the health carrier from filing an amendment of its rates at a later time. The commissioner shall

annually make the submitted data available to the public at a cost not to exceed the cost of copying. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

Each sale of a policy or certificate that does not comply with the loss ratio requirements of this section is an unfair or deceptive act or practice in the business of insurance and is subject to the penalties in sections 72A.17 to 72A.32.

For purposes of this section, health care policies issued as a result of solicitations of individuals through the mail or mass media advertising, including both print and broadcast advertising, shall be treated as individual policies.

For purposes of this section, (1) "health care policy" or "health care certificate" is a health plan as defined in section 62A.011; and (2) "health carrier" has the meaning given in section 62A.011 and includes all health carriers delivering or issuing for delivery health care policies or certificates in this state or offering these policies or certificates to residents of this state.

Subd. 2. [COMPLIANCE AUDIT.] The commissioner has the authority to audit any health carrier to assure compliance with this section. Health carriers shall retain at their principal place of business information necessary for the commissioner to perform compliance audits.

Sec. 9. [62A.302] [COVERAGE OF DEPENDENTS.]

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all health plans as defined in section 62A.011.

Subd. 2. [REQUIRED COVERAGE.] Every health plan included in subdivision 1 that provides dependent coverage must define "dependent" no more restrictively than the definition provided in section 62L.02.

Sec. 10. [62A.303] [PROHIBITION; SEVERING OF GROUPS.]

Section 62L.12, subdivisions 1, 2, 3, and 4, apply to all employer group health plans, as defined in section 62A.011, regardless of the size of the group.

Sec. 11. Minnesota Statutes 1991 Supplement, section 62A.31, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract issued by a health service plan corporation regulated under chapter 62C, or other

evidence of accident and health insurance the effect or purpose of which is to supplement Medicare coverage issued or delivered in this state or offered to a resident of this state shall be sold or issued to an individual covered by Medicare unless the following requirements are met:

(a) The policy must provide a minimum of the coverage set out in subdivision 2;

(b) The policy must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;

(c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured;

(d) Before the policy is sold or issued, an offer of both categories of Medicare supplement insurance has been made to the individual, together with an explanation of both coverages;

(e) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium;

(f)(1) The policy must provide that benefits and premiums under the policy shall be suspended at the request of the policyholder for the period, not to exceed 24 months, in which the policyholder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder notifies the issuer of the policy within 90 days after the date the individual becomes entitled to this assistance;

(2) If suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy shall be automatically reinstated, effective as of the date of termination of this entitlement, if the policyholder provides notice of loss of the entitlement within 90 days after the date of the loss;

(3) The policy must provide that upon reinstatement (i) there is no additional waiting period with respect to treatment of preexisting conditions, (ii) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension, and (iii) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended;

(g) The written statement required by an application for Medicare

supplement insurance pursuant to section 62A.43, subdivision 1, shall be made on a form, approved by the commissioner, that states that counseling services may be available in the state to provide advice concerning the purchase of Medicare supplement policies and enrollment under the Medicaid program;

(h) No issuer of Medicare supplement policies, including policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condition of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B;

(i) If a Medicare supplement policy replaces another Medicare supplement policy, the issuer of the replacing policy shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy for similar benefits to the extent the time was spent under the original policy;

(j) The policy has been filed with and approved by the department as meeting all the requirements of sections 62A.31 to 62A.44; and

(k) The policy guarantees renewability.

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

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

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

If an individual is a certificate holder in a group Medicare supplement insurance policy and the individual terminates mem-

bership in the group, the issuer of the policy shall offer the certificate holder the conversion opportunities described in this clause; or offer the certificate holder continuation of coverage under the group policy.

(1) Each health maintenance organization, health service plan corporation, insurer, or fraternal benefit society that sells coverage that supplements Medicare coverage shall establish a separate community rate for that coverage. Beginning January 1, 1993, no coverage that supplements Medicare or that is governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., may be offered, issued, sold, or renewed to a Minnesota resident, except at the community rate required by this paragraph.

For coverage that supplements Medicare and for the Part A rate calculation for plans governed by section 1833 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., the community rate may take into account only the following factors:

(1) actuarially valid differences in benefit designs or provider networks;

(2) geographic variations in rates if preapproved by the commissioner of commerce; and

(3) premium reductions in recognition of healthy lifestyle behaviors, including but not limited to, refraining from the use of tobacco. Premium reductions must be actuarially valid and must relate only to those healthy lifestyle behaviors that have a proven positive impact on health. Factors used by the health carrier making this premium reduction must be filed with and approved by the commissioner.

Sec. 12. [62A.65] [INDIVIDUAL MARKET REGULATION.]

Subdivision 1. [APPLICABILITY.] No health carrier, as defined in chapter 62L, shall offer, sell, issue, or renew any individual policy of accident and sickness coverage, as defined in section 62A.01, subdivision 1, any individual subscriber contract regulated under chapter 62C, any individual health maintenance contract regulated under chapter 62D, any individual health benefit certificate regulated under chapter 64B, or any individual health coverage provided by a multiple employer welfare arrangement, to a Minnesota resident except in compliance with this section. For purposes of this section, "health benefit plan" has the meaning given in chapter 62L, except that the term means individual coverage, including family coverage, rather than employer group coverage. This section does not apply to the comprehensive health association established in section 62E.10 or to coverage described in section 62A.31, subdivision 1, paragraph

(h), or to long-term care policies as defined in section 62A.46, subdivision 2.

Subd. 2. [GUARANTEED RENEWAL.] No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health benefit plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health benefit plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health benefit plan may be subject to refusal to renew only under the conditions provided in chapter 62L.

Subd. 3. [PREMIUM RATE RESTRICTIONS.] No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the rating and premium restrictions provided under chapter 62L, except the minimum loss ratio applicable to individual coverage is as provided in section 62A.021. All provisions of chapter 62L apply to rating and premium restrictions in the individual market, unless clearly inapplicable to the individual market.

Subd. 4. [GENDER RATING PROHIBITED.] No health benefit plan offered, sold, issued, or renewed to a Minnesota resident may determine the premium rate or any other underwriting decision, including initial issuance, on the gender of any person covered or to be covered under the health benefit plan.

Subd. 5. [PORTABILITY OF COVERAGE.] (a) No health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident that contains a preexisting condition limitation or exclusion, unless the limitation or exclusion would be permitted under chapter 62L. The individual may be treated as a late entrant, as defined in chapter 62L, unless the individual has maintained continuous coverage as defined in chapter 62L. An individual who has maintained continuous coverage may be subjected to a one-time preexisting condition limitation as permitted under chapter 62L for persons who are not late entrants, at the time that the individual first is covered by individual coverage. Thereafter, the person must not be subject to any preexisting condition limitation, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage.

(b) A health carrier must offer individual coverage to any individual previously covered under a group health benefit plan issued by that health carrier, so long as the individual maintained continuous coverage as defined in chapter 62L. Coverage issued under this paragraph must not contain any preexisting condition limitation or exclusion, except for any unexpired limitation or exclusion under the previous coverage. The initial premium rate for the individual

coverage must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2.

Subd. 6. [GUARANTEED ISSUE NOT REQUIRED.] Nothing in this section requires a health carrier to initially issue a health benefit plan to a Minnesota resident, except as otherwise expressly provided in subdivision 4 or 5.

Sec. 13. Minnesota Statutes 1990, section 62E.02, subdivision 23, is amended to read:

Subd. 23. "Contributing member" means those companies ~~operating pursuant to regulated under~~ chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance ~~or; health maintenance organizations and regulated under chapter 62D; nonprofit health service plan corporations incorporated regulated under chapter 62C or; fraternal benefit societies operating societies regulated under chapter 64B; the private employers insurance program established in section 43A.317, effective July 1, 1993; and joint self-insurance plans regulated under chapter 62H.~~ For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization shall be considered to be accident and health insurance premiums.

Sec. 14. Minnesota Statutes 1990, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; TAX EXEMPTION.] There is established a comprehensive health association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers; self-insurers; fraternal; joint self-insurance plans regulated under chapter 62H; the private employers insurance program established in section 43A.317, effective July 1, 1993; and health maintenance organizations licensed or authorized to do business in this state. The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Sec. 15. Minnesota Statutes 1990, section 62E.11, subdivision 9, is amended to read:

Subd. 9. Each contributing member that terminates individual health coverage ~~regulated under chapter 62A, 62C, 62D, or 64B~~ for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 62D.121; shall pay a special assessment to the state plan based upon

the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivisions 1, paragraph (d), and 6. Such a contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

In the event that the contributing member is terminating health coverage because of a loss of health care providers, the commissioner may review whether or not the special assessment established under this subdivision will have an adverse impact on the contributing member or its enrollees or insureds, including but not limited to causing the contributing member to fall below statutory net worth requirements. If the commissioner determines that the special assessment would have an adverse impact on the contributing member or its enrollees or insureds, the commissioner may adjust the amount of the special assessment, or establish alternative payment arrangements to the state plan. For health maintenance organizations regulated under chapter 62D, the commissioner of health shall make the determination regarding any adjustment in the special assessment and shall transmit that determination to the commissioner of commerce.

Sec. 16. Minnesota Statutes 1990, section 62E.11, is amended by adding a subdivision to read:

Subd. 12. [FUNDING.] Notwithstanding subdivision 5, the claims expenses and operating and administrative expenses of the association incurred on or after January 1, 1994 shall be paid from the health care access account established in section 16A.724, to the extent appropriated for that purpose by the legislature. Any such expenses not paid from that account shall be paid as otherwise provided in this section. All contributing members shall adjust their premium rates to fully reflect funding provided under this subdivision. The commissioner of commerce or the commissioner of health, as appropriate, shall require contributing members to prove compliance with this rate adjustment requirement.

Sec. 17. [62E.141] [INCLUSION IN EMPLOYER-SPONSORED PLAN.]

No employee, or dependent of an employee, of an employer who

offers a health benefit plan, under which the employee or dependent is eligible to enroll under chapter 62L, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation or exclusion under the employer's health benefit plan. This section does not apply to persons enrolled in the comprehensive health association as of June 30, 1993.

Sec. 18. Minnesota Statutes 1990, section 62H.01, is amended to read:

62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any ~~three~~ two or more employers, excluding the state and its political subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short-term disability benefits. Joint plans must have a minimum of 250 covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.

A multiple employer welfare arrangement as defined in United States Code, title 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq.

Sec. 19. [REQUEST FOR ERISA EXEMPTION.]

The commissioner of commerce shall request and diligently pursue an exemption from the federal preemption of state laws relating to health coverage provided under employee welfare benefit plans under the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1144. The scope of the exemption should permit the state to:

(1) require that employers participate in a state payroll withholding system designed to pay for health coverage for employees and dependents;

(2) regulate self-insured health plans to the same extent as insurance companies; and

(3) enact or adopt other state laws relating to health coverage that

would, in the judgment of the commissioner of commerce, further the public policies of this state.

In determining the scope of the exemption request and in requesting and pursuing the exemption, the commissioner of commerce shall seek the advice and assistance of the legislative commission on health care access. The commissioner shall report in writing to that commission at least quarterly regarding the status of the exemption request.

Sec. 20. [COMMISSIONER OF COMMERCE STUDY.]

The commissioner of commerce shall study the operation of the individual market and shall file a report and recommendations with the legislature, no later than December 15, 1992. The study, report, and recommendations must:

(1) evaluate the extent to which the individual market and the state's regulation of it can achieve the goals provided in Minnesota Statutes, section 62L.01, subdivision 3;

(2) evaluate the need for and feasibility of a guaranteed issue requirement in the individual market;

(3) make recommendations regarding the future of the comprehensive health association.

Sec. 21. [REVIEW OF STANDARDIZED POLICY FORMS.]

The commissioner of commerce shall review the health care policies currently in use in the state, other than specialized and limited scope products such as dental insurance and hospital indemnity products, and make recommendations to the legislature by February 1, 1993, relating to standardized health care policy forms to be used by all insurers, health service plans, or other entities regulated under Minnesota Statutes, chapter 62A, 62C, 62E, or 62H.

Sec. 22. [STUDY OF HEALTHY LIFESTYLE PREMIUM REDUCTIONS.]

The commissioner of commerce shall study and make recommendations to the legislature regarding whether health benefits plans, as defined in Minnesota Statutes, section 62L.02, but including both individual and group plans, should be permitted or required to offer premium discounts in recognition of and to encourage healthy lifestyle behaviors. The commissioner shall file the recommendations with the legislature on or before December 15, 1992. The commissioner shall make recommendations regarding:

(1) the types of lifestyle behaviors, including but not limited to,

nonuse of tobacco, nonuse of alcohol, and regular exercise appropriate to the person's age and health status, that should be eligible for premium discounts;

(2) the level or amounts of premium discounts that should be permitted or required, including appropriateness of premium discounts of up to 25 percent of the premium;

(3) the actuarial justification that the commissioner should require for premium reductions;

(4) the extent to which health carriers can monitor compliance with promised lifestyle behaviors and whether new legislation could increase the monitoring ability or reduce its cost; and

(5) any favorable or adverse impacts on the individual or small group market. Any data on individuals collected under this section and received by the commissioner, which has not previously been public data, is private data on individuals.

This section shall not be interpreted as prohibiting any premium discounts approved under current law by the commissioner of commerce or by the commissioner of health or permitted under this act.

Sec. 23. [REPEALER.]

Minnesota Statutes 1990, sections 62A.02, subdivisions 4 and 5, are repealed.

Sec. 24. [EFFECTIVE DATE.]

Section 11 is effective July 30, 1992. Sections 1 to 10, 12, 15, 16, 17, 18, and 23 are effective July 1, 1993, except that section 1, subdivision 9, is effective the day following final enactment. Sections 19, 20, 21, and 22 are effective the day following final enactment.

ARTICLE 4

CHILDREN'S HEALTH PLAN EXPANSION

Section 1. [256.362] [REPORTS AND IMPLEMENTATION.]

Subdivision 1. [WELLNESS COMPONENT.] The commissioners of human services and health shall recommend to the legislature, by January 1, 1993, methods to incorporate discounts for wellness factors of up to 25 percent into the health right plan premium sliding scale. Beginning October 1, 1992, the commissioner of human services shall inform health right plan enrollees of the

future availability of the wellness discount, and shall encourage enrollees to incorporate wellness factors into their lifestyles.

Subd. 2. [FEDERAL HEALTH INSURANCE CREDIT.] By October 1, 1992, the commissioners of human services and revenue shall apply for any federal waivers or approvals necessary to allow enrollees in state health care programs to assign the federal health insurance credit component of the earned income tax credit to the state.

Subd. 3. [COORDINATION OF MEDICAL ASSISTANCE AND THE HEALTH RIGHT PLAN.] The commissioner shall develop and implement a plan to combine medical assistance and health right plan application and eligibility procedures. The plan may include the following changes: (1) use of a single mail-in application; (2) elimination of the requirement for personal interviews; (3) postponing notification of paternity disclosure requirements; (4) modifying verification requirements for pregnant women and children; (5) using shorter forms for recertifying eligibility; (6) expedited and more efficient eligibility determinations for applicants; (7) expanded outreach efforts, including combined marketing of the two plans; and (8) other changes that improve access to services provided by the two programs. The plan may include seeking the following changes in federal law: (1) extension and expansion of exemptions for different eligibility groups from Medicaid quality control sanctions; (2) changing requirements for the redetermination of eligibility; (3) eliminating asset tests for all children; and (4) other changes that improve access to services provided by the two programs. The commissioner shall seek any necessary federal approvals, and any necessary changes in federal law. The commissioner shall implement each element of the plan as federal approval is received, and shall report to the legislature by January 1, 1993, on progress in implementing this plan.

Subd. 4. [PLAN FOR MANAGED CARE.] By January 1, 1993, the commissioner of human services shall present a plan to the legislature for providing all medical assistance and health right plan services through managed care arrangements. The commissioner shall apply to the secretary of health and human services for any necessary federal waivers or approvals, and shall begin to implement the plan for managed care upon receipt of the federal waivers or approvals.

Subd. 5. [REPORT ON PURCHASES AT FULL COST.] By January 1, 1994, the commissioner shall report to the legislature on the effect on average overall premium cost for the health right plan of allowing families who are not eligible for a subsidy to enroll in the health right plan at 100 percent of premium cost. By January 1, 1995, the commissioner shall report to the legislature on the effect on average overall premium cost for the health right plan of allowing individuals who are not eligible for a subsidy to enroll in the health

right plan at 100 percent of premium cost. The commissioner shall recommend whether enrollment for this group should begin.

Sec. 2. Minnesota Statutes 1990, section 256.936, subdivision 1, is amended to read:

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

(a) "Eligible persons" means children who are one year of age or older but less than 18 years of age who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not otherwise insured for the covered services. The period of eligibility extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 18 years old.

(b) "Covered services" means children's health services.

(c) "Children's health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, orthodontic services, medical transportation services, personal care assistant and case management services, hospice care services, nursing home or intermediate care facilities services, inpatient mental health services, outpatient mental health services in excess of \$1,000 per enrolled child per 12-month eligibility period, and chemical dependency services. Outpatient mental health services covered under the children's health plan are limited to diagnostic assessments, psychological testing, explanation of findings, and individual, family, and group psychotherapy.

(d) "Eligible providers" means those health care providers who provide children's covered health services to medical assistance recipients under rules established by the commissioner for that program. Reimbursement under this section shall be at the same rates and conditions established for medical assistance.

(e) (b) "Commissioner" means the commissioner of human services.

(f) (c) "Gross family income" for farm and nonfarm self-employed means income calculated using as the baseline the adjusted gross income reported on the applicant's federal income tax form for the previous year and adding back in reported depreciation, carryover loss, and net operating loss amounts that apply to the business in which the family is currently engaged. Applicants shall report the most recent financial situation of the family if it has changed from

the period of time covered by the federal income tax form. The report may be in the form of percentage increase or decrease.

Sec. 3. Minnesota Statutes 1990, section 256.936, subdivision 2, is amended to read:

Subd. 2. [PLAN ADMINISTRATION.] The ~~children's~~ health right plan is established to promote access to appropriate ~~primary~~ health care services to assure healthy children and adults. The commissioner shall establish an office for the state administration of this plan. The plan shall be used to provide ~~children's covered~~ health services for eligible persons. Payment for these services shall be made to all eligible providers. The commissioner ~~may~~ shall adopt rules to administer ~~this section~~ the health right plan. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program and about other medical care programs administered or supervised by the department of human services. A toll-free telephone number must be used to provide information about medical programs and to promote access to the covered services. The commissioner shall manage spending for the health right plan in a manner that maintains a minimum reserve equal to five percent of the expected cost of state premium subsidies. The commissioner must make a quarterly assessment of the expected expenditures for the covered services ~~and the appropriation for the remainder of the current fiscal year and for the following two fiscal years.~~ Based on this assessment the commissioner may limit enrollments and target former aid to families with dependent children recipients. If sufficient money is not available to cover all costs incurred in one quarter, the commissioner may seek an additional authorization for funding from the legislative advisory committee. The estimated expenditure shall be compared to an estimate of the revenues that will be deposited in the health care access fund. Based on this comparison, and after consulting with the chairs of the house appropriations committee and the senate finance committee, and the legislative commission on health care access, the commissioner shall make adjustments as necessary to ensure that expenditures remain within the limits of available revenues. The adjustments the commissioner may use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the health right plan; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the health right plan. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner may further limit enrollment or decrease premium subsidies.

If the commissioner determines that, despite adjustments made as authorized under this subdivision, estimated costs will exceed the forecasted amount of available revenues other than the reserve, the commissioner may, with the approval of the commissioner of finance, use all or part of the reserve to cover the costs of the program.

The commissioner may adopt emergency rules to govern implementation of this section. Notwithstanding section 14.35, the emergency rules adopted under this section shall remain in effect for 720 days.

Sec. 4. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 2a. [COVERED HEALTH SERVICES.] (a) [COVERED SERVICES.] "Covered health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, orthodontic services, medical transportation services, personal care assistant and case management services, hospice care services, nursing home or intermediate care facilities services, inpatient mental health services, outpatient mental health services in excess of \$1,000 per adult enrollee and \$2,500 per child enrollee per 12-month eligibility period, and chemical dependency services. Outpatient mental health services covered under the health right plan are limited to diagnostic assessments, psychological testing, explanation of findings, and individual, family, and group psychotherapy. Medication management by a physician is not subject to the \$1,000 and \$2,500 limitations on outpatient mental health services. Covered health services shall be expanded as provided in this subdivision.

(b) [ALCOHOL AND DRUG DEPENDENCY.] Beginning October 1, 1992, covered health services shall include up to ten hours per year of individual outpatient treatment of alcohol or drug dependency by a qualified health professional or outpatient program. Two hours of group treatment count as one hour of individual treatment.

Persons who may need chemical dependency services under the provisions of this chapter shall be assessed by a local agency as defined under section 254B.01, and under the assessment provisions of section 254A.03, subdivision 3. Persons who are recipients of medical benefits under the provisions of this chapter and who are financially eligible for consolidated chemical dependency treatment fund services provided under the provisions of chapter 254B shall receive chemical dependency treatment services under the provisions of chapter 254B only if:

(1) they have exhausted the chemical dependency benefits offered under this chapter; or

(2) an assessment indicates that they need a level of care not provided under the provisions of this chapter.

(c) [INPATIENT HOSPITAL SERVICES.] Beginning July 1, 1993, covered health services shall include inpatient hospital services, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spend-down. The inpatient hospital benefit for adult enrollees not eligible for medical assistance is subject to an annual benefit limit of \$10,000. The commissioner shall provide enrollees with at least 60 days' notice of coverage for inpatient hospital services and any premium increase associated with the inclusion of this benefit.

(d) [EMERGENCY MEDICAL TRANSPORTATION SERVICES.] Beginning July 1, 1993, covered health services shall include emergency medical transportation services.

(e) [FEDERAL WAIVERS AND APPROVALS.] The commissioner shall coordinate the provision of hospital inpatient services under the health right plan with enrollee eligibility under the medical assistance spend-down, and shall apply to the secretary of health and human services for any necessary federal waivers or approvals.

(f) [COPAYMENTS AND COINSURANCE.] The health right benefit plan shall include the following copayments and coinsurance requirements:

(1) ten percent for inpatient hospital services for adult enrollees not eligible for medical assistance, subject to an annual out-of-pocket maximum of \$2,000 per individual and \$3,000 per family;

(2) 50 percent for adult dental services, except for preventive services;

(3) \$3 per prescription for adult enrollees; and

(4) \$25 for eyeglasses for adult enrollees.

Enrollees who would be eligible for medical assistance with a spenddown must pay the coinsurance amount up to the spenddown limit or the coinsurance amount, whichever is less, in order to become eligible for the medical assistance program.

Sec. 5. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 2b. [ELIGIBLE PERSONS.] (a) [CHILDREN.] "Eligible persons" means children who are one year of age or older but less than 18 years of age who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines and who

are not eligible for medical assistance under chapter 256B and who are not otherwise insured for the covered services. The period of eligibility extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 18 years old. Eligibility for the health right plan shall be expanded as provided in paragraphs (b) to (e). Under paragraphs (b) to (e), parents who enroll in the health right plan must also enroll their children and dependent siblings, if the children and their dependent siblings are eligible. Children and dependent siblings may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. Families cannot choose to enroll only certain uninsured members. For purposes of this subdivision, a "dependent sibling" means an unmarried child who is a full-time student under the age of 25 years who is financially dependent upon his or her parents. Proof of school enrollment will be required.

(b) [FAMILIES WITH CHILDREN.] Beginning October 1, 1992, "eligible persons" means children eligible under paragraph (a), and parents and dependent siblings residing in the same household as a child eligible under paragraph (a). Individuals who initially enroll in the health right plan under the eligibility criteria in this paragraph shall remain eligible for the health right plan, regardless of age, place of residence within Minnesota, or the presence or absence of children in the same household, as long as all other eligibility requirements are met and continuous enrollment in the health right plan or medical assistance is maintained.

(c) [CONTINUATION OF ELIGIBILITY.] Beginning October 1, 1992, individuals who initially enrolled in the health right plan under the eligibility criteria in paragraph (a) or (b) remain eligible even if their gross income after enrollment exceeds 185 percent of the federal poverty guidelines, subject to any premium required under subdivision 4a, as long as all other eligibility requirements are met and continuous enrollment in the health right plan or medical assistance is maintained.

(d) [FAMILIES WITH CHILDREN; ELIGIBILITY BASED ON PERCENTAGE OF INCOME PAID FOR HEALTH COVERAGE.] Beginning January 1, 1993, "eligible persons" means children, parents, and dependent siblings residing in the same household who are not eligible for medical assistance under chapter 256B. These persons are eligible for coverage through the health right plan but must pay a premium as determined under subdivisions 4a and 4b. Individuals and families whose income is greater than the limits established under subdivision 4b may not enroll in the health right plan. Individuals who initially enroll in the health right plan under the eligibility criteria in this paragraph remain eligible for the health right plan, regardless of age, place of residence within

Minnesota, or the presence or absence of children in the same household, as long as all other eligibility requirements are met and continuous enrollment in the health right plan or medical assistance is maintained.

(e) [ADDITION OF SINGLE ADULTS AND HOUSEHOLDS WITH NO CHILDREN.] Beginning July 1, 1994, "eligible persons" means all families and individuals who are not eligible for medical assistance under chapter 256B. These persons are eligible for coverage through the health right plan but must pay a premium as determined under subdivisions 4a and 4b. Individuals and families whose income is greater than the limits established under subdivision 4b may not enroll in the health right plan.

Sec. 6. Minnesota Statutes 1990, section 256.936, subdivision 3, is amended to read:

Subd. 3. [APPLICATION PROCEDURES.] Applications and other information must be made available to provider offices, local human services agencies, school districts, public and private elementary schools in which 25 percent or more of the students receive free or reduced price lunches, community health offices, and Women, Infants and Children (WIC) program sites. These sites may accept applications, collect the enrollment fee or initial premium fee, and forward the forms and fees to the commissioner. Otherwise, applicants may apply directly to the commissioner. The commissioner ~~may~~ shall use individuals' social security numbers as identifiers for purposes of administering the plan and conduct data matches to verify income. Applicants shall submit evidence of family income, earned and unearned, that ~~will be used~~ is necessary to verify income eligibility. The commissioner shall perform random audits to verify reported income and eligibility. The commissioner may execute data sharing arrangements with the department of revenue and any other governmental agency in order to perform income verification related to eligibility and premium payment under the health right plan. The effective date of coverage is the first day of the month following the month in which a complete application is entered to the eligibility file and the first premium payment has been received. Benefits are not available until the day following discharge if an enrollee is hospitalized on the first day of coverage. Notwithstanding any other law to the contrary, benefits under this section are secondary to a plan of insurance or benefit program under which an eligible person may have coverage and the commissioner shall use cost avoidance techniques to ensure coordination of any other health coverage for eligible persons. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

Sec. 7. Minnesota Statutes 1990, section 256.936, subdivision 4, is amended to read:

Subd. 4. [ENROLLMENT AND PREMIUM FEE.] (a) [ENROLLMENT FEE.] Until October 1, 1992, an annual enrollment fee of \$25, not to exceed \$150 per family, is required from eligible persons for children's covered health services.

(b) [PREMIUM PAYMENTS.] Beginning October 1, 1992, the commissioner shall require health right plan enrollees to pay a premium based on a sliding scale, as established under subdivision 4a. Applicants who are eligible under subdivision 2b, paragraph (a), are exempt from this requirement until July 1, 1993, if the application is received by the health right plan staff on or before September 30, 1992. Before July 1, 1993, these individuals shall continue to pay the annual enrollment fee required by paragraph (a).

(c) [ADMINISTRATION.] Enrollment and premium fees are dedicated to the commissioner for the children's health right plan program. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance. The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon changes in enrollee income; and (3) disenroll enrollees from the health right plan for failure to pay required premiums. Premiums are calculated on a calendar month basis and may be paid on a monthly or quarterly basis, with the first payment due upon notice from the commissioner of the premium amount required. Premium payment is required before enrollment is complete and to maintain eligibility in the health right plan. Nonpayment of the premium will result in disenrollment from the plan within one calendar month after the due date. Persons disenrolled for nonpayment may not reenroll until four calendar months have elapsed.

Sec. 8. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 4a. [ELIGIBILITY FOR SUBSIDIZED PREMIUMS BASED ON SLIDING SCALE.] (a) [GENERAL REQUIREMENTS.] Families and individuals who enroll on or after October 1, 1992, are eligible for subsidized premium payments based on a sliding scale under subdivision 4b only if the family or individual meets the requirements in paragraphs (b) to (d). Children already enrolled in the health right plan as of September 30, 1992, are eligible for subsidized premium payments without meeting these requirements, as long as they maintain continuous coverage in the health right plan or medical assistance.

Families and individuals who initially enrolled in the health right plan under subdivision 2b, and whose income increases above the limits established in subdivision 4b, may continue enrollment and pay the full cost of coverage.

(b) [MUST NOT HAVE ACCESS TO EMPLOYER-SUBSIDIZED COVERAGE.] To be eligible for subsidized premium payments based on a sliding scale, a family or individual must not have access to subsidized health coverage through an employer, and must not have had access to subsidized health coverage through an employer for the 18 months prior to application for subsidized coverage under the health right plan. The requirement that the family or individual must not have had access to employer-subsidized coverage during the previous 18 months does not apply if employer-subsidized coverage was lost for reasons that would not disqualify the individual for unemployment benefits under section 268.09 and the family or individual has not had access to employer-subsidized coverage since the layoff. For purposes of this requirement, subsidized health coverage means health coverage for which the employer pays at least 50 percent of the cost of coverage for the employee, excluding dependent coverage, or a higher percentage as specified by the commissioner. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans as qualified employer subsidies toward the cost of health coverage for employees for purposes of this paragraph.

(c) [PERIOD UNINSURED.] To be eligible for subsidized premium payments based on a sliding scale, families and individuals initially enrolled in the health right plan under subdivision 2b, paragraphs (d) and (e), must have had no health coverage for at least four months prior to application. The commissioner may change this eligibility criterion for sliding scale premiums without complying with rulemaking requirements in order to remain within the limits of available appropriations. The requirement of at least four months of no health coverage prior to application for the health right plan does not apply to families, children, and individuals who want to apply for the health right plan upon termination from the medical assistance program, general assistance medical care program, or coverage under a regional demonstration project for the uninsured funded under section 256B.73, the Hennepin county assured care program, or the Group Health, Inc., community health plan. This paragraph does not apply to families and individuals initially enrolled under subdivision 2b, paragraphs (a) and (b).

Sec. 9. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 4b. [PREMIUMS.] (a) Each individual or family enrolled in the health right plan shall pay a premium determined according to a sliding fee based on the cost of coverage as a percentage of the individual's or family's gross family income.

(b) The commissioner shall establish sliding scales to determine the percentage of gross family income that households at different

income levels must pay to obtain coverage through the health right plan. The sliding scale must be based on the enrollee's gross family income, as defined in subdivision 1, paragraph (c), during the previous four months. The sliding scale must provide separate sliding scales for individuals, two-person households, and households of three or more.

(c) Beginning July 1, 1993, the sliding scales begin with a premium of 1.5 percent of gross family income for individuals with incomes below the limits for the medical assistance program set at 133-1/3 percent of the AFDC payment standard and proceed through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit to a gross monthly income of \$1,600 for an individual, \$2,160 for a household of two, \$2,720 for a household of three, \$3,280 for a household of four, \$3,840 for a household of five, and \$4,400 for households of six or more persons. For the period October 1, 1992 through June 30, 1993, the commissioner shall employ a sliding scale that sets required premiums at percentages of gross family income equal to two-thirds of the percentages specified in this paragraph.

(d) An individual or family whose gross monthly income is above the amount specified in paragraph (c) is not eligible for the plan.

(e) The premium for coverage under the health right plan may be collected through wage withholding with the consent of the employer and the employee.

(f) The sliding fee scale and percentages are not subject to the provisions of chapter 14.

Sec. 10. Minnesota Statutes 1990, section 256.936, is amended by adding a subdivision to read:

Subd. 4c. [RESIDENCY.] (a) The legislature finds that the enactment of a comprehensive health plan for uninsured Minnesotans creates a risk that persons needing medical care will migrate to the state for the primary purpose of obtaining medical care subsidized by the state. The risk of migration undermines the state's ability to provide to legitimate state residents a valuable and necessary health care program which is an important component of the state's comprehensive cost containment and health care system reform plan. Intent-based residency requirements, which are expressly authorized under decisions of the United States Supreme Court, are an unenforceable and ineffective method of denying benefits to those persons the Supreme Court has stated may legitimately be denied eligibility for state programs. If the state is unable to limit eligibility to legitimate permanent residents of the state, the state faces a significant risk that it will be forced to reduce the eligibility and benefits it would otherwise provide to Minnesotans. The legislature

finds that a durational residence requirement is a legitimate, objective, enforceable standard for determining whether a person is a permanent resident of the state. The legislature also finds low-income persons who have not lived in the state for the required time period will have access to necessary health care services through the general assistance medical care program, the medical assistance program, and public and private charity care programs.

(b) To be eligible for health coverage under the health right program, families and individuals must be permanent residents of Minnesota.

(c) For purposes of this subdivision, a permanent Minnesota resident is a person who has demonstrated, through persuasive and objective evidence, that the person is domiciled in the state and intends to live in the state permanently.

(d) To be eligible, all applicants must demonstrate the requisite intent to live in the state permanently by:

(1) showing that the applicant maintains a residence at a verified address other than a place of public accommodation, through the use of evidence of residence described in section 256D.02, subdivision 12a, clause (1);

(2) demonstrating that the applicant has been continuously domiciled in the state for no less than 180 days immediately before the application; and

(3) signing an affidavit declaring that (A) the applicant currently resides in the state and intends to reside in the state permanently; and (B) the applicant did not come to the state for the primary purpose of obtaining medical coverage or treatment.

(e) An individual or family that moved to Minnesota primarily to obtain medical treatment or health coverage for a pre-existing condition is not a permanent resident.

(f) If the 180-day requirement in paragraph (d), clause (2), is determined by a court to be unconstitutional, the commissioner of human services shall impose a 12-month pre-existing condition exclusion on coverage for persons who have been domiciled in the state for less than 180 days.

(g) If any paragraph, sentence, clause, or phrase of this subdivision is for any reason determined by a court to be unconstitutional, the decision shall not affect the validity of the remaining portions of the subdivision. The legislature declares that it would have passed each paragraph, sentence, clause, and phrase in this subdivision,

irrespective of the fact that any one or more paragraphs, sentences, clauses, or phrases is declared unconstitutional.

Sec. 11. Minnesota Statutes 1991 Supplement, section 256.936, subdivision 5, is amended to read:

Subd. 5. [APPEALS.] If the commissioner suspends, reduces, or terminates eligibility for the ~~children's health right~~ plan, or services provided under the ~~children's health right~~ plan, the commissioner must provide notification according to the laws and rules governing the medical assistance program. A ~~children's health right~~ plan applicant or enrollee aggrieved by a determination of the commissioner has the right to appeal the determination according to section 256.045.

Sec. 12. Minnesota Statutes 1990, section 256B.057, is amended by adding a subdivision to read:

Subd. 2a. [NO ASSET TEST FOR CHILDREN.] Eligibility for medical assistance for a person under age 21 must be determined without regard to asset standards established in section 256B.056.

Sec. 13. [256B.0644] [PARTICIPATION REQUIRED FOR REIMBURSEMENT UNDER OTHER STATE HEALTH CARE PROGRAMS.]

A vendor of medical care, as defined in section 256B.02, subdivision 7, and a health maintenance organization, as defined in chapter 62D, must participate as a provider or contractor in the medical assistance program, general assistance medical care program, and the health right plan as a condition of participating as a provider in health insurance plans or contractor for state employees established under section 43A.18, the public employees insurance plan under section 43A.316, the workers' compensation system under section 176.135, and insurance plans provided through the Minnesota comprehensive health association under sections 62E.01 to 62E.17. For providers other than health maintenance organizations, participation in the medical assistance program means that (1) the provider accepts new medical assistance patients or (2) at least 20 percent of the provider's patients are covered by medical assistance, general assistance medical care, or the health right plan as their primary source of coverage. The commissioner shall establish participation requirements for health maintenance organizations. The commissioner shall provide lists of participating medical assistance providers on a quarterly basis to the commissioner of employee relations, the commissioner of labor and industry, and the commissioner of commerce. Each of the commissioners shall develop and implement procedures to exclude as participating providers in the program or programs under their jurisdiction those providers who do not participate in the medical assistance program.

Sec. 14. [PROVIDER PAYMENT INCREASES.]

Subdivision 1. [HOSPITAL OUTPATIENT REIMBURSEMENT.]
For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.

Subd. 2. [PHYSICIAN AND DENTAL REIMBURSEMENT.] (a)
The physician reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 2, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:

(1) payment for level one Health Care Finance Administration's common procedural coding system (HCPCS) codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," caesarean delivery and pharmacologic management provided to psychiatric patients, and HCPCS level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992. If the rate on any procedure code within these categories is different than the rate that would have been paid under the methodology in Minnesota Statutes, section 256B.74, subdivision 2, then the larger rate shall be paid;

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(b) The dental reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 5, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for dental services as follows:

(1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992; and

(2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

Subd. 3. [CONTINGENT ON ENACTMENT OF APPROPRIATIONS.] Subdivisions 1 and 2 are effective only if money is appropriated to the commissioner of human services to cover the entire state cost of the increases.

Sec. 15. [COORDINATION OF STATE HEALTH CARE PURCHASING.]

The commissioner of administration shall convene an interagency task force to develop a plan for coordinating the health care programs administered by state agencies and local governments in order to improve the efficiency and quality of health care delivery and make the most effective use of the state's market leverage and expertise in contracting and working with health plans and health care providers. The commissioner shall present to the legislature, by January 1, 1994, recommendations to: (1) improve the effectiveness of public health care purchasing; and (2) streamline and consolidate health care delivery, through merger, transfer, or reconfiguration of existing health care and health coverage programs. At the request of the commissioner of administration, the commissioners of other state agencies and units of local government shall provide assistance in evaluating and coordinating existing state and local health care programs.

Sec. 16. [STUDY ON PREMIUMS AND BENEFITS.]

The commissioner of human services shall study the cost of health right premiums and the level of premium subsidies in relationship to the benefits provided. This study must include a comparison of the additional enrollee premium costs associated with the provision of an inpatient hospital benefit beginning July 1, 1993. Based on this analysis, the commissioner shall report to the legislative commission on health care access by January 15, 1993, on whether the premiums and subsidy level for the health right plan should be adjusted.

Sec. 17. [PHASE-OUT OF THE CHILDREN'S HEALTH PLAN.]

Notwithstanding contrary provisions of Minnesota Statutes, section 256.936, the commissioner shall continue to accept enrollments in the children's health plan until July 1, 1993, using the eligibility and coverage requirements in effect prior to October 1, 1992, until

the commissioner projects that the total enrollment in the children's health plan will exhaust the fiscal year 1993 appropriation for the children's health plan. These enrollees pay the annual fee established in Minnesota Statutes, section 256.936, subdivision 4, until July 1, 1993.

Sec. 18. [IMPACT OF HEALTH RIGHT ON CHILDREN'S HEALTH PLAN ENROLLEE.]

The commissioner of human services shall examine the impact of health right plan premium costs on access to health care for children's health plan enrollees. The commissioner shall examine whether health right plan premiums are affordable for children's health plan enrollees, and shall examine the degree to which children's health plan enrollees fail to continue coverage through the health right plan for financial reasons. The commissioner shall present recommendations to the legislature by February 15, 1993, on methods to ensure continued access to health care coverage for children's health plan enrollees.

Sec. 19. [INSTRUCTION TO REVISOR.]

(a) The revisor of statutes is directed to change the words "children's health plan" to "health right plan" wherever they appear in the next edition of Minnesota Statutes.

(b) The revisor of statutes is directed to recodify the subdivisions of Minnesota Statutes, section 256.936 as separate sections in chapter 256, and to recodify paragraphs as subdivisions within these sections.

Sec. 20. [EFFECTIVE DATE.]

Section 13, relating to participation in state health care programs, is effective October 1, 1992.

ARTICLE 5

RURAL HEALTH INITIATIVES

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

Subd. 4a. [INVOICE ERRORS; DEPARTMENT OF HUMAN SERVICES.] For purposes of department of human services payments to hospitals receiving reimbursement under the medical assistance and general assistance medical care programs, if an invoice is incorrect, defective, or otherwise improper, the department of human services must notify the hospital of all errors, within 30 days of discovery of the errors.

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

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

Sec. 3. [62A.65] [PARTICIPATING PROVIDERS.]

Subdivision 1. [HEALTH PLAN COMPANY.] For purposes of this section, "health plan company" means any entity governed by chapter 62A, 62C, 62D, 62E, 62H, or 64B, or section 471.617, subdivision 2, that offers, sells, issues, or renews health coverage in this state. Health plan company does not include an entity that sells only policies designed primarily to provide coverage on a per diem, fixed indemnity, or nonexpense-incurred basis, or policies that provide only accident coverage.

Subd. 2. [ACCEPTANCE AS PARTICIPATING PROVIDER.] A health plan company shall not exclude, as a participating provider, a physician who is licensed under chapter 147 and meets the requirements of section 147.02, subdivision 1, paragraph (b), solely because the physician has not completed a full residency or is not board certified, if:

(1) the physician meets all other requirements for serving as a participating provider;

(2) the physician has completed a minimum of two years residency in any specialty;

(3) the physician has not been disciplined by the board of medical practice under section 147.091;

(4) the physician is credentialed by and has staff privileges at a hospital, or is employed by a medical clinic, located in an area designated by the federal government as either a health personnel shortage area or a medically underserved area;

(5) the medical clinic at which the physician practices was part of the provider network of a health plan company, and that health plan company provides health care services to a significant number of persons residing in the community in which the medical clinic is located, many of whom had formerly received services at the medical clinic; and

(6) the medical clinic and the hospital at which the physician has staff privileges are the only providers of 24-hour emergency services in the county.

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

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

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

(2) has 100 or fewer beds;

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

(4) is not for profit; and

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

Sec. 5. Minnesota Statutes 1990, section 144.147, subdivision 3, is amended to read:

Subd. 3. [CONSIDERATION OF GRANTS.] In determining which

hospitals will receive grants under this section, the commissioner shall take into account:

- (1) improving community access to hospital or health services;
- (2) changes in service populations;
- (3) demand for ambulatory and emergency services;
- (4) the extent that the health needs of the community are not currently being met by other providers in the service area;
- (5) the need to recruit and retain health professionals; ~~and~~
- (6) the involvement and extent of support of the community and local health care providers; and
- (7) the financial condition of the hospital.

Sec. 6. Minnesota Statutes 1990, section 144.147, subdivision 4, is amended to read:

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

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

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

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

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

(2) The extent of community support for the hospital and this proposed project. The applicant should demonstrate support for the

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

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

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

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

Sec. 7. [144.1481] [RURAL HEALTH ADVISORY COMMITTEE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] The commissioner of health shall establish a 15-member rural health advisory committee. The committee shall consist of the following members, all of whom must reside outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2:

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

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

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

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

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

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

(7) a midlevel practitioner;

(8) a registered nurse or licensed practical nurse;

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

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

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

The commissioner will make recommendations for committee membership. Committee members will be appointed by the governor. In making appointments, the governor shall ensure that appointments provide geographic balance among those areas of the state outside the seven-county metropolitan area. The chair of the committee shall be elected by the members. The terms, compensation, and removal of members are governed by section 15.059.

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

(1) advise the commissioner and other state agencies on rural health issues;

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

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

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

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

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

Sec. 8. [144.1482] [OFFICE OF RURAL HEALTH.]

Subdivision 1. [DUTIES.] The office of rural health in conjunction with the University of Minnesota medical schools and other organizations in the state which are addressing rural health care problems shall:

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

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

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

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

(5) carry out the duties assigned in section 144.1483.

Subd. 2. [CONTRACTS.] To carry out these duties, the office may contract with or provide grants to public and private, nonprofit entities.

Sec. 9. [144.1483] [RURAL HEALTH INITIATIVES.]

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

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

(2) develop and implement a program to assist rural communities in establishing community health centers, as required by section 144.1486;

(3) administer the program of financial assistance established under section 144.1484 for rural hospitals in isolated areas of the state that are in danger of closing without financial assistance, and that have exhausted local sources of support;

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

(5) develop a statewide, coordinated recruitment strategy for health care personnel and maintain a data base on health care personnel as required under section 144.1485;

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

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

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

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

(10) coordinate the development of a statewide plan for emergency medical services, in cooperation with the emergency medical services advisory council; and

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

Sec. 10. [144.1484] [RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

Subdivision 1. [SOLE COMMUNITY HOSPITAL FINANCIAL ASSISTANCE GRANTS.] The commissioner of health shall award financial assistance grants to rural hospitals in isolated areas of the state. To qualify for a grant, a hospital must: (1) be eligible to be classified as a sole community hospital according to the criteria in Code of Federal Regulations, title 42, section 412.92 or be located in

a community with a population of less than 5,000; (2) have experienced net income losses in the two most recent consecutive hospital fiscal years for which audited financial information is available; (3) consist of 30 or fewer licensed beds; and (4) have exhausted local sources of support. Before applying for a grant, the hospital must have developed a strategic plan. The commissioner shall award grants in equal amounts.

Subd. 2. [GRANTS TO AT-RISK RURAL HOSPITALS TO OFFSET THE IMPACT OF THE HOSPITAL TAX.] The commissioner of health shall award financial assistance grants to rural hospitals that would otherwise close as a direct result of the hospital tax in article 9, section 7. To be eligible for a grant, a hospital must have 50 or fewer beds and must not be located in a city of the first class. To receive a grant, the hospital must demonstrate to the satisfaction of the commissioner of health that the hospital will close in the absence of state assistance under this subdivision and that the hospital tax is the principal reason for the closure. The amount of the grant must not exceed the amount of the tax the hospital would pay under article 9, section 7, based on the previous year's hospital revenues.

Sec. 11. [144.1485] [DATA BASE ON HEALTH PERSONNEL.]

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

Sec. 12. [144.1486] [RURAL COMMUNITY HEALTH CENTERS.]

The commissioner of health shall develop and implement a program to establish community health centers in rural areas of Minnesota that are underserved by health care providers. The program shall provide rural communities and community organizations with technical assistance, capital grants for start-up costs, and short-term assistance with operating costs. The technical assistance component of the program must provide assistance in review of practice management, market analysis, practice feasibility analysis, medical records system analysis, and scheduling and patient flow analysis. The program must: (1) include a local match requirement for state dollars received; (2) require local communities, through nonprofit boards comprised of local residents, to operate and own their community's health care program; (3) encourage the use of midlevel practitioners; and (4) incorporate a quality assurance

strategy that provides regular evaluation of clinical performance and allows peer review comparisons for rural practices. The commissioner shall report to the legislature on implementation of the program by February 15, 1994.

Sec. 13. Minnesota Statutes 1990, section 144.581, subdivision 1, is amended to read:

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

- (a) enter shared service and other cooperative ventures,
- (b) join or sponsor membership in organizations intended to benefit the hospital or hospitals in general,
- (c) enter partnerships,
- (d) incorporate other corporations,
- (e) have members of its governing authority or its officers or administrators serve as directors, officers, or employees of the ventures, associations, or corporations,
- (f) own shares of stock in business corporations,
- (g) offer, directly or indirectly, products and services of the hospital, organization, association, partnership, or corporation to the general public, and
- (h) provide funds for payment of educational expenses of up to \$20,000 per individual, if the hospital or hospital district has at least \$1,000,000 in reserve and depreciation funds at the time of payment, and these reserve and depreciation funds were obtained solely from the operating revenues of the hospital or hospital district, and
- (i) provide funds of up to \$50,000 per year per individual for a maximum of two years to supplement the incomes of family practice physicians, up to a maximum of \$100,000 in annual income, if the hospital or hospital district has at least \$250,000 in reserve and depreciation funds at the time of payment, and these reserve and

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

Sec. 14. Minnesota Statutes 1990, section 144.8093, is amended to read:

144.8093 [EMERGENCY MEDICAL SERVICES FUND.]

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

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

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

Subd. 4. [DISTRIBUTION.] Money from the fund shall be distributed according to this subdivision. ~~Eighty~~ Ninety-three and one-third percent of the fund shall be distributed annually on a contract for services basis with each of the eight regional emergency medical services systems designated by the commissioner of health. The systems shall be governed by a body consisting of appointed representatives from each of the counties in that region and shall also include representatives from emergency medical services organizations. The commissioner shall contract with a regional entity only if the contract proposal satisfactorily addresses proposed emergency medical services activities in the following areas: personnel training, transportation coordination, public safety agency cooperation, communications systems maintenance and development, public involvement, health care facilities involvement, and system management. If each of the regional emergency medical services systems submits a satisfactory contract proposal, then this part of the fund shall be distributed evenly among the regions. If one or more of the regions does not contract for the full amount of its even share or if its proposal is unsatisfactory, then the commissioner may reallocate the unused funds to the remaining regions on a pro rata basis. Six and two-thirds percent of the fund shall be used by the commissioner to support regionwide reporting systems and to provide other regional administration and technical assistance. ~~Thirteen and one-third percent shall be distributed by the commissioner as discretionary grants for special emergency medical services projects with potential statewide significance.~~

Sec. 15. Minnesota Statutes 1990, section 447.31, subdivision 1, is amended to read:

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

Sec. 16. Minnesota Statutes 1990, section 447.31, subdivision 3, is amended to read:

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

the members-elect of the governing body or board acting on it, or by the voters of the city or town as provided in this section.

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

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

Sec. 17. [SPECIAL STUDIES.]

(a) The commissioner of health, through the office of rural health, shall:

(1) investigate the adequacy of access to perinatal services in rural Minnesota and report findings and recommendations to the legislature by January 15, 1994; and

(2) study the impact of current reimbursement provisions for midlevel practitioners on the use of midlevel practitioners in rural practice settings, examining reimbursement provisions in state programs, federal programs, and private sector health plans, and report findings and recommendations to the legislature by January 1, 1993.

(b) The commissioner of administration, through the statewide telecommunications access routing program and its advisory council, and in cooperation with the commissioner of health and the rural health advisory committee, shall investigate and develop recommendations regarding the use of advanced telecommunications technologies to improve rural health education and health care

delivery. The commissioner of administration shall report findings and recommendations to the legislature by January 15, 1994.

Sec. 18. [REPORT ON RURAL HOSPITAL FINANCIAL ASSISTANCE GRANTS.]

The commissioner of health shall examine the eligibility criteria for rural hospital financial assistance grants under Minnesota Statutes, section 144.1484, and report to the legislature by February 1, 1993, on any needed modifications.

Sec. 19. [STUDY OF BASIC AND ADVANCED LIFE SUPPORT REIMBURSEMENT.]

The commissioner of human services, in consultation with the commissioner of health, shall study the mechanisms and rates of reimbursement for advanced and basic life support ambulance and special transportation service calls under medical assistance and general assistance medical care. The study shall examine methods of simplifying the claims process, interpretation of the "medically necessary" criteria and prior approval in light of the statutory mandate that ambulance service may not be denied, and other issues that create impediments to reasonable and fair reimbursement. The commissioner shall report findings and offer recommendations to the legislature by January 1, 1993, on means of maximizing potential reimbursement levels.

Sec. 20. [STUDY OF AMBULANCE SUBSCRIPTION PLANS.]

The commissioner of commerce and the commissioner of health shall study prepaid ambulance service plans that allow a person to prepay for ambulance services on a yearly basis. The commissioners shall study plans offered in other states and shall study the cost effectiveness and feasibility of offering these plans in Minnesota. The commissioners shall study methods of funding the plans. The commissioners shall also address the issue of whether these plans should be regulated as insurance, health maintenance organizations, or as another type of entity. The commissioners shall conduct the study in conjunction with the attorney general. The commissioners shall report the findings of the study to the legislature by January 1, 1993.

Sec. 21. [REPEALER.]

Section 3 expires July 1, 1994, or one year after the date upon which a Minnesota program, established to conduct quality assurance and certification activities related to the participation of rural family practice physicians in health plan company provider networks, becomes operational, whichever occurs first.

Sec. 22. [EFFECTIVE DATE.]

Section 1 relating to invoice errors is effective for the department of human services July 1, 1993, or on the implementation date of the upgrade to the Medicaid management information system, whichever is later.

Section 7 creating the rural health advisory committee is effective January 1, 1993.

ARTICLE 6

HEALTH PROFESSIONAL EDUCATION

Section 1. Minnesota Statutes 1990, section 136A.1355, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the program, a prospective physician must submit a letter of interest to the higher education coordinating board ~~while attending medical school. Before completing the first year of residency.~~ A student or resident who is accepted must sign a contract to agree to serve at least three of the first five years following residency in a designated rural area.

Sec. 2. Minnesota Statutes 1990, section 136A.1355, subdivision 3, is amended to read:

Subd. 3. [LOAN FORGIVENESS.] Prior to June 30, 1992, the higher education coordinating board may accept up to eight applicants who are fourth year medical students, up to eight applicants who are first year residents, and up to eight applicants who are second year residents for participation in the loan forgiveness program. For the period July 1, 1992 through June 30, 1995, the higher education coordinating board may accept up to eight applicants who are fourth year medical students per fiscal year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans and the interest accrued on these loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment. In addition, if a resident participating in the loan forgiveness program serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments to enable the

rural physician to take a vacation, engage in activities outside the practice area, or otherwise be relieved of rural practice commitments, the participating resident may designate up to an additional \$2,000, above the \$10,000 maximum, for each year of residency during which the resident substitutes for a rural physician for four or more weeks.

Sec. 3. [136A.1356] [MIDLEVEL PRACTITIONER EDUCATION ACCOUNT.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Designated rural area" has the definition developed in rule by the higher education coordinating board.

(b) "Midlevel practitioner" means a nurse practitioner, nurse-midwife, nurse anesthetist, advanced clinical nurse specialist, or physician assistant.

(c) "Nurse-midwife" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse-midwives.

(d) "Nurse practitioner" means a registered nurse who has graduated from a program of study designed to prepare registered nurses for advance practice as nurse practitioners.

(e) "Physician assistant" means a person meeting the definition in Minnesota Rules, part 5600.2600, subpart 11.

Subd. 2. [CREATION OF ACCOUNT.] A midlevel practitioner education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for midlevel practitioners agreeing to practice in designated rural areas.

Subd. 3. [ELIGIBILITY.] To be eligible to participate in the program, a prospective midlevel practitioner must submit a letter of interest to the higher education coordinating board prior to or while attending a program of study designed to prepare the individual for service as a midlevel practitioner. Before completing the first year of this program, a midlevel practitioner must sign a contract to agree to serve at least two of the first four years following graduation from the program in a designated rural area.

Subd. 4. [LOAN FORGIVENESS.] The higher education coordinating board may accept up to eight applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the

loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an agreed amount, not to exceed \$7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Subd. 5. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 4 for full repayment of all qualified loans, the higher education coordinating board shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The higher education coordinating board shall deposit the money collected in the midlevel practitioner education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the required service commitment.

Sec. 4. [137.38] [EDUCATION AND TRAINING OF PRIMARY CARE PHYSICIANS.]

Subdivision 1. [CONDITION.] If the board of regents accepts the funding appropriated for sections 137.38 to 137.40, it shall comply with the duties for which the appropriations are made.

Subd. 2. [PRIMARY CARE.] For purposes of sections 137.38 to 137.40, "primary care" means a type of medical care delivery that assumes ongoing responsibility for the patient in both health maintenance and illness treatment. It is personal care involving a unique interaction and communication between the patient and the physician. It is comprehensive in scope, and includes all the overall coordination of the care of the patient's health care problems including biological, behavioral, and social problems. The appropriate use of consultants and community resources is an important aspect of effective primary care.

Subd. 3. [GOALS.] The board of regents of the University of Minnesota, through the University of Minnesota medical school, is requested to implement the initiatives required by sections 137.38 to 137.40 in order to increase the number of graduates of residency programs of the medical school who practice primary care by 20 percent over an eight-year period. The initiatives must be designed to encourage newly graduated primary care physicians to establish practices in areas of rural Minnesota that are medically underserved.

Subd. 4. [GRANTS.] The board of regents is requested to seek grants from private foundations and other nonstate sources for the medical school initiatives outlined in sections 137.38 to 137.40.

Subd. 5. [REPORTS.] The board of regents is requested to report annually to the legislature on progress made in implementing sections 137.38 to 137.40, beginning January 15, 1993, and each succeeding January 15.

Sec. 5. [137.39] [MEDICAL SCHOOL INITIATIVES.]

Subdivision 1. [MODIFIED SCHOOL INITIATIVES.] The University of Minnesota medical school is requested to study the demographic characteristics of students that are associated with a primary care career choice. The medical school is requested to modify the selection process for medical students based on the results of this study, in order to increase the number of medical school graduates choosing careers in primary care.

Subd. 2. [DESIGN OF CURRICULUM.] The medical school is requested to ensure that its curriculum provides students with early exposure to primary care physicians and primary care practice. The medical school is requested to also support premedical school educational initiatives that provide students with greater exposure to primary care physicians and practices.

Subd. 3. [CLINICAL EXPERIENCES IN PRIMARY CARE.] The medical school, in consultation with medical school faculty at the University of Minnesota, Duluth, is requested to develop a program to provide students with clinical experiences in primary care settings in internal medicine and pediatrics. The program must provide training experiences in medical clinics in rural Minnesota communities, as well as in community clinics and health maintenance organizations in the Twin Cities metropolitan area.

Sec. 6. [137.40] [RESIDENCY AND OTHER INITIATIVES.]

Subdivision 1. [PRIMARY CARE AND RURAL ROTATIONS.] The University of Minnesota medical school is requested to increase the opportunities for general medicine, pediatrics, and family practice residents to serve rotations in primary care settings. These settings must include community clinics, health maintenance organizations, and practices in rural communities.

Subd. 2. [RURAL RESIDENCY TRAINING PROGRAM IN FAMILY PRACTICE.] The medical school is requested to establish a rural residency training program in family practice. The program shall provide an initial year of training in a metropolitan-based hospital and family practice clinic. The second and third years of the residency program shall be based in rural communities, utilizing local clinics and community hospitals, with specialty rotations in nearby regional medical centers.

Subd. 3. [CONTINUING MEDICAL EDUCATION.] The medical

school is requested to develop continuing medical education programs for primary care physicians that are comprehensive, community-based, and accessible to primary care physicians in all areas of the state.

Sec. 7. [136A.1357] [EDUCATION ACCOUNT FOR NURSES WHO AGREE TO PRACTICE IN A NURSING HOME.]

Subdivision 1. [CREATION OF THE ACCOUNT.] An education account in the general fund is established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home. The account consists of money appropriated by the legislature and repayments and penalties collected under subdivision 4. Money from the account must be used for a loan forgiveness program.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the loan forgiveness program, a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the board before completing the first year of study of a nursing education program. Before completing the first year of study, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home.

Subd. 3. [LOAN FORGIVENESS.] The board may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed \$3,000, as a qualified loan. For each year that a participant practices nursing in a nursing home, up to a maximum of two years, the board shall annually repay an amount equal to one year of qualified loans. Participants who move from one nursing home to another remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the commissioner shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The board shall deposit the collections in the general fund to be credited to the account established in subdivision 1. The board may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Subd. 5. [RULES.] The board shall adopt rules to implement this section.

Sec. 8. [STUDY OF OBSTETRICAL ACCESS.]

The commissioner of health shall study access to obstetrical services in Minnesota and report to the legislature by January 1, 1993. The study must examine the number of physicians discontinuing obstetrical care in recent years and the effects of high malpractice costs and low government program reimbursement for obstetrical services, and must identify areas of the state where access to obstetrical services is most greatly affected. The commissioner shall recommend ways to reduce liability costs and to encourage physicians to continue to provide obstetrical services.

Sec. 9. [GRANT PROGRAM FOR MIDDLELEVEL PRACTITIONER TRAINING.]

The higher education coordinating board may award grants to Minnesota schools or colleges that educate, or plan to educate midlevel practitioners, in order to establish and administer midlevel practitioner training programs in areas of rural Minnesota with the greatest need for midlevel practitioners. The program must address rural health care needs, and incorporate innovative methods of bringing together faculty and students, such as the use of telecommunications, and must provide both clinical and lecture components.

Sec. 10. [GRANTS FOR CONTINUING EDUCATION.]

The higher education coordinating board shall establish a competitive grant program for schools of nursing and other providers of continuing nurse education, in order to develop continuing education programs for nurses working in rural areas of the state. The programs must complement, and not duplicate, existing continuing education activities, and must specifically address the needs of nurses working in rural practice settings. The board shall award two grants for the fiscal year ending June 30, 1993.

ARTICLE 7

DATA COLLECTION AND RESEARCH INITIATIVES

Section 1. [62J.30] [HEALTH CARE ANALYSIS UNIT.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 62J.30 to 62J.34, the following definitions apply:

(a) "Practice parameter" means a statement intended to guide the clinical decision making of health care providers and patients that is supported by the results of appropriately designed outcomes research studies, including those studies sponsored by the federal

agency for health care policy and research, or has been adopted for use by a national medical society.

(b) "Outcomes research" means research designed to identify and analyze the outcomes and costs of alternative interventions for a given clinical condition, in order to determine the most appropriate and cost-effective means to prevent, diagnose, treat, or manage the condition, or in order to develop and test methods for reducing inappropriate or unnecessary variations in the type and frequency of interventions.

Subd. 2. [ESTABLISHMENT.] The commissioner of health, in consultation with the Minnesota health care commission, shall establish a health care analysis unit to conduct data and research initiatives in order to improve the efficiency and effectiveness of health care in Minnesota.

Subd. 3. [GENERAL DUTIES; IMPLEMENTATION DATE.] The commissioner, through the health care analysis unit, shall:

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

(2) establish the condition-specific data base required under section 62J.31;

(3) develop and implement data collection procedures to ensure a high level of cooperation from health care providers and health carriers, as defined in section 62L.02, subdivision 16;

(4) work closely with health carriers and health care providers to promote improvements in health care efficiency and effectiveness;

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

(6) provide technical assistance to health plan and health care purchasers, as required by section 62J.33;

(7) develop outcome-based practice parameters as required under section 62J.34; and

(8) provide technical assistance as needed to the health planning advisory committee and the regional coordinating boards.

Subd. 4. [CRITERIA FOR UNIT INITIATIVES.] Data and research initiatives by the health care analysis unit must:

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

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

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

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

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

(6) be structured to minimize the administrative burden on health carriers, health care providers, and the health care delivery system, and minimize any privacy impact on individuals; and

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

Subd. 5. [CRITERIA FOR PUBLIC SECTOR HEALTH CARE PROGRAMS.] Data and research initiatives related to public sector health care programs must:

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

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

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

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

Subd. 6. [DATA COLLECTION PROCEDURES.] The health care analysis unit shall collect data from health care providers, health

carriers, and individuals in the most cost-effective manner, which does not unduly burden providers. The unit may require health care providers and health carriers to collect and provide patient health records, provide mailing lists of patients who have consented to release of data, and cooperate in other ways with the data collection process. For purposes of this chapter, the health care analysis unit shall assign, or require health care providers and health carriers to assign, a unique identification number to each patient to safeguard patient identity.

Subd. 7. [DATA CLASSIFICATION.] (a) Data collected through the large-scale data base initiatives of the health care analysis unit required by section 62J.31 that identify individuals are private data on individuals. Data not on individuals are nonpublic data. The commissioner may release private data on individuals and nonpublic data to researchers affiliated with university research centers or departments who are conducting research on health outcomes, practice parameters, and medical practice style; researchers working under contract with the commissioner; and individuals purchasing health care services for health carriers and groups. Prior to releasing any nonpublic or private data under this paragraph that identify or relate to a specific health carrier, medical provider, or health care facility, the commissioner shall provide at least 30 days' notice to the subject of the data, including a copy of the relevant data, and allow the subject of the data to provide a brief explanation or comment on the data which must be released with the data. To the extent reasonably possible, release of private or confidential data under this chapter shall be made without releasing data that could reveal the identity of individuals and should instead be released using the identification numbers required by subdivision 6.

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

(c) The commissioner shall adopt rules to establish criteria and procedures to govern access to and the use of data collected through the initiatives of the health care analysis unit.

Subd. 8. [DATA COLLECTION ADVISORY COMMITTEE.] The commissioner shall convene a 15-member data collection advisory committee consisting of health service researchers, health care providers, health carrier representatives, representatives of businesses that purchase health coverage, and consumers. Six members of this committee must be health care providers. The advisory committee shall evaluate methods of data collection and shall recommend to the commissioner methods of data collection that minimize administrative burdens, address data privacy concerns, and meet the needs of health service researchers. The advisory committee is governed by section 15.059.

Subd. 9. [FEDERAL AND OTHER GRANTS.] The commissioner shall seek federal funding, and funding from private and other nonstate sources, for the initiatives of the health care analysis unit.

Subd. 10. [CONTRACTS AND GRANTS.] To carry out the duties assigned in sections 62J.30 to 62J.34, the commissioner may contract with or provide grants to private sector entities. Any contract or grant must require the private sector entity to maintain the data on individuals which it receives according to the statutory provisions applicable to the data.

Subd. 11. [RULEMAKING.] The commissioner may adopt permanent and emergency rules to implement sections 62J.30 to 62J.34.

Sec. 2. [62J.31] [LARGE-SCALE DATA BASE.]

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

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

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

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

between providers, health carriers, public programs, and other entities.

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

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

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

Sec. 3. [62J.32] [ANALYSIS AND USE OF DATA COLLECTED THROUGH THE LARGE-SCALE DATA BASE.]

Subdivision 1. [DATA ANALYSIS.] The health care analysis unit shall analyze the data collected on specific health conditions using existing practice parameters and newly researched practice parameters, including those established through the outcomes research studies of the federal government. The unit may use the data collected to develop new practice parameters, if development and refinement is based on input from and analysis by practitioners, particularly those practitioners knowledgeable about and impacted by practice parameters. The unit may also refine existing practice parameters, and may encourage or coordinate private sector research efforts designed to develop or refine practice parameters.

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

practitioners in the state who diagnose or treat the medical condition.

Subd. 3. [PEER REVIEW.] The unit may require peer review by the Minnesota Medical Association, Minnesota Chiropractic Association or appropriate health licensing board for specific health care conditions for which practice in all or part of the state deviates from practice parameters. The commissioner may also require peer review by the Minnesota Medical Association, Minnesota Chiropractic Association or appropriate health licensing board for specific conditions for which there are large variations in treatment method or frequency of treatment in all or part of the state. Peer review may be required for all practitioners statewide, or limited to practitioners in specific areas of the state. The peer review must determine whether the procedures conducted by practitioners are necessary and appropriate, and within acceptable and prevailing practice parameters that have been disseminated by the health care analysis unit in conjunction with the appropriate professional organizations. If a practitioner continues to perform procedures that are inappropriate, even after educational efforts by the review panel, the practitioner may be reported to the appropriate professional licensing board.

Subd. 4. [PRACTICE PARAMETER ADVISORY COMMITTEE.] The commissioner shall convene a 15-member practice parameter advisory committee comprised of eight health care professionals, and representatives of the research community and the medical technology industry. The committee shall present recommendations on the adoption of practice parameters to the commissioner and the Minnesota health care commission and provide technical assistance as needed to the commissioner and the commission. The advisory committee is governed by section 15.059, but does not expire.

Sec. 4. [62J.33] [TECHNICAL ASSISTANCE FOR PURCHASERS.]

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

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

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

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

Sec. 5. [62J.34] [OUTCOME-BASED PRACTICE PARAMETERS.]

Subdivision 1. [PRACTICE PARAMETERS.] The health care analysis unit may develop, adopt, revise, and disseminate practice parameters, and disseminate research findings, that are supported by medical literature and appropriately controlled studies to minimize unnecessary, unproven, or ineffective care. Among other appropriate activities relating to the development of practice parameters, the health care analysis unit shall:

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

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

(i) new and revised practice parameters to be used in connection with state health care programs and other settings;

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

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

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

(v) the impact on cost and effectiveness of health care of the management techniques and administrative interventions used in the state health care programs and other settings.

Subd. 2. [APPROVAL.] The commissioner of health, after receiving the advice and recommendations of the Minnesota health care commission, may approve practice parameters that are endorsed, developed, or revised by the health care analysis unit. The commissioner is exempt from the rulemaking requirements of chapter 14 when approving practice parameters approved by the federal agency for health care policy and research, practice parameters adopted for use by a national medical society, or national medical specialty society. The commissioner shall use rulemaking to approve practice parameters that are newly developed or substantially revised by the health care analysis unit. Practice parameters adopted without rulemaking must be published in the State Register.

Subd. 3. [MEDICAL MALPRACTICE CASES.] (a) In an action against a provider for malpractice, error, mistake, or failure to cure, whether based in contract or tort, adherence to a practice parameter approved by the commissioner of health under subdivision 2 is an absolute defense against an allegation that the provider did not comply with accepted standards of practice in the community.

(b) Evidence of a departure from a practice parameter is admissible only on the issue of whether the provider is entitled to an absolute defense under paragraph (a).

(c) Paragraphs (a) and (b) apply to claims arising on or after August 1, 1993, or 90 days after the date the commissioner approves the applicable practice parameter, whichever is later.

(d) Nothing in this section changes the standard or burden of proof in an action alleging a delay in diagnosis, a misdiagnosis, inappropriate application of a practice parameter, failure to obtain informed consent, battery or other intentional tort, breach of contract, or product liability.

Sec. 6. Minnesota Statutes 1991 Supplement, section 145.61, subdivision 5, is amended to read:

Subd. 5. "Review organization" means a nonprofit organization acting according to clause (k) or a committee whose membership is limited to professionals, administrative staff, and consumer directors, except where otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in chapter 62D, by a nonprofit health service plan corporation as defined in chapter 62C, by a professional standards review organization established pursuant to United States Code, title 42, section 1320c-1 et seq., or by a medical review agent established to meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), or by the department of human services, to gather and review information relating to the care and treatment of patients for the purposes of:

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

(b) reducing morbidity or mortality;

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

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

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

(f) reviewing the quality or cost of health care services provided to

enrollees of health maintenance organizations, health service plans, and insurance companies;

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

(h) determining whether a professional shall be granted staff privileges in a medical institution, membership in a state or local association of professionals, or participating status in a nonprofit health service plan corporation, health maintenance organization, or insurance company, or whether a professional's staff privileges, membership, or participation status should be limited, suspended or revoked;

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

(1) health insurance carriers, nonprofit health service plan corporations, or health maintenance organizations and their insureds, subscribers, or enrollees;

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

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

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

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

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

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

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

(m) reviewing a provider's professional practice as requested by the health care analysis unit under section 62J.32.

Sec. 7. Minnesota Statutes 1991 Supplement, section 145.64, subdivision 2, is amended to read:

Subd. 2. [PROVIDER DATA.] The restrictions in subdivision 1 shall not apply to professionals requesting or seeking through discovery, data, information, or records relating to their medical staff privileges, membership, or participation status. However, any data so disclosed in such proceedings shall not be admissible in any other judicial proceeding than those brought by the professional to challenge an action relating to the professional's medical staff privileges or participation status.

Sec. 8. [214.16] [DATA COLLECTION; HEALTH CARE PROVIDER TAX.]

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

(a) "Board" means the boards of medical practice, chiropractic examiners, nursing, optometry, dentistry, pharmacy, and podiatry.

(b) "Regulated person" means a licensed physician, chiropractor, nurse, optometrist, dentist, pharmacist, or podiatrist.

Subd. 2. [BOARD COOPERATION REQUIRED.] The board shall assist the commissioner of health and the data analysis unit in data collection activities required under this article and shall assist the commissioner of revenue in activities related to collection of the health care provider tax required under article 9. Upon the request of the commissioner, the data analysis unit, or the commissioner of revenue, the board shall make available names and addresses of current licensees and provide other information or assistance as needed.

Subd. 3. [GROUNDS FOR DISCIPLINARY ACTION.] The board shall take disciplinary action against a regulated person for:

(1) failure to provide the commissioner of health with data on gross patient revenue as required under section 62J.04;

(2) failure to provide the health care analysis unit with data as required under this article;

(3) failure to provide the commissioner of revenue with data on gross revenue and other information required for the commissioner to implement sections 295.50 to 295.58; and

(4) failure to pay the health care provider tax required under section 295.52.

Sec. 9. [STUDY OF ADMINISTRATIVE COSTS.]

The health care analysis unit shall study costs and requirements incurred by health carriers, group purchasers, and health care providers that are related to the collection and submission of information to the state and federal government, insurers, and other third parties. The unit shall recommend to the commissioner of health and the Minnesota health care commission by January 1, 1994, any reforms that may reduce these costs without compromising the purposes for which the information is collected.

ARTICLE 8

MEDICAL MALPRACTICE

Section 1. Minnesota Statutes 1990, section 145.682, subdivision 4, is amended to read:

Subd. 4. [IDENTIFICATION OF EXPERTS TO BE CALLED.] (a) The affidavit required by subdivision 2, clause (2), must be signed by each expert listed in the affidavit and by the plaintiff's attorney and state the identity of each person whom plaintiff expects to call as an expert witness at trial to testify with respect to the issues of malpractice or causation, the substance of the facts and opinions to which the expert is expected to testify, and a summary of the grounds for each opinion. Answers to interrogatories that state the information required by this subdivision satisfy the requirements of this subdivision if they are signed by the plaintiff's attorney and by each expert listed in the answers to interrogatories and served upon the defendant within 180 days after commencement of the suit against the defendant.

(b) The parties or the court for good cause shown, may by agreement, provide for extensions of the time limits specified in subdivision 2, 3, or this subdivision. Nothing in this subdivision may be construed to prevent either party from calling additional expert witnesses or substituting other expert witnesses.

(c) In any action alleging medical malpractice, all expert interrogatory answers must be signed by the attorney for the party responding to the interrogatory and by each expert listed in the answers. The court shall include in a scheduling order a deadline prior to the close of discovery for all parties to answer expert interrogatories for all experts to be called at trial. No additional experts may be called by any party without agreement of the parties or by leave of the court for good cause shown.

Sec. 2. [604.20] [MEDICAL MALPRACTICE CASES.]

Subdivision 1. [DISCOVERY.] Pursuant to the time limitations set forth in the Minnesota rules of civil procedure, the parties to any medical malpractice action may exchange the uniform interrogatories in subdivision 3 and ten additional nonuniform interrogatories. Any subparagraph of a nonuniform interrogatory will be treated as one nonuniform interrogatory. By stipulation of the parties, or by leave of the court upon a showing of good cause, more than ten additional nonuniform interrogatories may be propounded by a party. In addition, the parties may submit a request for production of documents pursuant to rule 34 of the Minnesota rules of civil procedure.

Subd. 2. [ALTERNATIVE DISPUTE RESOLUTION.] At the time a trial judge orders a case for trial, the court shall require the parties to discuss and determine whether a form of alternative dispute resolution would be appropriate or likely to resolve some or all of the issues in the case. Alternative dispute resolution may include arbitration, mediation, summary jury trial, or other alternatives suggested by the court or parties, and may be either binding or nonbinding. All parties must agree unanimously before alternative dispute resolution proceeds.

Subd. 3. [UNIFORM INTERROGATORIES.] (a) Uniform plaintiff's interrogatories to the defendant are as follows:

PLAINTIFF'S INTERROGATORIES TO DEFENDANT

INTERROGATORY NO. 1:

Please attach a complete curriculum vitae for Dr. (.....), M.D., which should include, but is not limited to, the following information:

a. Name;

b. Office address;

c. Name of practice;

d. Identities of partners or associates, including their names, specialties, and how long they have been associated with Dr. (.....);

e. Specialty of Dr. (.....);

f. Age;

g. The names and dates of attendance at any medical schools;

h. Full information as to internship or residency, including the place and dates of the internship or residency as well as any specialized fields of practice engaged in during such internship or residency;

i. The complete history of the practice of Dr. (.....) from and after medical school, setting forth the places where Dr. (.....) practiced medicine, the persons with whom Dr. (.....) was associated, the dates of the practice, and the reasons for leaving the practice;

j. Full information as to any board certifications Dr. (.....) may hold, including the field of specialty and the dates of the certifications and any recertifications;

k. Identifying the medical societies and organizations to which Dr. (.....) belongs, giving full information as to any offices held in the organizations;

l. Identifying all professional journal articles, treatises, textbooks, abstracts, speeches, or presentations which Dr. (.....) has authored or contributed to; and

m. Any other information which describes or explains the training and experience of Dr. (.....) for the practice of medicine.

INTERROGATORY NO. 2:

Has Dr. (.....) been the subject of any professional disciplinary actions of any kind and, if so:

State whether Dr. (.....)'s license to practice medicine has ever been revoked or publicly limited in any way and, if so, give the date and the reasons for such revocation or restriction.

INTERROGATORY NO. 3:

Please set forth a listing by author, title, publisher, and date of publication of all the medical texts referred to by Dr. (.....) with respect to the practice of medicine during the past five years.

INTERROGATORY NO. 4:

Please set forth a complete listing of the medical and professional journals to which Dr. (.....) subscribes or has subscribed within the past five years.

INTERROGATORY NO. 5:

As to each expert whom you expect to call as a witness at trial, please state:

- a. The expert's name, address, occupation, and title;
- b. The expert's field of expertise, including subspecialties, if any;
- c. The expert's education background;
- d. The expert's work experience in the field of expertise;
- e. All professional societies and associations of which the expert is a member;
- f. All hospitals at which the expert has staff privileges of any kind;
- g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

INTERROGATORY NO. 6:

With respect to each person identified in answer to the foregoing interrogatory, state:

- a. The subject matter on which the person is expected to testify;
- b. The substance of the facts and opinions to which the person is expected to testify, and
- c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

INTERROGATORY NO. 7:

Please state whether there is any policy of insurance that will provide coverage to the defendant should liability attach on the basis of the allegations contained in the plaintiff's Complaint. If so, state with regard to each policy applicable:

- a. The name and address of the insurer;
- b. The exact limits of coverage applicable;
- c. Whether any reservation of rights or controversy or coverage dispute exists between you and the insurance company.

Please attach copies of each policy to your Answers.

INTERROGATORY NO. 8:

State the full name, present address, occupation, age, present employer, and the present employer's address of each physician, nurse, or other medical personnel in the employ of the defendant or defendant's professional association who treated, cared for, examined, or otherwise attended (name) from (date 1), through (date 2). With regard to every individual, please state:

- a. Each date upon which the individual attended (name);
- b. The nature of the treatment or care rendered (name) on each date;
- c. The qualifications and area of specialty of each individual; and
- d. The present address of each individual.

In responding to this interrogatory, referring plaintiff's counsel to medical records will not be deemed to be a sufficient answer as plaintiff's counsel has reviewed the medical records and is not able to determine the identity of the individuals.

INTERROGATORY NO. 9: (Hospital defendant only)

Please state the name, address, telephone number, and last known employer of the nursing supervisor for the shifts set forth in the preceding interrogatory.

INTERROGATORY NO. 10:

Please identify by name and current or last known address and telephone number each and every person who has or claims to have knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

INTERROGATORY NO. 11:

a. Have any statements been taken from nonparties or the plaintiff(s) pertaining to this claim? For purposes of this request, a statement previously made is (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

1. The name and address of each person making a statement;
2. The date on which the statement was made;

3. The name and address of the person or persons taking each statement; and

4. The subject matter of each statement.

b. Attach a copy of each statement to the answers to these interrogatories.

c. If you claim that any information, document, or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege, work product protection, or objection, or refusing to provide discovery as requested.

INTERROGATORY NO. 12:

Do you or anyone acting on your behalf know of any photographs, films, or videotapes depicting [.....]? If so, state:

a. The number of photographs or feet of film or videotape;

b. The places, objects, or persons photographed, filmed, or videotaped;

c. The date the photographs, film, or videotapes were taken;

d. The name, address, and telephone number of each person who has the original or copy.

Please attach copies of any photographs or videotapes.

INTERROGATORY NO. 13:

If you claim that injuries to plaintiff complained of in plaintiff's Complaint were contributed to or caused by plaintiff or any other person, including any other physician, hospital, nurse, or other health care provider, please state:

a. The facts upon which you base the claim;

b. The name, current address, and current employer of each person whom you allege was or may have been negligent.

INTERROGATORY No. 14:

Please state the name or names of the individuals supplying the information contained in your Answers to these Interrogatories. In addition, please state these individuals' current addresses, places of employment, and their current position at their place of employment.

INTERROGATORY NO. 15:

Does defendant have knowledge of any conversations or statements made by the plaintiff(s) concerning any subject matter relative to this action? If so, please state:

a. The name and last known address of each person who claims to have heard such conversations or statements;

b. The date of such conversations or statements;

c. The summary or the substance of each conversation or statement.

INTERROGATORY NO. 16:

Did the defendant, the defendant's agents, or employees conduct a surveillance of the plaintiff(s)? If so, state:

a. Name, address, and occupation of the person who conducted each surveillance;

b. Name and address of the person who requested each surveillance to be made;

c. Date or dates on which each surveillance was conducted;

d. Place or places where each surveillance was performed;

e. Information or facts discovered in the surveillance;

f. Name and address of the person now having custody of each written report, photographs, videotapes, or other documents concerning each surveillance.

INTERROGATORY NO. 17:

Are you aware of any person you may call as a witness at the trial of this action who may have or claims you have any information concerning the medical, mental, or physical condition of the plaintiff(s) prior to the incident in question? If so, state:

a. The name and last know address of each person and your means of ascertaining the present whereabouts of each person;

b. The occupation and employer of each person;

c. The subject and substance of the information each person claims to have.

INTERROGATORY NO. 18:

As to any affirmative defenses you allege, state the factual basis of and describe each affirmative defense, the evidence which will be offered at trial concerning any alleged affirmative defense, including the names of any witnesses who will testify in support thereof, and the descriptions of any exhibits which will be offered to establish each affirmative defense.

INTERROGATORY NO. 19:

Do you contend that any entries in the answering defendant's medical/hospital records are incorrect or inaccurate? If so, state:

a. The precise entry(ies) that you think are incorrect or inaccurate;

b. What you contend the correct or accurate entry(ies) should have been;

c. The name, address, and employer of each and every person who has knowledge pertaining to a. and b.;

d. A description, including the author and title of each and every document that you claim supports your answer to a. and b.;

e. The name, address, and telephone number of each and every person you intend to call as a witness in support of your contention.

(b) Uniform defendant's interrogatories to the plaintiff for personal injury cases are as follows:

DEFENDANT'S INTERROGATORIES TO PLAINTIFF (PERSONAL INJURY)

1. State your full name, address, date of birth, marital status, and social security number.

2. If you have been employed at any time in the past ten years, with respect to this period state the names and addresses of each of your employers, describe the nature of your work, and state the approximate dates of each employment.

3. If you have ever been a party to a lawsuit where you claimed damages for injury to your person, state the title of the suit, the court file number, the date of filing, the name and address of any involved insurance carrier, the kind of claim, and the ultimate disposition of the same. (This is meant to include workers' compensation and social security disability claims.)

4. Identify by name and address each and every physician, surgeon, medical practitioner, or other health care practitioner whom you consulted or who provided advice, treatment, or care for you at any time within the last ten years and, with respect to each contract, consultation, treatment, or advice, describe the same with particularity and indicate the reasons for the same.

5. State the name and address of each and every hospital, treatment facility, or institution in which plaintiff has been confined for any reason at any time, and set forth with particularity the reasons for each confinement and/or treatment and the dates of each.

6. Itemize all special damages which you claim in this case and specify, where appropriate, the basis and reason for your calculation as to each item of special damages.

7. List all payments related to the injury or disability in question that have been made to you, or on your behalf, from "collateral sources" as that term is defined in Minnesota Statutes, section 548.36.

8. List all amounts that have been paid, contributed, or forfeited by, or on behalf of, you or members of your immediate family for the two-year period immediately before the accrual of this action to secure the right to collateral source benefits that have been made to you or on your behalf.

9. Do you contend any of the following:

a. That defendant did not possess that degree of skill and learning which is normally possessed and used by medical professionals in good standing in a similar practice and under like circumstances;

b. That defendant did not exercise that degree of skill and learning which is normally used by medical professionals in good standing in a similar practice and under like circumstances.

10. If your answer to any part of the foregoing interrogatory is yes, with respect to each answer:

a. Specify in detail each contention;

b. Specify in detail each act or omission of defendant which you

contend was a departure from the degree of skill and learning normally used by medical professionals in a similar practice and under like circumstances;

c. Specify in detail the conduct of defendant as you claim it should have been;

d. Specify in detail each fact known to you and your attorneys upon which you base your answers to interrogatories 9 and 10.

11. If you claim defendant failed to disclose to you any risk concerning the involved medical care and treatment which, if disclosed, would have resulted in your refusing to consent to the medical care or treatment, then:

a. State in detail each and every thing defendant did tell you concerning the risks of the involved medical care and treatment, giving the approximate dates thereof and identifying all persons in attendance;

b. Describe each and every risk which you claim defendant should have, but failed to, disclose to you;

c. Describe in detail precisely what you claim defendant should have said to you, but failed to say, concerning the risks of the involved medical care and treatment;

d. Explain in detail all facts and reasons upon which you base the claim that, if the foregoing risks were explained to you, you would not have consented to the involved medical care and treatment.

12. Please identify by name and current or last known address and telephone number each and every person who has or claims to have any knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

13. As to each expert whom you expect to call as a witness at trial, please state:

a. The expert's name, address, occupation, and title;

b. The expert's field of expertise, including subspecialties, if any;

c. The expert's education background;

d. The expert's work experience in the field of expertise;

e. All professional societies and associations of which the expert is a member;

f. All hospitals at which the expert has staff privileges of any kind;

g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

14. With respect to each person identified in answer to the foregoing interrogatory, state:

a. The subject matter on which the expert is expected to testify;

b. The substance of the facts and opinions to which the expert is expected to testify; and

c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

15. Have any statements been taken from any defendant or nonparty pertaining to this claim? For purposes of this request, a statement previously made is: (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

a. The name and address of each person making a statement;

b. The date on which the statement was made;

c. The name and address of the person or persons taking each statement; and

d. The subject matter of the statement;

e. Attach a copy of each statement to the answers to these interrogatories.

f. If you claim that any information, document, or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege, work product protection, or objection, or refusing to provide discovery as requested.

(c) Uniform defendant's interrogatories to the plaintiff for wrongful death cases are as follows:

DEFENDANT'S INTERROGATORIES TO PLAINTIFF
(WRONGFUL DEATH)

1. State the full name, age, present occupation, business address, present residence address, and address for a period of ten years prior to the present date for each heir or next of kin (including the Trustee) on whose behalf this action has been commenced.

2. Set forth the date of birth and place of birth of the decedent.

3. Set forth the date of birth and place of birth of the decedent's surviving spouse.

4. Set forth the names, date of birth, and places of birth of any children of decedent.

5. Set forth the names, addresses, and dates of birth of all heirs and next of kin of decedent and set forth the relationship of each individual to decedent.

6. Set forth the date of marriage between decedent and decedent's surviving spouse and the place of the marriage.

7. Set forth whether or not there were any proceedings for a legal separation or divorce instituted between decedent and decedent's surviving spouse and, if so, set forth the dates that the proceedings were instituted, the result of the proceedings, and the court in which the proceedings were instituted.

8. Set forth whether or not decedent was ever married to anyone other than decedent's surviving spouse and if so, set forth the names of any other spouse or spouses and the inclusive dates of any other marriages.

9. Set forth whether or not decedent's surviving spouse has ever been married to anyone other than decedent and, if so, set forth the names of any other spouses and the inclusive dates of any other marriages.

10. If you claim defendant failed to disclose to you any risk concerning the involved medical care and treatment which, if disclosed, would have resulted in the decedent's refusing to consent to the medical care or treatment, then:

a. State in detail each and every thing defendant did tell you concerning the risks of the involved medical care and treatment,

giving the approximate dates thereof and identify all persons in attendance;

b. Describe each and every risk which you claim defendants should have, but failed to, disclose to you;

c. Describe in detail precisely what you claim defendant should have said to you, but failed to say, concerning the risks of the involved medical care and treatment;

d. Explain in detail all facts and reasons upon which you base the claim that, if the foregoing risks were explained to you, you would not have consented to the involved medical care and treatment.

11. Was the deceased employed at the time of death?

12. If the answer to Interrogatory No. 10 is yes, indicate the following:

a. The name and address of the deceased's employer and the nature of the employment;

b. The amount of earnings from the employment;

c. Defendant requests copies of the decedent's federal and state income tax return for the past five years.

13. If decedent was self-employed for any period of time during the ten-year period of time immediately preceding decedent's death, set forth the following:

a. The inclusive dates of the self-employment;

b. A specific and detailed description of the nature of the self-employment;

c. The business name and address under which decedent operated; and

d. A specific and detailed description of decedent's earnings from the self-employment.

14. Set forth in detail a chronological education history of decedent including the name and address of each school attended, the inclusive dates of attendance, the date of graduation, a description of any degrees awarded, a description of the major area of study and the grade point average upon graduation.

15. Did the decedent make any contribution of money, property, or other items having a money worth toward the support, maintenance, or well-being of any next of kin and, if so, please itemize the following:

- a. The amount and nature of the contribution;
- b. The date(s) upon which each contribution was made;
- c. The persons(s) receiving each contribution;
- d. The period of time over which the contributions were made;
- e. The regularity or irregularity of the contributions;

f. Identify by date, author, type, recipient, and present custodian each and every document referring to or otherwise evidencing each contribution.

16. Identify by name and address each and every physician, surgeon, medical practitioner, or other health care practitioner whom the decedent consulted or who provided advice, treatment, or care for the decedent at any time within ten years prior to death and, with respect to the contact, consultation, treatment, or advice, describe the same with particularity and indicate the reasons for the same.

17. State the name and address of each and every hospital, treatment facility, or institution in which the decedent has been confined for any reason at any time, and set forth with particularity the reasons for each confinement and/or treatment and the dates of each.

18. Itemize all special damages which you claim in this case and specify, where appropriate, the basis and reason for your calculation as to each item of special damages.

19. List any payment related to the injury or disability in question made to you, or on your behalf, from "collateral sources" as that term is defined in Minnesota Statutes, section 548.36.

20. List all amounts that have been paid, contributed or forfeited by, or on behalf of, you or members of your immediate family for the two-year period immediately before the accrual of this action to secure the right to collateral source benefits that have been made to you or on your behalf.

21. Do you contend any of the following:

a. That any of the defendants did not possess that degree of skill and learning which is normally possessed and used by medical professionals in good standing in a similar practice and under like circumstances? If so, identify the defendants;

b. That any of the defendants did not exercise that degree of skill and learning which is normally used by medical professionals in good standing in a similar practice and under like circumstances? If so, identify the defendants.

22. If your answer to any part of the foregoing interrogatory is yes, with respect to each answer:

a. Specify in detail your contention;

b. Specify in detail each act or omission of each defendant which you contend was a departure from that degree of skill and learning normally used by medical professionals in a similar practice and under like circumstances.

23. Please identify by name and current or last known address and telephone number of each and every person who has or claims to have any knowledge of any facts relevant to the issues in this lawsuit, stating in detail all facts each person has or claims to have knowledge of.

24. As to each expert whom you expect to call as a witness at trial, please state:

a. The expert's name, address, occupation, and title;

b. The expert's field of expertise, including subspecialties, if any;

c. The expert's education background;

d. The expert's work experience in the field of expertise;

e. All professional societies and associations of which the expert is a member;

f. All hospitals at which the expert has staff privileges of any kind;

g. All written publications of which the expert is the author, giving the title of the publication and when and where it was published.

25. With respect to each person identified in the foregoing interrogatory, state:

- a. The subject matter on which the expert is expected to testify;
- b. The substance of the facts and opinions to which the expert is expected to testify; and
- c. A summary of the grounds for each opinion, including the specific factual data upon which the opinion will be based.

26. Set forth in detail anything said or written by which plaintiff claims to be relevant to any of the issues in this lawsuit, identifying the time and place of each statement, who was present, and what was said by each person who was present.

27. Have any statements been taken from any defendant or nonparty pertaining to this claim? For purposes of this request, a statement previously made is: (1) a written statement signed or otherwise adopted or approved by the person making it, or (2) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantial verbatim recital or an oral statement by the person making it and contemporaneously recorded. With regard to each statement, state:

- a. The name and address of each person making a statement;
- b. The date on which the statement was made;
- c. The name and address of the person or persons taking each statement; and
- d. The subject matter of each statement;
- e. Attach a copy of each statement to the answers to these interrogatories;
- f. If you claim that any information, document or thing sought or requested is privileged, protected by the work product doctrine, or otherwise not discoverable, please:

1. Identify each document or thing by date, author, subject matter, and recipient;

2. State in detail the legal and factual basis for asserting said privilege, work product protection, or objection, or refusing to provide discovery as requested.

ARTICLE 9
FINANCING

Section 1. [16A.724] [HEALTH CARE ACCESS FUND.]

A health care access fund is created in the state treasury. The fund is a direct appropriated special revenue fund. The commissioner shall deposit to the credit of the fund money made available to the fund.

Sec. 2. Minnesota Statutes 1990, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 15, June 15, and December 15 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies ~~and~~, domestic mutual insurance companies, health maintenance organizations, and nonprofit health service corporations, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. Except as provided in ~~paragraph~~ paragraphs (b) and (e), installments must be based on a sum equal to two percent of the premiums described in paragraph (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) writing life insurance, or (ii) whose total assets on December 31, 1989, exceeded \$1,600,000,000, the installments must be based on an amount equal to the following percentages of the premiums described in paragraph (c):

(1) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and

(2) for premiums paid after December 31, 1991, one-half of one percent.

(c) Installments under paragraph (a) ~~or~~, (b), or (e) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year, excepting premiums written for marine insurance as specified in subdivision 6.

(d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section, unless the total tax for the current tax year is \$500 or less.

(e) For health maintenance organizations and nonprofit health services corporations, the installments must be based on an amount equal to one percent of premiums described in paragraph (c) that are paid after December 31, 1995.

(f) Premiums under the children's health plan, the health right plan, and Minnesota comprehensive health insurance plan are not subject to tax under this section.

Sec. 3. Minnesota Statutes 1990, section 62C.01, subdivision 3, is amended to read:

Subd. 3. [SCOPE.] Every foreign or domestic nonprofit corporation organized for the purpose of establishing or operating a health service plan in Minnesota whereby health services are provided to subscribers to the plan under a contract with the corporation shall be subject to and governed by Laws 1971, chapter 568, and shall not be subject to the laws of this state relating to insurance, except section 60A.15 and as otherwise specifically provided. Laws 1971, chapter 568 shall apply to all health service plan corporations incorporated after August 1, 1971, and to all existing health service plan corporations, except as otherwise provided. Nothing in sections 62C.01 to 62C.23 shall apply to prepaid group practice plans. A prepaid group practice plan is any plan or arrangement other than a service plan, whereby health services are rendered to certain patients by providers who devote their professional effort primarily to members or patients of the plan, and whereby the recipients of health services pay for the services on a regular, periodic basis, not on a fee for service basis.

Sec. 4. Minnesota Statutes 1990, section 290.01, subdivision 19b, is amended to read:

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

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

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

(3) the amount paid to others not to exceed \$650 for each dependent in grades kindergarten to 6 and \$1,000 for each dependent in grades 7 to 12, for tuition, textbooks, and transportation of

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

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

(5) income as provided under section 290.0802;

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

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

(8) to the extent not deducted in determining federal taxable income, the amount paid for health insurance of self-employed individuals as determined under section 162(l) of the Internal Revenue Code, except that the 25 percent limit does not apply. If the taxpayer deducted insurance payments under section 213 of the Internal Revenue Code of 1986, the subtraction under this clause must be reduced by the lesser of:

(i) the total itemized deductions allowed under section 63(d) of the Internal Revenue Code, less state, local, and foreign income taxes deductible under section 164 of the Internal Revenue Code and the

standard deduction under section 63(c) of the Internal Revenue Code; or

(ii) the lesser of (A) the amount of insurance qualifying as "medical care" under section 213(d) of the Internal Revenue Code to the extent not deducted under section 162(l) of the Internal Revenue Code or excluded from income or (B) the total amount deductible for medical care under section 213(a).

HOSPITALS AND HEALTH CARE PROVIDERS

Sec. 5. [295.50] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] For purposes of sections 295.50 to 295.58, the following terms have the meanings given.

Subd. 2. [COMMISSIONER.] "Commissioner" is the commissioner of revenue.

Subd. 3. [GROSS REVENUES.] (a) "Gross revenues" are total amounts received in money or otherwise by:

(1) a resident hospital for inpatient or outpatient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29;

(2) a nonresident hospital for inpatient or outpatient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29, provided to patients domiciled in Minnesota;

(3) a resident health care provider, other than a health maintenance organization, for covered services listed in section 256B.0625;

(4) a nonresident health care provider for covered services listed in section 256B.0625 provided to an individual domiciled in Minnesota;

(5) a wholesale drug distributor for sale or distribution of prescription drugs that are delivered in Minnesota by the distributor or a common carrier, unless the prescription drugs are delivered to another wholesale drug distributor; and

(6) a health maintenance organization as gross premiums for enrollees, carrier copayments, and fees for covered services listed in section 256B.0625.

(b) Gross revenues do not include governmental, foundation, or other grants or donations to a hospital or health care provider for operating or other costs.

Subd. 4. [HEALTH CARE PROVIDER.] “Health care provider” is a vendor of medical care qualifying for reimbursement under the medical assistance program provided under chapter 256B, and includes health maintenance organizations but excludes hospitals and pharmacies.

Subd. 5. [HMO.] “Health maintenance organization” is a nonprofit corporation licensed and operated as provided in chapter 62D.

Subd. 6. [HOME HEALTH CARE SERVICES.] “Home health care services” are services:

(1) defined under the state medical assistance program as home health agency services, personal care services and supervision of personal care services, private duty nursing services, and waived services; and

(2) provided at a recipient’s residence, if the recipient does not live in a hospital, nursing facility, as defined in section 62A.46, subdivision 3, or intermediate care facility for persons with mental retardation as defined in section 256B.055, subdivision 12, paragraph (d).

Subd. 7. [HOSPITAL.] “Hospital” is a hospital licensed under chapter 144, a hospital providing inpatient or outpatient services licensed by any other state or province or territory of Canada or a surgical center.

Subd. 8. [NONRESIDENT HEALTH CARE PROVIDER.] “Non-resident health care provider” means a health care provider that is not a resident health care provider.

Subd. 9. [NONRESIDENT HOSPITAL.] “Nonresident hospital” means a hospital physically located outside Minnesota.

Subd. 10. [PHARMACY.] “Pharmacy” means a pharmacy, as defined in section 151.01, if the only goods or services the pharmacy sells that qualify for reimbursement under the medical assistance program under chapter 256B are drugs and prosthetics.

Subd. 11. [RESIDENT HEALTH CARE PROVIDER.] “Resident health care provider” means a health care provider whose principal place of dispensing health care is in Minnesota.

Subd. 12. [RESIDENT HOSPITAL.] “Resident hospital” means a hospital physically located inside Minnesota.

Subd. 13. [SURGICAL CENTER.] “Surgical center” is an outpatient surgical center as defined in Minnesota Rules, chapter 4675 or

a similar facility located in any other state or province or territory of Canada.

Subd. 14. [WHOLESALE DRUG DISTRIBUTOR.] "Wholesale drug distributor" means a wholesale drug distributor required to be licensed under sections 151.42 to 151.51.

Sec. 6. [295.51] [MINIMUM CONTACTS REQUIRED FOR JURISDICTION TO TAX GROSS REVENUE.]

Subdivision 1. [BUSINESS TRANSACTIONS IN MINNESOTA.] A hospital or health care provider is subject to tax under sections 295.50 to 295.58 if it is "transacting business in Minnesota." A hospital or health care provider is transacting business in Minnesota only if it:

- (1) maintains an office in Minnesota;
- (2) has employees, representatives, or independent contractors conducting business in Minnesota;
- (3) regularly sells covered services to customers that receive the covered services in Minnesota;
- (4) regularly solicits business from potential customers in Minnesota;
- (5) regularly performs services outside Minnesota the benefits of which are consumed in Minnesota;
- (6) owns or leases tangible personal or real property physically located in Minnesota; or
- (7) receives medical assistance payments from the state of Minnesota.

Subd. 2. [PRESUMPTION.] A hospital or health care provider is presumed to regularly solicit business within Minnesota if it receives gross receipts for covered services from 20 or more patients domiciled in Minnesota in a calendar year.

Sec. 7. [295.52] [TAXES IMPOSED.]

Subdivision 1. [HOSPITAL TAX.] A tax is imposed on each hospital equal to two percent of its gross revenues.

Subd. 2. [PROVIDER TAX.] A tax is imposed on each health care provider equal to two percent of its gross revenues.

Subd. 3. [WHOLESALE DRUG DISTRIBUTOR TAX.] A tax is imposed on each wholesale drug distributor equal to two percent of its gross revenues.

Subd. 4. [USE TAX; PRESCRIPTION DRUGS.] A person that receives prescription drugs for resale or use in Minnesota, other than from a wholesale drug distributor that paid the tax under subdivision 3, is subject to a tax equal to two percent of the price paid. Liability for the tax is incurred when prescription drugs are received in Minnesota by the person.

Sec. 8. [295.53] [EXEMPTIONS; SPECIAL RULES.]

Subdivision 1. [EXEMPTIONS.] The following payments are excluded from the gross revenues subject to the hospital or health care provider taxes under sections 295.50 to 295.57:

(1) payments received from the federal government for services provided under the Medicare program, excluding enrollee deductible and coinsurance payments;

(2) medical assistance payments;

(3) payments received for services performed by nursing homes licensed under chapter 144A, services provided in supervised living facilities and home health care services;

(4) payments received from hospitals for goods and services that are subject to tax under section 295.52;

(5) payments received from health care providers for goods and services that are subject to tax under section 295.52;

(6) amounts paid for prescription drugs to a wholesale drug distributor reduced by reimbursements received for prescription drugs under clauses (1), (2), (7), and (8);

(7) payments received under the general assistance medical care program;

(8) payments received for providing services under the health right program under article 4; and

(9) payments received by a resident health care provider or the wholly owned subsidiary of a resident health care provider for care provided outside Minnesota to a patient who is not domiciled in Minnesota.

Subd. 2. [DEDUCTIONS FOR HMOS.] (a) In addition to the

exemptions allowed under subdivision 1, a health maintenance organization may deduct from its gross revenues for the year:

(1) amounts added to reserves, if total reserves do not exceed 25 percent of gross revenues for the prior year;

(2) assessments for the comprehensive health insurance plan under section 62E.11 paid during the year; and

(3) an allowance for administration and underwriting.

(b) The commissioner of health, in consultation with the commissioners of commerce and revenue, shall establish by rule under chapter 14 the percentage of health maintenance revenue that will be allowed as a deduction for administrative and underwriting expenses. The commissioner of health shall determine the percentage allowance based on the average expenses of health maintenance organizations that are equivalent to the claims administration and other underwriting services of third party payors. These expenses do not include the portion of health maintenance organization costs that are similar to the administrative costs of direct health care providers, rather than third party payors, and do not include costs deductible under paragraph (a), clauses (1) and (2). The commissioner of health may adopt emergency rules.

Subd. 3. [RESTRICTION ON ITEMIZATION.] A hospital or health care provider must not separately state the tax obligation under section 295.52 on bills provided to individual patients.

Sec. 9. [295.54] [CREDIT FOR TAXES PAID TO ANOTHER STATE.]

A resident hospital or resident health care provider who is liable for taxes payable to another state or province or territory of Canada measured by gross receipts and is subject to tax under section 295.52 is entitled to a credit for the tax paid to another state or province or territory of Canada to the extent of the lesser of (1) the tax actually paid to the other state or province or territory of Canada, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing jurisdictions.

Sec. 10. [295.55] [PAYMENT OF TAX.]

Subdivision 1. [SCOPE.] The provisions of this section apply to the taxes imposed under sections 295.50 to 295.58.

Subd. 2. [ESTIMATED TAX; HOSPITALS.] (a) Each hospital must make estimated payments of the taxes for the calendar year in monthly installments to the commissioner within ten days after the end of the month.

(b) Estimated tax payments are not required if the tax for the calendar year is less than \$500 or if the hospital has been allowed a grant under section 144.1484, subdivision 2 for the year.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-twelfth of the tax for the calendar year or (2) the tax for the actual gross revenues received during the month.

Subd. 3. [ESTIMATED TAX; OTHER TAXPAYERS.] (a) Each taxpayer, other than a hospital, must make estimated payments of the taxes for the calendar year in quarterly installments to the commissioner by April 15, July 15, October 15, and January 15 of the following calendar year.

(b) Estimated tax payments are not required if the tax for the calendar year is less than \$500.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-quarter of the tax for the calendar year or (2) the tax for the actual gross revenues received during the quarter.

Subd. 4. [ELECTRONIC FUNDS TRANSFER PAYMENTS.] A taxpayer with an aggregate tax liability of \$60,000 or more during a calendar quarter ending the last day of March, June, September, or December must thereafter remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, is on or before the date the tax is due. If the date the tax is due is not a funds-transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date is on or before the first funds-transfer business day after the date the tax is due.

Subd. 5. [ANNUAL RETURN.] The taxpayer must file an annual return reconciling the estimated payments by March 15 of the following calendar year.

Subd. 6. [FORM OF RETURNS.] The estimated payments and annual return must contain the information and be in the form prescribed by the commissioner.

Sec. 11. [295.57] [COLLECTION AND ENFORCEMENT; RULE-MAKING; APPLICATION OF OTHER CHAPTERS.]

Unless specifically provided otherwise by sections 295.50 to 295.58, the enforcement, interest, and penalty provisions under chapter 294, appeal and criminal penalty provisions under chapter 289A, and collection and rulemaking provisions under chapter 270, apply to a liability for the taxes imposed under sections 295.50 to 295.58.

Sec. 12. [295.58] [DEPOSIT OF REVENUES.]

The commissioner shall deposit all revenues, including penalties and interest, derived from the taxes imposed by sections 295.50 to 295.57 and from the insurance premiums tax on health maintenance organizations and nonprofit health service corporations in the health care access fund in the state treasury.

Sec. 13. [295.59] [SEVERABILITY.]

If any section, subdivision, clause, or phrase of sections 295.50 to 295.58 is for any reason held to be unconstitutional or in violation of federal law, the decision shall not affect the validity of the remaining portions of sections 295.50 to 295.58. The legislature declares that it would have passed sections 295.50 to 295.58 and each section, subdivision, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subdivisions, sentences, clauses, or phrases is declared unconstitutional.

Sec. 14. Minnesota Statutes 1991 Supplement, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

- (1) On cigarettes weighing not more than three pounds per thousand, ~~21.5~~ 24 mills on each such cigarette;
- (2) On cigarettes weighing more than three pounds per thousand, ~~43~~ 48 mills on each such cigarette.

Sec. 15. Minnesota Statutes 1991 Supplement, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] The commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~1.1~~ 1.0 percent from the face amount of the stamps for the first \$1,500,000 of such stamps purchased in any fiscal year; and at a discount of ~~.65~~ .60 percent on the remainder of such stamps purchased in any fiscal year. The commissioner shall not sell stamps to any other person.

The commissioner may prescribe the method of shipment of the stamps to the distributor as well as the quantities of stamps purchased.

Sec. 16. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES.] A floor stocks tax is imposed on every person engaged in business in this state as a distributor, retailer, subjobber, vendor, manufacturer, or manufacturer's representative of cigarettes, on the stamped cigarettes in the person's possession or under the person's control at 12:01 a.m. on July 1, 1992. The tax is imposed at the following rates, subject to the discounts in section 297.03:

(1) on cigarettes weighing not more than three pounds a thousand, 2.5 mills on each cigarette; and

(2) on cigarettes weighing more than three pounds a thousand, five mills on each cigarette.

Each distributor, by July 8, 1992, shall file a report with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and the amount of tax due on the cigarettes. The tax imposed by this section is due and payable by August 1, 1992, and after that date bears interest at the rate of one percent a month.

Each retailer, subjobber, vendor, manufacturer, or manufacturer's representative shall file a return with the commissioner, in the form the commissioner prescribes, showing the cigarettes on hand at 12:01 a.m. on July 1, 1992, and pay the tax due thereon by August 1, 1992. Tax not paid by the due date bears interest at the rate of one percent a month.

Subd. 2. [AUDIT AND ENFORCEMENT.] The tax imposed by this section is subject to the audit, assessment, and collection provisions applicable to the taxes imposed under chapter 297C. The commissioner may require a distributor to receive and maintain copies of floor stock tax returns filed by all persons requesting a credit for returned cigarettes.

Subd. 3. [DEPOSIT OF PROCEEDS.] The revenue from the tax imposed under this section shall be deposited by the commissioner in the state treasury and credited to the health care access fund.

Sec. 17. [TEMPORARY DEPOSIT OF CIGARETTE TAX REVENUES.]

Notwithstanding the provisions of Minnesota Statutes, section 297.13, the revenue provided by 2.5 mills of the tax on cigarettes

weighing not more than three pounds a thousand and five mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the health care access fund in the state treasury. This section applies only to revenue collected for sales after June 30, 1992, and before January 1, 1994. Revenue includes revenue from the tax, interest, and penalties collected under the provisions of Minnesota Statutes, sections 297.01 to 297.13.

This section expires June 30, 1994.

Sec. 18. [TRANSITION PROVISION; HOSPITAL TAX.]

For gross revenues taxable under section 7, subdivision 1, for calendar year 1993, the exclusions under section 8, subdivision 1, clauses (5) and (6) do not apply.

Sec. 19. [PASSTHROUGH.]

Subdivision 1. [AUTHORITY.] A hospital that is subject to a tax under section 7 may transfer additional expense generated by section 7 obligations on to all third-party contracts for the purchase of health care services on behalf of a patient or consumer. The expense must not exceed two percent of the gross revenues received under the third-party contract, including copayments and deductibles paid by the individual patient or consumer. The expense must not be generated on revenues derived from payments that are excluded from the tax under section 8. All third-party purchasers of health care services including, but not limited to, third-party purchasers regulated under chapters 60A, 62A, 62C, 62D, 64B, or 62H, must pay the transferred expense in addition to any payments due under existing or future contracts with the hospital or health care provider, to the extent allowed under federal law. Nothing in this subdivision limits the ability of a hospital to recover all or part of the section 7 obligation by other methods, including increasing fees or charges.

Subd. 2. [EXPIRATION.] This section expires January 1, 1994.

Sec. 20. [STUDY.]

The commissioner of revenue, in consultation with the commissioner of health and the board of pharmacy, shall report to the legislature by November 1, 1992, on the expected impact of the wholesale drug distributor tax and the health care provider tax on pharmacies and pharmacists. If the commissioner determines that these taxes are not effective or equitable as applied to pharmacies and pharmacists, the commissioner shall recommend alternative methods of taxing prescription drugs.

Sec. 21. [FEDERAL WAIVER; HEALTH CARE RELATED TAX.]

The legislature finds that taxes imposed by this article are not subject to or in violation of the restrictions contained in the Social Security Act or other federal law. The tax is imposed solely to fund a state program and is not used to pay the state share of medical assistance. Nevertheless to avoid any ambiguity, the commissioner of human services shall apply to the secretary of the United States Department of Health and Human Services for a waiver to treat the tax imposed under section 7 as a broad-based health care related tax under section 1903 of the Social Security Act, 42 United States Code section 1396b.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 and 16 to 21 are effective the day following final enactment. Section 4 is effective for taxable years beginning after December 31, 1992. Section 7, subdivision 1, is effective for gross revenues generated by services performed and goods sold after December 31, 1992. Section 7, subdivisions 2 to 4, are effective for gross revenues generated by services performed and goods sold after December 31, 1993. Sections 14 and 15 are effective July 1, 1992.

ARTICLE 10 APPROPRIATIONS

Section 1. APPROPRIATIONS

Subdivision 1. The amounts specified in this section are appropriated from the health care access fund to the agencies and for the purposes indicated, to be available until June 30, 1993.

Subd. 2. Commissioner of Commerce	809,000
Subd. 3. Commissioner of Health	3,005,000
Subd. 4. Commissioner of Human Services	13,371,000

\$20,000 of this appropriation is for a grant to the coalition responsible for establishing the demonstration project for low-income uninsured persons under Minnesota Statutes, section 256B.73, to provide consulting and marketing services related to the implementation of the health right program.

Subd. 5. Higher Education Coordinating Board 189,000

This appropriation may be used as the required state match for any grants received by the University of Minnesota medical school.

Subd. 6. Commissioner of Employee Relations 1,679,000

Subd. 7. Board of Regents of the University of Minnesota 2,200,000

Subd. 8. Commissioner of Revenue 917,000

Subd. 9. Legislature 125,000

This appropriation is for the legislative coordinating commission, to be divided between the senate and the house based on the recommendations of the legislative commission on health care access, for the purpose of adding staff in existing departments who will be assigned to the legislative commission.

Subd. 10. Commissioner of Administration 27,000

Sec. 2. [TRANSFER.]

The commissioner of finance shall transfer \$4,368,000 from the health care access fund to the general fund for fiscal year 1993. For purposes of preparing the biennial budget recommendations, the commissioner shall assume a transfer of \$4,605,000 for fiscal year 1994 and \$5,467,000 for fiscal year 1995.

Sec. 3. [EFFECTIVE DATE.]

The appropriations in section 1 are effective July 1, 1992, except that \$616,000 of the appropriation in section 1, subdivision 4, is available for fiscal year 1992."

Delete the title and insert:

"A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revis-

ing malpractice laws; creating a health care access fund; imposing taxes; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, by adding a subdivision; 43A.17, subdivision 9; 60A.15, subdivision 1; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62C.01, subdivision 3; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 9, and by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1, 3, and 4; 144.581, subdivision 1; 144.8093; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; 256B.057, by adding a subdivision; 290.01, subdivision 19b; and 447.31, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; 297.02, subdivision 1; and 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 16A; 43A; 62A; 62E; 62J; 136A; 137; 144; 214; 256; 256B; 295; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, section 62A.02, subdivisions 4 and 5."

We request adoption of this report and repassage of the bill.

House Conferees: PAUL ANDERS OGREN, LEE GREENFIELD, DAVE GRUENES AND ROGER COOPER.

Senate Conferees: LINDA BERGLIN, DUANE D. BENSON, PAT PIPER, FRITZ KNAAK AND JOHN C. HOTTINGER.

Ogren moved that the report of the Conference Committee on H. F. No. 2800 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2800, as amended by Conference, was read for the third time.

CALL OF THE HOUSE

On the motion of Welle and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

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

Welle moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

MOTION FOR RECONSIDERATION

Segal moved that the action whereby H. F. No. 2800, as amended by Conference, was given its third reading be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the Segal motion and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 14 yeas and 116 nays as follows:

Those who voted in the affirmative were:

Bertram	Gutknecht	Osthoff	Sparby	Thompson
Brown	Krinkie	Runbeck	Sviggum	Tunheim
Erhardt	McPherson	Segal	Swenson	

Those who voted in the negative were:

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

Milbert	Omann	Rest	Solberg	Weaver
Morrison	Onnen	Rice	Stanis	Wejcman
Munger	Orenstein	Rodosovich	Steensma	Welker
Murphy	Orfield	Rukavina	Tompkins	Welle
Nelson, K.	Ostrom	Sarna	Trimble	Wenzel
Nelson, S.	Ozment	Schafer	Uphus	Winter
Newinski	Pellow	Schreiber	Valento	Spk. Long
O'Connor	Pelowski	Seaberg	Vanasek	
Ogren	Peterson	Simoneau	Vellenga	
Olson, E.	Pugh	Skoglund	Wagenius	
Olson, K.	Reding	Smith	Waltman	

The motion did not prevail.

H. F. No. 2800, A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; transferring authority for regulation of health maintenance organizations from the commissioner of health to the commissioner of commerce; giving the commissioner of health certain duties; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, by adding a subdivision; 43A.17, subdivision 9; 43A.316, by adding subdivisions; 60B.03, subdivision 2; 60B.15; 60B.20; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62D.01, subdivision 2; 62D.02, subdivision 3, and by adding a subdivision; 62D.03; 62D.04; 62D.05, subdivision 6; 62D.06, subdivision 2; 62D.07, subdivisions 2, 3, and 10; 62D.08; 62D.09, subdivisions 1 and 8; 62D.10, subdivision 4; 62D.11; 62D.12, subdivisions 1, 2, and 9; 62D.121, subdivisions 2, 3a, 4, 5, and 7; 62D.14; 62D.15; 62D.16; 62D.17; 62D.18; 62D.19; 62D.20, subdivision 1; 62D.21; 62D.211; 62D.22, subdivision 10; 62D.24; and 62D.30, subdivisions 1 and 3; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 9, and by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 144.581, subdivision 1; 144.699, subdivision 2; 145.682, subdivision 4; 256.936, subdivisions 1, 2, 3, 4, and by adding subdivisions; 256B.057, by adding a subdivision; 290.01, subdivision 19b; 290.06, by adding a subdivision; 290.62; and 447.31, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 62D.122; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 43A; 62A; 62E; 62J; 136A; 137; 144; 214; 256; 256B; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; 62A.02, subdivisions 4 and 5; 62D.041, subdivision 4; 62D.042, subdivision 3; 62E.51; 62E.52; 62E.53; 62E.54; and 62E.55; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9.

The bill, as amended by Conference, was placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called.

Welle moved that those not voting be excused from voting. The motion prevailed.

There were 70 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dorn	Kelso	Olson, E.	Simoneau
Anderson, R. H.	Frederick	Krambeer	Olson, K.	Skoglund
Battaglia	Garcia	Krueger	Orenstein	Solberg
Bauerly	Greenfield	Leppik	Orfield	Steensma
Beard	Gruenes	Lourey	Osthoff	Swenson
Begich	Hanson	Mariani	Ostrom	Trimble
Blatz	Hausman	McEachern	Ozment	Uphus
Carlson	Heir	McGuire	Reding	Vanasek
Carruthers	Henry	Munger	Rest	Vellenga
Clark	Jacobs	Murphy	Rice	Wagenius
Cooper	Jaros	Nelson, K.	Rodosovich	Wejeman
Dawkins	Jefferson	O'Connor	Sarna	Welle
Dempsey	Johnson, A.	Ogren	Schreiber	Winter
Dille	Kahn	Olsen, S.	Seaberg	Spk. Long

Those who voted in the negative were:

Abrams	Girard	Kinkel	Nelson, S.	Smith
Anderson, I.	Goodno	Knickerbocker	Newinski	Sparby
Bertram	Gutknecht	Koppendrayner	Omann	Stanious
Bettermann	Hartle	Krinkie	Onnen	Sviggum
Bishop	Hasskamp	Lasley	Pauly	Thompson
Bodahl	Haukoos	Lieder	Pellow	Tompkins
Boo	Hufnagle	Limmer	Pelowski	Tunheim
Brown	Hugoson	Lynch	Peterson	Valento
Dauner	Janezich	Macklin	Pugh	Waltman
Davids	Jennings	Marsh	Rukavina	Weaver
Erhardt	Johnson, R.	McPherson	Runbeck	Welker
Farrell	Johnson, V.	Milbert	Schafer	Wenzel
Frerichs	Kalis	Morrison	Segal	

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

POINT OF ORDER

Sviggum raised a point of order pursuant to rule 1.09 relating to his notice to make H. F. No. 176 a Special Order for Thursday, April 16, 1992. The Speaker ruled the point of order not well taken and the Sviggum notice to make H. F. No. 176 a Special Order out of order.

CALL OF THE HOUSE LIFTED

Krinkie moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 2749, A bill for an act relating to telecommunications; authorizing the telecommunications access for communication-impaired persons' board to advance money to contractors under certain conditions; prescribing the terms and compensation of board members; amending Minnesota Statutes 1990, sections 237.51, subdivision 3; and 237.52, subdivision 5.

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2848, A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; amending Minnesota Statutes 1990, section 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, section 349A.02, subdivision 4.

The Senate has appointed as such committee:

Mr. Waldorf; Ms. Flynn and Mrs. Brataas.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 1701, A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

Steensma moved that the House refuse to concur in the Senate amendments to H. F. No. 1701, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to adopt the Conference Committee report on S. F. No. 81 and that the present Conference Committee has been discharged. A new Conference Committee has been appointed on the part of the Senate with the request that the House appoint a like Committee to further consider the following bill:

S. F. No. 81, A bill for an act relating to towns; clarifying certain provisions for the terms of town supervisor; providing for the compensation of certain town officers and employees; amending Minnesota Statutes 1990, sections 367.03, subdivision 1; and 367.05, subdivision 1.

The Senate has appointed as such committee:

Messrs. Hottinger, Frank and Knaak.

S. F. No. 81 is herewith transmitted to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jefferson moved that the House accede to the request of the Senate and that the Speaker continue the present Conference Committee of 3 members of the House to meet with the new committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 81. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1701:

Steensma, Rice and Kalis.

The Speaker called Krueger to the Chair.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2586

A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2586, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2586 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [CAPITAL CITY CULTURAL RESOURCES COMMISSION.]

Subdivision 1. The legislature finds that the capital city of Saint Paul:

(1) encourages the use of many of its downtown facilities for state agencies and their personnel;

(2) encourages a wide range of cultural attractions for tourists and visitors to the capital city that reflect its multicultural city and state community; and

(3) encourages the development of a strong link between the civic and cultural amenities of downtown and the capitol area to aid in economic development by establishing a true and distinguishable identity, building upon its civic and cultural industries to increase day and night time vitality.

Subd. 2. A capital city cultural resources commission is established to review and recommend to the state legislature, the Ramsey county board, and the mayor of Saint Paul, the proper use of state and local financial resources to develop Saint Paul as a "cultural capital," a resource for the state and region, including, but not limited to:

(1) acquisition, construction, expansion, and remodeling of facilities comprising the cultural capital area of Saint Paul and downtown, including, but not limited to, the Saint Paul Civic Center complex, Saint Paul Public Library, Science Museum of Minnesota, Children's Museum, Minnesota Museum of Art, the Dahl House, Ordway Music Theatre, Landmark Center, and the historic and cultural attractions of the capitol area;

(2) plans for the possible use of the downtown and capitol areas as educational and visitors' center for the capital city;

(3) stabilization and ongoing support of the civic and cultural industries;

(4) attracting and developing new cultural institutions; and

(5) riverfront enhancement for cultural, historical, and economic development purposes.

Subd. 3. The commission shall be composed of 22 members selected as follows:

(1) three members from the Minnesota house of representatives, selected by the speaker from among the members whose district represents all or part of the city of Saint Paul;

(2) three members from the Minnesota senate, selected by the senate committee on rules and administration from among the members whose district represents all or part of the city of Saint Paul;

(3) one member of the Ramsey county board, selected by the county board;

(4) the mayor of the city of Saint Paul;

(5) two members of the Saint Paul city council, selected by the council;

(6) the chair of the capitol area architectural and planning board or designee;

(7) four members of the public, selected by the mayor of the city of Saint Paul, who are residents of or have their principal place of business located within the city of Saint Paul;

(8) one appointee of the Minnesota Historical Society;

(9) one appointee of the Minnesota Humanities Commission;

(10) one appointee of District Council Number 17;

(11) one appointee of the Minnesota Association of Museums;

(12) one appointee of the Heritage Preservation Commission;

(13) one appointee of the Minnesota department of tourism; and

(14) one appointee of the Saint Paul Chamber of Commerce.

The commission shall select a chair from among its members. Members of the commission shall serve without compensation. Expenses that would be reimbursed for state employees shall be reimbursed to members. The commission may accept gifts, grants, or donations from public and private entities to assist with the cost of its work. Gifts, grants, or donations are not subject to Minnesota Statutes, chapter 10A, or other law or rule regulating lobbying expenses.

Subd. 4. The members of the commission shall hold their first meeting on or before May 15, 1992. The commission shall review plans and recommend priorities for the development and financing of projects and programs. It shall submit a report on its findings and prioritized recommendations to the legislature, the city of Saint Paul, and the Ramsey county board on or before February 15, 1993.

Sec. 2. [EFFECTIVE DATE.]

Section 1 takes effect the day following final enactment and expires May 15, 1993."

We request adoption of this report and repassage of the bill.

House Conferees: STEVE TRIMBLE, ALICE HAUSMAN AND CARLOS MARIANI.

Senate Conferees: RICHARD J. COHEN, RANDY C. KELLY AND SANDRA L. PAPPAS.

Trimble moved that the report of the Conference Committee on H. F. No. 2586 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2586, A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

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 113 yeas and 19 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Gutknecht	Leppik	Marsh	Tompkins
Blatz	Haukoos	Limmer	McPherson	Weaver
Dempsey	Heir	Lynch	Olsen, S.	Welker
Frerichs	Hufnagle	Macklin	Svigum	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2269

A bill for an act relating to metropolitan government; requiring the metropolitan airports commission to budget for noise mitigation; requiring a recommendation to the legislature; amending Minnesota Statutes 1990, section 473.661, subdivision 1, and by adding a subdivision.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2269, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2269 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 473.661, subdivision 1, is amended to read:

Subdivision 1. The ~~commissioner~~ commissioners shall, on or before the first day of July of each year, prepare a detailed budget of the needs of the corporation for the next fiscal year, specifying separately in said budget the amounts to be expended for acquisition of property, construction, payments on bonded indebtedness, if any, operation, noise mitigation, and maintenance, respectively, subject only to such changes as the commissioners may from time to time approve.

Sec. 2. Minnesota Statutes 1990, section 473.661, is amended by adding a subdivision to read:

Subd. 4. [NOISE MITIGATION.] (a) According to the schedule in paragraph (b) of this subdivision, commission funds must be dedicated (1) to supplement the implementation of corrective land use management measures approved by the Federal Aviation Administration as part of the commission's Federal Aviation Regulations, part 150 noise compatibility program, and (2) for soundproofing and accompanying air conditioning of residences, schools, and other public buildings when there is a demonstrated need because of aircraft noise, regardless of the location of the building to be soundproofed, or any combination of the three.

(b) The noise mitigation program described in paragraph (a) of this subdivision shall be funded by the commission from whatever source of funds according to the following schedule:

In 1993, an amount equal to 20 percent of the passenger facilities charges revenue amount budgeted by the commission for 1993;

In 1994, an amount equal to 20 percent of the passenger facilities charges revenue amount budgeted by the commission for 1994;

In 1995, an amount equal to 35 percent of the passenger facilities charges revenue amount budgeted by the commission for 1995; and

In 1996, an amount equal to 40 percent of the passenger facilities charges revenue amount budgeted by the commission for 1996.

(c) The commission's capital improvement projects, program, and plan must reflect the requirements of this section. As part of the commission's report to the legislature under section 473.621, subdivision 1a, the commission must provide a description and the status of each noise mitigation project implemented under this section.

(d) Within 60 days of submitting the commission's and the metropolitan council's report and recommendations on major airport planning to the legislature as required by section 473.618, the commission, with the assistance of its sound abatement advisory committee, shall make a recommendation to the legislature regarding appropriate funding levels for noise mitigation at Minneapolis-St. Paul International Airport and in the neighboring communities.

Sec. 3. [APPLICATION.]

This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

We request adoption of this report and repassage of the bill.

House Conferees: EDWINA GARCIA, IRV ANDERSON AND KATHLEEN BLATZ.

Senate Conferees: PHIL J. RIVENESS AND JOHN MARTY.

Garcia moved that the report of the Conference Committee on H. F. No. 2269 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2269, A bill for an act relating to metropolitan government; requiring the metropolitan airports commission to budget for noise mitigation; requiring a recommendation to the legislature; amending Minnesota Statutes 1990, section 473.661, subdivision 1, and by adding a subdivision.

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 111 yeas and 21 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Haukoos	Olsen, S.	Stanisus	Welker
Dempsey	Johnson, V.	Onnen	Sviggunm	
Frerichs	Knickerbocker	Schafer	Valento	
Goodno	Krinkie	Schreiber	Waltman	
Gruenes	Limmer	Smith	Weaver	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2031

A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; excluding certain unimproved land sales from sales ratio studies; amending Minnesota Statutes 1990, section 124.2131, subdivision 1; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2031, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2031 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 124.2131, subdivision 1, is amended to read:

Subdivision 1. [ADJUSTED GROSS TAX CAPACITY.] (a) [COMPUTATION.] The department of revenue shall annually conduct an assessment/sales ratio study of the taxable property in each school district in accordance with the procedures in paragraphs (b) and (c). Based upon the results of this assessment/sales ratio study, the department of revenue shall determine an aggregate equalized gross tax capacity and an aggregate equalized net tax capacity for the various classes of taxable property in each school district, which tax capacity shall be designated as the adjusted gross tax capacity and the adjusted net tax capacity, respectively. The department of revenue may incur the expense necessary to make the determinations. The commissioner of revenue may reimburse any county or governmental official for requested services performed in ascertaining the adjusted gross tax capacity and the adjusted net tax capacity. On or before March 15 annually, the department of revenue shall file with the chair of the tax committee of the house of representatives and the chair of the committee on taxes and tax laws of the senate a report of adjusted gross tax capacities and adjusted net tax capacities. On or before April 15 annually, the department of revenue shall file its final report on the adjusted gross tax capacities and adjusted net tax capacities established by the previous year's assessment with the commissioner of education and each county auditor for those school districts for which the auditor has the responsibility for

determination of local tax rates. A copy of the report so filed shall be mailed to the clerk of each district involved and to the county assessor or supervisor of assessments of the county or counties in which each district is located.

(b) [METHODOLOGY.] In making its annual assessment/sales ratio studies, the department of revenue shall use a methodology consistent with the most recent Standard on Assessment Ratio Studies published by the assessment standards committee of the International Association of Assessing Officers. The commissioner of revenue shall supplement this general methodology with specific procedures necessary for execution of the study in accordance with other Minnesota laws impacting the assessment/sales ratio study. The commissioner shall document these specific procedures in writing and shall publish the procedures in the State Register, but these procedures will not be considered "rules" pursuant to the Minnesota administrative procedure act. For purposes of this section, section 270.12, subdivision 2, clause (8), and section 278.05, subdivision 4, the commissioner of revenue shall exclude from the assessment/sales ratio study the sale of any nonagricultural property which does not contain an improvement, if (1) the statutory basis on which the property's taxable value as most recently assessed is less than market value as defined in section 273.11, or (2) the property has undergone significant physical change or a change of use since the most recent assessment.

(c) [AGRICULTURAL LANDS.] For purposes of determining the adjusted gross tax capacity and adjusted net tax capacity of agricultural lands for the calculation of adjusted gross tax capacities and adjusted net tax capacities, the market value of agricultural lands shall be the price for which the property would sell in an arms length transaction.

Sec. 2. Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, 8, 9, and 11, and 12 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. The assessor shall take into account the effect on the market value of property of environmental factors in the vicinity of the property. In

assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, ~~the fact that such platted property is platted shall be taken into account. An individual lot of such platted property shall be assessed at its market value beginning with the first assessment following final approval of the plat assessed as provided in subdivision 12.~~ All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 3. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 12. [VACANT LAND PLATTED ON OR AFTER AUGUST 1, 1991.] (a) All land platted on or after August 1, 1991, and not improved with a permanent structure, shall be assessed as provided in this subdivision. The assessor shall determine the market value of each individual lot based upon the highest and best use of the property as unplatted land. In establishing the market value of the property, the assessor shall consider the sale price of the unplatted land or comparable sales of unplatted land of similar use and similar availability of public utilities.

(b) The market value determined in paragraph (a) shall be increased as follows for each of the three assessment years immediately following the final approval of the plat: one-third of the difference between the property's unplatted market value as determined under paragraph (a) and the market value based upon the highest and best use of the land as platted property shall be added in each of the three subsequent assessment years.

(c) Any increase in market value after the first assessment year following the plat's final approval shall be added to the property's market value in the next assessment year. Notwithstanding paragraph (b), if construction begins before the expiration of the three years in paragraph (b), that lot shall be eligible for revaluation in the next assessment year. The market value of a platted lot determined under this subdivision shall not exceed the value of that lot based upon the highest and best use of the property as platted land.

Sec. 4. Minnesota Statutes 1990, section 414.0325, is amended by adding a subdivision to read:

Subd. 1a. [ORDERLY ANNEXATION BY PETITION.] If the board receives a petition for annexation of an area owned by a municipality or from all of the property owners in an area, and the area is within two miles of the corporate boundaries of the municipality, the petition shall confer jurisdiction on the board to consider designation of the area for orderly annexation. Upon receipt of the petition, the board shall inform the affected parties of their opportunity to request a hearing before the board on the petition, and if a hearing is requested, it must be held within 60 days of the request. Any person aggrieved by the board's designation of an area as appropriate for orderly annexation may appeal the board's order to district court in accordance with section 414.07.

At least 30 days before a petition is filed for annexation under this subdivision or section 414.033, the petitioner must be notified by the municipality that the cost of utility service to the petitioner may change if the land is annexed to the municipality. The notice must estimate the cost impact of any change in utility services, including rate changes and assessments, resulting from the annexation.

Sec. 5. Minnesota Statutes 1990, section 414.033, subdivision 2, is amended to read:

Subd. 2. A municipal council may by ordinance declare land annexed to the municipality and any such land is deemed to be urban or suburban in character or about to become so if:

~~(a)~~ (1) the land is owned by the municipality; or

~~(b)~~ (2) the land is completely surrounded by land within the municipal limits; or

(3) the land abuts the municipality and the area to be annexed is 60 acres or less, and the municipality receives a petition for annexation from all the property owners of the land.

Sec. 6. Minnesota Statutes 1990, section 414.033, is amended by adding a subdivision to read:

Subd. 2a. [MUNICIPALITY MAY ANNEX.] Notwithstanding the abutting requirement of subdivision 1, if land is owned by a municipality or if all of the landowners petition for annexation, and the land is within an existing orderly annexation area as provided by section 414.0325, then the municipality may declare the land annexed.

Sec. 7. Minnesota Statutes 1990, section 414.033, subdivision 3, is amended to read:

Subd. 3. If the perimeter of the area to be annexed by a municipi-

pality is 60 percent or more bordered by the municipality and if the area to be annexed is 40 acres or less, the municipality shall serve notice of intent to annex upon the town board and the municipal board, unless the area is appropriate for annexation by ordinance under subdivision 2, clause (3). The town board shall have 90 days from the date of service to serve objections with the board. If no objections are forthcoming within the said 90 day period, such land may be annexed by ordinance. If objections are filed with the board, the board shall conduct hearings and issue its order as in the case of annexations under section 414.031, subdivisions 3 and 4.

Sec. 8. Minnesota Statutes 1990, section 414.033, subdivision 5, is amended to read:

Subd. 5. If the land is platted, or, if unplatted, does not exceed 200 acres, ~~the property owner or~~ a majority of the property owners in number may petition the municipal council to have such land included within the abutting municipality and, within ten days thereafter, shall file copies of the petition with the board, the town board, the county board and the municipal council of any other municipality which borders the land to be annexed. Within 90 days from the date of service, the town board or the municipal council of such abutting municipality may submit written objections to the annexation to the board and the annexing municipality. Upon receipt of such objections, the board shall proceed to hold a hearing and issue its order in accordance with section 414.031, subdivisions 3, 4, and 5. If written objections are not submitted within the time specified hereunder and if the municipal council determines that property proposed for the annexation is now or is about to become urban or suburban in character, it may by ordinance declare such land annexed to the municipality. If the petition is not signed by all the property owners of the land proposed to be annexed, the ordinance shall not be enacted until the municipal council has held a hearing on the proposed annexation after at least 30 days mailed notice to all property owners within the area to be annexed.

Sec. 9. [VACANT LAND PLATTED BEFORE AUGUST 1, 1991.]

All land platted before August 1, 1991, and not improved with a structure shall be assessed as provided in this section. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the valuation of the land as if it were unplatted until the lot is improved with a permanent improvement all or part of which is located on the lot, or for a period of three years after final approval of the plat, whichever is shorter. When a lot is sold or construction begun, that lot shall be eligible for revaluation.

Sec. 10. [TOWNS OF QUEEN AND EDEN; FOREST FIRE PROTECTION DISTRICTS.]

Notwithstanding Minnesota Statutes, section 88.08 or other law, the commissioner of natural resources may not create and establish forest fire protection districts, in whole or in part, within the towns of Queen and Eden in Polk county.

Sec. 11. [LOCAL APPROVAL.]

Section 10 is effective for each of the towns named in section 10 the day after the filing of a certificate of local approval by the town board of the respective town in compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 12. [REPEALER.]

Minnesota Statutes 1990, section 414.031, subdivision 5, is repealed.

Sec. 13. [EFFECTIVE DATE.]

Sections 1, 2, and 9 are effective the day following final enactment. Section 3 is effective for assessments in 1992 and thereafter."

Delete the title and insert:

"A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; excluding certain unimproved land sales from sales ratio studies; allowing for orderly annexations by petition and by ordinance; limiting the establishment of certain fire protection district; amending Minnesota Statutes 1990, sections 124.2131, subdivision 1; 273.11, by adding a subdivision; 414.0325, by adding a subdivision; and 414.033, subdivisions 2, 3, 5, and by adding a subdivision; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1; repealing Minnesota Statutes 1990, section 414.031, subdivision 5."

We request adoption of this report and repassage of the bill.

House Conferees: EDGAR L. OLSON, WILLIAM H. "BILL" SCHREIBER AND JOEL JACOBS.

Senate Conferees: EMBER D. REICHGOTT, CAROL FLYNN AND LEONARD R. PRICE.

Olson, E., moved that the report of the Conference Committee on H. F. No. 2031 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2031, A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; excluding certain unimproved land sales from sales ratio studies; amending Minnesota Statutes 1990, section 124.2131, subdivision 1; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2608

A bill for an act relating to consumer protection; requiring certain

creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; proposing coding for new law in Minnesota Statutes, chapter 325G.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2608, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H. F. No. 2608 be further amended as follows:

Page 1, after line 24, insert:

“Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 31, 1992.”

We request adoption of this report and repassage of the bill.

House Conferees: RICH O'CONNOR, JOHN J. SARNA AND RICHARD H. ANDERSON.

Senate Conferees: SAM G. SOLON, JAMES P. METZEN AND CAL LARSON.

O'Connor moved that the report of the Conference Committee on H. F. No. 2608 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2608, A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; proposing coding for new law in Minnesota Statutes, chapter 325G.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE SENATE, Continued

The following message was received from the Senate:

Madam Speaker:

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

S. F. No. 2336.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2336, A bill for an act relating to employment; prohibiting certain actions by an employer because of a job applicants' or employees' use of certain products; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Sarna moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2336 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Sarna moved that the Rules of the House be so far suspended that S. F. No. 2336 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2336 was read for the second time.

S. F. No. 2336, A bill for an act relating to employment; prohibiting certain actions by an employer because of a job applicants' or employees' use of certain products; proposing coding for new law in Minnesota Statutes, chapter 181.

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 100 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Abrams	Dille	Johnson, V.	Newinski	Schafer
Anderson, I.	Erhardt	Kinkel	O'Connor	Seaberg
Anderson, R.	Farrell	Krambeer	Ogren	Segal
Battaglia	Frerichs	Krueger	Olsen, S.	Simoneau
Bauerly	Garcia	Lasley	Olson, E.	Solberg
Beard	Goodno	Leppik	Olson, K.	Sparby
Begich	Greenfield	Lieder	Omann	Steensma
Bertram	Gutknecht	Lourey	Orenstein	Sviggum
Bettermann	Hanson	Lynch	Orfield	Swenson
Blatz	Hasskamp	Macklin	Osthoff	Thompson
Bodahl	Haukoos	Mariani	Pellow	Trimble
Boo	Hausman	McEachern	Pelowski	Tunheim
Brown	Heir	McGuire	Pugh	Vanasek
Carlson	Jacobs	McPherson	Reding	Wagenius
Carruthers	Janezich	Milbert	Rest	Weaver
Clark	Jaros	Morrison	Rice	Wejeman
Cooper	Jefferson	Munger	Rodosovich	Welle
Dauner	Jennings	Murphy	Rukavina	Wenzel
Dawkins	Johnson, A.	Nelson, K.	Runbeck	Winter
Dempsey	Johnson, R.	Nelson, S.	Sarna	Spk. Long

Those who voted in the negative were:

Anderson, R. H.	Dorn	Girard	Hartle	Hufnagle
Dauids	Frederick	Gruenes	Henry	Hugoson

Kahn
Kalis
Kelso
Knickerbocker
Koppendrayser

Krinkie
Limmer
Marsh
Onnen
Ostrom

Ozment
Peterson
Schreiber
Skoglund
Smith

Stanius
Tompkins
Uphus
Valento
Vellenga

Waltman
Welker

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

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

S. F. No. 1917.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1917, A bill for an act relating to the state board of investment; management of funds under board control; authorizing certain investments by the board; amending Minnesota Statutes 1990, sections 11A.14, subdivision 2; 11A.16, subdivision 5; 11A.17, subdivisions 1, 4, 9, 14, and by adding a subdivision; 11A.18, subdivision 11; 116P.11; 352D.04, subdivision 1; 352D.09, subdivision 7; and 354B.05, subdivision 3; Minnesota Statutes 1991 Supplement, sections 11A.24, subdivision 4; 353D.05, subdivisions 2 and 3; and 354B.07, subdivision 2.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Reding moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1917 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Reding moved that the Rules of the House be so far suspended that S. F. No. 1917 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1917 was read for the second time.

S. F. No. 1917, A bill for an act relating to the state board of investment; management of funds under board control; authorizing certain investments by the board; amending Minnesota Statutes 1990, sections 11A.14, subdivision 2; 11A.16, subdivision 5; 11A.17, subdivisions 1, 4, 9, 14, and by adding a subdivision; 11A.18, subdivision 11; 116P.11; 352D.04, subdivision 1; 352D.09, subdivision 7; and 354B.05, subdivision 3; Minnesota Statutes 1991 Supplement, sections 11A.24, subdivision 4; 353D.05, subdivisions 2 and 3; and 354B.07, subdivision 2.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

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

S. F. No. 1959.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1959, A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 383B.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Skoglund moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1959 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Skoglund moved that the Rules of the House be so far suspended that S. F. No. 1959 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1959 was read for the second time.

Skoglund moved to amend S. F. No. 1959, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 18.317, subdivision 1, is amended to read:

Subdivision 1. [TRANSPORTATION PROHIBITED.] Except as provided in subdivision 2, a person may not transport Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescons, zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources on a road or highway, as defined in section 160.02, subdivision 7, or on forest roads.

Sec. 2. Minnesota Statutes 1990, section 18.317, is amended by adding a subdivision to read:

Subd. 1a. [PLACEMENT PROHIBITED.] A person may not intentionally place ecologically harmful exotic species, as defined in section 84.967, in public waters within the state.

Sec. 3. Minnesota Statutes 1990, section 18.317, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] A person may transport Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescons, or other water-transmitted harmful exotic species identified by the commissioner of natural resources for disposal as part of a harvest or control activity.

Sec. 4. Minnesota Statutes 1990, section 18.317, subdivision 3, is amended to read:

Subd. 3. [LAUNCHING OF WATERCRAFT WITH EURASIAN OR NORTHERN WATER MILFOIL PROHIBITED.] (a) A person may not place a trailer or launch a watercraft with Eurasian or Northern water milfoil, zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources attached into waters of the state. A conservation officer or other licensed peace officer may order the removal of Eurasian or Northern water milfoil, zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources from a trailer or watercraft before being placed or launched into waters of the state.

(b) For purposes of this section, the meaning of watercraft includes a float plane and "waters of the state" has the meaning given in section 103G.005, subdivision 17.

(c) A commercial harvester shall clean aquatic plant harvesting

equipment of all aquatic vegetation at a suitable location before launching the equipment in another body of water.

Sec. 5. Minnesota Statutes 1990, section 18.317, is amended by adding a subdivision to read:

Subd. 3a. [INSPECTION OF WATERCRAFT AND EQUIPMENT.]
(a) Licensed watercraft and associated equipment, including weed harvesters, that are removed from any waters of the state that the commissioner of natural resources identifies as being contaminated with Eurasian water milfoil, zebra mussels, or other water-transmitted exotic harmful species identified by the commissioner of natural resources, shall be randomly inspected between May 1 and October 15 for a minimum of 10,000 hours by personnel authorized by the commissioner of natural resources.

Sec. 6. Minnesota Statutes 1990, section 18.317, subdivision 5, is amended to read:

Subd. 5. [PENALTY.] A person who violates subdivision 1 or 1a, 3, or 3a is guilty of a misdemeanor. A person who refuses to obey the order of a peace officer or conservation officer to remove Eurasian or Northern water milfoil from a trailer or watercraft is guilty of a misdemeanor.

Sec. 7. [84.9681] [PLAN FOR CONTAINMENT.]

(a) By January 1, 1993, the commissioner shall prepare a plan for lake associations, local groups, and local units of government that provides education in the identification and detection of new infestations of ecologically harmful exotic species. The plan shall include a review of the effectiveness of including lake associations in the management of infestations of ecologically harmful exotic species.

(b) By January 1, 1993, the commissioner shall develop a plan for the containment of ecologically harmful exotic species, which plan must be in effect by May 1, 1993, that:

(1) provides signs on access points to infested waters that notify users of exotic management laws in effect and identify the species that is present;

(2) provides that permits for organized events on waters of the state include a reasonable and workable requirement for inspection of boats and equipment;

(3) allows access points infested with exotic species to be closed for control or eradication purposes. The access point may not be closed for more than seven days. Signs shall be posted stating the reason as to why the access is closed;

(4) establishes fines for violations of exotic species containment and prevention program;

(5) develops general statewide public awareness programs and accelerated public awareness programs in communities with infested waters to call attention to containment and prevention programs and rules;

(6) provides notice to travelers of penalties for violation of exotic species laws;

(7) authorizes local units of government to take commissioner approved action against exotic species infestations;

(8) includes feasibility evaluation and economic and recreational justification review of an Eurasian water milfoil eradication program in the state; and

(9) provides for the regulation of harvesting live bait from water infested with zebra mussels or other egg or larval water-transmitted harmful exotic species identified by the commissioner.

Sec. 8. Minnesota Statutes 1991 Supplement, section 84.9691, is amended to read:

84.9691 [RULEMAKING.]

(a) The commissioner of natural resources may adopt rules, including emergency rules, to restrict the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state. The commissioner of natural resources may adopt emergency rules restricting the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state. The emergency rulemaking authority granted in this paragraph expires July 1, 1994.

(b) The commissioner shall adopt rules to identify bodies of water with limited infestation of Eurasian water milfoil. The areas that are infested shall be marked and prohibited for use.

Sec. 9. Minnesota Statutes 1990, section 86B.401, subdivision 11, is amended to read:

Subd. 11. [SUSPENSION FOR NOT REMOVING EURASIAN OR NORTHERN WATER MILFOIL.] The commissioner, after notice and an opportunity for hearing, may suspend for a period of not more than one year the license of a watercraft if the owner or person in control of the watercraft or its trailer refuses to comply with an inspection order of a conservation officer or other licensed peace

officer or an order to remove Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescens, zebra mussels or other ecologically harmful species identified by the commissioner from the watercraft or its trailer as provided in section 18.317, subdivision 3.

Sec. 10. Minnesota Statutes 1991 Supplement, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of \$2 ~~\$4~~ is placed on each watercraft licensed under subdivisions 1 to 5 for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil in public waters and public wetlands.

Sec. 11. [APPROPRIATIONS.]

\$438,000 is appropriated from the water recreation account in the natural resources fund to the commissioner of natural resources for control, public awareness, law enforcement, monitoring, and research of nuisance exotic aquatic species in public waters.

Of this amount, \$80,000 may be used to conduct access inspections under section 5.

Sec. 12. [EFFECTIVE DATE.]

The emergency rulemaking authority in section 8 is effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rule-making; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding subdivisions; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 84."

The motion prevailed and the amendment was adopted.

Skoglund moved to amend S. F. No. 1959, as amended, as follows:

Pages 3 and 4, delete section 7 and insert:

"Sec. 7. Minnesota Statutes 1991 Supplement, section 84.968, is amended to read:

84.968 [ECOLOGICALLY HARMFUL EXOTIC SPECIES MANAGEMENT PLAN; REPORT.]

Subdivision 1. [MANAGEMENT PLAN.] (a) By January 1, 1993, a long-term statewide ecologically harmful exotic species management plan must be prepared by the commissioner of natural resources and address the following:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about ecologically harmful exotic species among resource management agencies and organizations;

(3) a coordinated public awareness campaign regarding ecologically harmful exotic animals and aquatic plants;

(4) a process, where none exists, to designate and classify ecologically harmful exotic species into the following categories:

(i) undesirable wild animals that must not be sold, propagated, possessed, or transported; and

(ii) undesirable aquatic exotic plants that must not be sold, propagated, possessed, or transported;

(5) coordination of control and eradication of ecologically harmful exotic species on public lands and public waters; and

(6) development of a list of exotic wild animal species intended for nonagricultural purposes, or propagation for release by state agencies or the private sector.

(b) The plan prepared under paragraph (a) must include containment strategies that include:

(1) participation by lake associations, local citizen groups, and local units of government in the development and implementation of lake management plans;

(2) a reasonable and workable inspection requirement for boats

and equipment participating in organized events on waters of the state;

(3) allowing access points infested with ecologically harmful exotic species to be closed, for not more than a total of seven days during an open water season, for control or eradication purposes, and requiring posting of signs stating the reason for closing the access;

(4) provisions for reasonable weed-free maintenance of public accesses to infested waters; and

(5) notice to travelers of the penalties for violation of laws relating to ecologically harmful exotic species.

Subd. 2. [REPORT.] The commissioner of natural resources shall by January 1 each year submit a report on ecologically harmful exotic species to the legislative committees having jurisdiction over environmental and natural resource issues. The report must include:

(1) detailed information on expenditures for administration, education, eradication, inspections, and research;

(2) an analysis of the effectiveness of management activities conducted in the state, including chemical eradication, harvesting, educational efforts, and inspections;

(3) information on the participation of other state agencies, local government units, and interest groups in control efforts;

(4) information on management efforts in other states;

(5) information on the progress made by species;

(6) an estimate of future management needs; and

(7) an analysis of the financial impact on persons who transport weed harvesters of the prohibition in section 1."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Skoglund moved to amend S. F. No. 1959, as amended, as follows:

Page 4, line 16, after "emergency" insert "and permanent"

Page 4, line 18, delete everything after "exotic" and insert "species"

Page 4, line 19, before the period insert ", as defined in section 84.967"

The motion prevailed and the amendment was adopted.

S. F. No. 1959, A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 383B.

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

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

Those who voted in the affirmative were:

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

Sviggum
Swenson
Thompson
Tompkins

Trimble
Tunheim
Uphus
Valento

Vanasek
Vellenga
Wagenius
Waltman

Weaver
Wejman
Welker
Welle

Wenzel
Winter
Spk. Long

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

SPECIAL ORDERS

S. F. No. 2434 was reported to the House.

Simoneau moved that S. F. No. 2434 be continued on Special Orders. The motion prevailed.

S. F. No. 2743 was reported to the House.

Skoglund moved to amend S. F. No. 2743, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1991 Supplement, section 62A.31, subdivision 1, is amended to read:

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

(a) The policy must provide a minimum of the coverage set out in subdivision 2; and section 62E.07.

(b) The policy must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage;.

(c) The policy must contain a provision that the plan will not be canceled or nonrenewed on the grounds of the deterioration of health of the insured;.

(d) Before the policy is sold or issued, an offer of both categories of

Medicare supplement insurance has been made to the individual, together with an explanation of both coverages;

(e) An outline of coverage as provided in section 62A.39 must be delivered at the time of application and prior to payment of any premium;

(f)(1) The policy must provide that benefits and premiums under the policy shall be suspended at the request of the policyholder for the period, not to exceed 24 months, in which the policyholder has applied for and is determined to be entitled to medical assistance under title XIX of the Social Security Act, but only if the policyholder notifies the issuer of the policy within 90 days after the date the individual becomes entitled to this assistance;

(2) if suspension occurs and if the policyholder or certificate holder loses entitlement to this medical assistance, the policy shall be automatically reinstated, effective as of the date of termination of this entitlement, if the policyholder provides notice of loss of the entitlement within 90 days after the date of the loss;

(3) the policy must provide that upon reinstatement (i) there is no additional waiting period with respect to treatment of preexisting conditions, (ii) coverage is provided which is substantially equivalent to coverage in effect before the date of the suspension, and (iii) premiums are classified on terms that are at least as favorable to the policyholder or certificate holder as the premium classification terms that would have applied to the policyholder or certificate holder had coverage not been suspended;

(g) The written statement required by an application for Medicare supplement insurance pursuant to section 62A.43, subdivision 1, shall be made on a form, approved by the commissioner, that states that counseling services may be available in the state to provide advice concerning the purchase of Medicare supplement policies and enrollment under the Medicaid program;

(h) No issuer of Medicare supplement policies, including policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condition of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B;

(i) If a Medicare supplement policy replaces another Medicare supplement policy, the issuer of the replacing policy shall waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, and probationary periods in the new Medicare supplement policy for similar benefits to the extent the time was spent under the original policy;

(j) The policy has been filed with and approved by the department as meeting all the requirements of sections 62A.31 to 62A.44; and.

(k) The policy guarantees renewability.

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

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

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

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

(l) A Medicare supplement policy or certificate shall not indemnify against losses resulting from sickness on a different basis than losses resulting from accidents.

(m) A Medicare supplement policy or certificate shall provide that benefits designed to cover cost sharing amounts under Medicare will be changed automatically to coincide with any changes in the applicable Medicare deductible amount and copayment percentage factors. Premiums may be modified to correspond with the changes.

As soon as practicable, but no later than 30 days prior to the annual effective date of any Medicare benefit changes, an issuer shall notify its policyholders and certificate holders of modifications it has made to Medicare supplement insurance policies or certificates in a format acceptable to the commissioner. Such notice shall:

(1) include a description of revisions to the Medicare program and a description of each modification made to the coverage provided under the Medicare supplement policy or certificate; and

(2) inform each policyholder or certificate holder as to when any premium adjustment is to be made, due to changes in Medicare.

The notice of benefit modifications and any premium adjustments must be in outline form and in clear and simple terms so as to facilitate comprehension.

The notices must not contain or be accompanied by any solicitation.

(n) Termination by an issuer of a Medicare supplement policy or certificate shall be without prejudice to any continuous loss that began while the policy or certificate was in force, but the extension of benefits beyond the period during which the policy or certificate was in force may be conditioned on the continuous total disability of the insured, limited to the duration of the policy or certificate benefit period, if any, or payment of the maximum benefits. The extension of benefits does not apply when the termination is based on fraud, misrepresentation, or nonpayment of premium. An issuer may discontinue the availability of a policy form or certificate form if the issuer provides to the commissioner in writing its decision at least 30 days before discontinuing the availability of the form of the policy or certificate. An issuer that discontinues the availability of a policy form or certificate shall not file for approval a new policy form or certificate form of the same type for the same Medicare supplement benefit plan as the discontinued form for five years after the issuer provides notice to the commissioner of the discontinuance. The period of discontinuance may be reduced if the commissioner determines that a shorter period is appropriate. The sale or other transfer of Medicare supplement business to another issuer shall be considered a discontinuance for the purposes of this section. A change in the rating structure or methodology shall be considered a discontinuance under this section unless the issuer complies with the following requirements:

(1) the issuer provides an actuarial memorandum, in a form and manner prescribed by the commissioner, describing the manner in which the revised rating methodology and resulting rates differ from the existing rating methodology and resulting rates; and

(2) the issuer does not subsequently put into effect a change of rates or rating factors that would cause the percentage differential between the discontinued and subsequent rates as described in the actuarial memorandum to change. The commissioner may approve a change to the differential that is in the public interest.

(o)(1) Except as provided in clause (2), the Minnesota experience of

all policy forms or certificate forms of the same type in a standard Medicare supplement benefit plan shall be combined for purposes of the refund or credit calculation prescribed in section 62A.36;

(2) forms assumed under an assumption reinsurance agreement shall not be combined with the Minnesota experience of other forms for purposes of the refund or credit calculation.

(p) Medicare supplement policies and certificates shall include a renewal or continuation provision. The language or specifications of the provision shall be consistent with the type of contract issued. The provision shall be appropriately captioned and shall appear on the first page of the policy or certificate, and shall include any reservation by the issuer of the right to change premiums and any automatic renewal premium increases based on the policyholder's age. Except for riders or endorsements by which the issuer effectuates a request made in writing by the insured, exercises a specifically reserved right under a Medicare supplement policy or certificate, or is required to reduce or eliminate benefits to avoid duplication of Medicare benefits, all riders or endorsements added to a Medicare supplement policy or certificate after the date of issue or at reinstatement or renewal that reduce or eliminate benefits or coverage in the policy or certificate shall require a signed acceptance by the insured. After the date of policy or certificate issue, a rider or endorsement that increases benefits or coverage with a concomitant increase in premium during the policy or certificate term shall be agreed to in writing and signed by the insured, unless the benefits are required by the minimum standards for Medicare supplement policies or if the increased benefits or coverage is required by law. Where a separate additional premium is charged for benefits provided in connection with riders or endorsements, the premium charge shall be set forth in the policy, declaration page, or certificate. If a Medicare supplement policy or certificate contains limitations with respect to preexisting conditions, the limitations shall appear as a separate paragraph of the policy or certificate and be labeled as "preexisting condition limitations."

Issuers of accident and sickness policies or certificates that provide hospital or medical expense coverage on an expense incurred or indemnity basis, other than incidentally, to a person eligible for Medicare by reason of age shall provide to such applicants a Medicare Supplement Buyer's Guide in the form developed by the Health Care Financing Administration and in a type size no smaller than 12-point type. Delivery of the Buyer's Guide must be made whether or not such policies or certificates are advertised, solicited, or issued as Medicare supplement policies or certificates as defined in this section. Except in the case of direct response issuers, delivery of the Buyer's Guide must be made to the applicant at the time of application, and acknowledgment of receipt of the Buyer's Guide must be obtained by the issuer. Direct response issuers shall deliver

the Buyer's Guide to the applicant upon request, but no later than the time at which the policy is delivered.

(q)(1) An issuer, directly or through its producers, shall:

(i) establish marketing procedures to assure that a comparison of policies by its agents or other producers will be fair and accurate;

(ii) establish marketing procedures to ensure that excessive insurance is not sold or issued;

(iii) establish marketing procedures that set forth a mechanism or formula for determining whether a replacement policy or certificate contains benefits clearly and substantially greater than the benefits under the replaced policy or certificate;

(iv) display prominently by type or other appropriate means, on the first page of the policy or certificate, the following:

"Notice to buyer: This policy or certificate may not cover all of your medical expenses";

(v) inquire and otherwise make every reasonable effort to identify whether a prospective applicant or enrollee for Medicare supplement insurance already has accident and sickness insurance and the types and amounts of the insurance;

(vi) establish auditable procedures for verifying compliance with this paragraph;

(2) in addition to the practices prohibited in chapter 72A, the following acts and practices are prohibited:

(i) knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policies or issuers for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert any insurance policy or to take out a policy of insurance with another insurer;

(ii) employing any method of marketing having the effect of or tending to induce the purchase of insurance through force, fright, threat, whether explicit or implied, or undue pressure to purchase or recommend the purchase of insurance;

(iii) making use directly or indirectly of any method of marketing which fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of insurance and that contact will be made by an insurance agent or insurance company;

(3) the terms "Medicare supplement," "medigap," and words of similar import shall not be used unless the policy or certificate is issued in compliance with this subdivision.

(r) Each health maintenance organization, health service plan corporation, insurer, or fraternal benefit society that sells coverage that supplements Medicare coverage shall establish a separate community rate for that coverage. Beginning January 1, 1993, no coverage that supplements Medicare or that is governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., may be offered, issued, sold, or renewed to a Minnesota resident, except at the community rate required by this paragraph.

For coverage that supplements Medicare and for the Part A rate calculation for plans governed by section 1833 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., the community rate may take into account only the following factors:

(1) actuarially valid differences in benefit designs or provider networks;

(2) geographic variations in rates if preapproved by the commissioner of commerce; and

(3) premium reductions in recognition of healthy lifestyle behaviors, including but not limited to, refraining from the use of tobacco. Premium reductions must be actuarially valid and must relate only to those healthy lifestyle behaviors that have a proven positive impact on health. Factors used by the health carrier making this premium reduction must be filed with and approved by the commissioner of commerce.

(s) Beginning January 1, 1993, a health maintenance organization that issues coverage that supplements Medicare or that issues coverage governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., must make available with each contract at least one option that includes coverage for at least 80 percent of the usual and customary charge for prescription drugs or the copayment equivalency. Each contract issued without prescription drug coverage by any insurer, health service plan corporation, health maintenance organization, or fraternal benefit society must contain, displayed prominently by type or other appropriate means, on the first page of the contract, the following:

"Notice to buyer: This contract does not cover prescription drugs. Prescription drugs can be a very high percentage of your medical expenses. Coverage for prescription drugs is available to you as an optional benefit."

Sec. 2. Minnesota Statutes 1990, section 62A.31, is amended by adding a subdivision to read:

Subd. 3. [DEFINITIONS.] (a) "Accident," "accidental injury," or "accidental means" means to employ "result" language and does not include words that establish an accidental means test or use words such as "external," "violent," "visible wounds," or similar words of description or characterization.

(1) The definition shall not be more restrictive than the following: "Injury or injuries for which benefits are provided means accidental bodily injury sustained by the insured person which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, and occurs while insurance coverage is in force."

(2) The definition may provide that injuries shall not include injuries for which benefits are provided or available under a workers' compensation, employer's liability or similar law, or motor vehicle no-fault plan, unless prohibited by law.

(b) "Applicant" means:

(1) in the case of an individual Medicare supplement policy or certificate, the person who seeks to contract for insurance benefits; and

(2) in the case of a group Medicare supplement policy or certificate, the proposed certificate holder.

(c) "Benefit period" or "Medicare benefit period" shall not be defined more restrictively than as defined in the Medicare program.

(d) "Certificate" means a certificate delivered or issued for delivery in this state or offered to a resident of this state under a group Medicare supplement policy or certificate.

(e) "Certificate form" means the form on which the certificate is delivered or issued for delivery by the issuer.

(f) "Convalescent nursing home," "extended care facility," or "skilled nursing facility" shall not be defined more restrictively than as defined in the Medicare program.

(g) "Health care expenses" means expenses of health maintenance organizations associated with the delivery of health care services which are analogous to incurred losses of insurers. The expenses shall not include:

(1) home office and overhead costs;

- (2) advertising costs;
- (3) commissions and other acquisition costs;
- (4) taxes;
- (5) capital costs;
- (6) administrative costs; and
- (7) claims processing costs.

(h) "Hospital" may be defined in relation to its status, facilities, and available services or to reflect its accreditation by the joint commission on accreditation of hospitals, but not more restrictively than as defined in the Medicare program.

(i) "Issuer" includes insurance companies, fraternal benefit societies, health care service plans, health maintenance organizations, and any other entity delivering or issuing for delivery Medicare supplement policies or certificates in this state or offering these policies or certificates to residents of this state.

(j) "Medicare" shall be defined in the policy and certificate. Medicare may be defined as the Health Insurance for the Aged Act, title XVIII of the Social Security Amendments of 1965, as amended, or title I, part I, of Public Law Number 89-97, as enacted by the 89th Congress of the United States of America and popularly known as the Health Insurance for the Aged Act, as amended.

(k) "Medicare eligible expenses" means health care expenses covered by Medicare, to the extent recognized as reasonable and medically necessary by Medicare.

(l) "Medicare supplement policy or certificate" means a group or individual policy of accident and sickness insurance or a subscriber contract of hospital and medical service associations or health maintenance organizations, other than a policy or certificate issued under a contract under section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., or an issued policy under a demonstration project authorized under amendments to the federal Social Security Act, which is advertised, marketed, or designed primarily as a supplement to reimbursements under Medicare for the hospital, medical, or surgical expenses of persons eligible for Medicare.

(m) "Physician" shall not be defined more restrictively than as defined in the Medicare program or section 62A.04, subdivision 1, or 62A.15, subdivision 3a.

(n) "Policy form" means the form on which the policy is delivered or issued for delivery by the issuer.

(o) "Sickness" shall not be defined more restrictively than the following:

"Sickness means illness or disease of an insured person which first manifests itself after the effective date of insurance and while the insurance is in force."

The definition may be further modified to exclude sicknesses or diseases for which benefits are provided under a workers' compensation, occupational disease, employer's liability, or similar law.

Sec. 3. Minnesota Statutes 1990, section 62A.31, is amended by adding a subdivision to read:

Subd. 4. [PROHIBITED POLICY PROVISIONS.] A Medicare supplement policy or certificate in force in the state shall not contain benefits that duplicate benefits provided by Medicare.

Sec. 4. Minnesota Statutes 1990, section 62A.315, is amended to read:

62A.315 [EXTENDED BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

The extended basic Medicare supplement plan must have a level of coverage so that it will be certified as a qualified plan pursuant to ~~chapter 62E~~ section 62E.07, and will provide:

(1) coverage for all of the Medicare part A inpatient hospital deductible and coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare for the calendar year;

(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement for Medicare part B and coverage of the Medicare deductible amount;

(4) 80 percent of usual and customary hospital and medical expenses, supplies, and prescription drug expenses, not covered by Medicare's eligible expenses;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations; and

(6) 100 percent of the cost of immunizations- and routine screening procedures for cancer, including mammograms and pap smears;

(7) preventive medical care benefit: coverage for the following preventive health services:

(i) an annual clinical preventive medical history and physical examination that may include tests and services from clause (ii) and patient education to address preventive health care measures;

(ii) any one or a combination of the following preventive screening tests or preventive services, the frequency of which is considered medically appropriate:

(A) fecal occult blood test and/or digital rectal examination;

(B) dipstick urinalysis for hematuria, bacteriuria, and proteinuria;

(C) pure tone (air only) hearing screening test administered or ordered by a physician;

(D) serum cholesterol screening every five years;

(E) thyroid function test;

(F) diabetes screening;

(iii) any other tests or preventive measures determined appropriate by the attending physician.

Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved amount for each service as if Medicare were to cover the service as identified in American Medical Association current procedural terminology (AMA CPT) codes to a maximum of \$120 annually under this benefit. This benefit shall not include payment for any procedure covered by Medicare;

(8) At-home recovery benefit: Coverage for services to provide short-term at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery:

(i) For purposes of this benefit, the following definitions shall apply:

(A) "activities of daily living" include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings;

(B) "care provider" means a duly qualified or licensed home health aide/homemaker, personal care aide, or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry;

(C) "home" means a place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured's place of residence;

(D) "at-home recovery visit" means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit;

(ii) coverage requirements and limitations:

(A) at-home recovery services provided must be primarily services that assist in activities of daily living;

(B) the insured's attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare;

(C) coverage is limited to:

(I) no more than the number and type of at-home recovery visits certified as medically necessary by the insured's attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare-approved home health care visits under a Medicare-approved home care plan of treatment;

(II) the actual charges for each visit up to a maximum reimbursement of \$40 per visit;

(III) \$1,600 per calendar year;

(IV) seven visits in any one week;

(V) care furnished on a visiting basis in the insured's home;

(VI) services provided by a care provider as defined in this section;

(VII) at-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

(VIII) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit;

(iii) coverage is excluded for:

(A) home care visits paid for by Medicare or other government programs; and

(B) care provided by family members, unpaid volunteers, or providers who are not care providers.

Sec. 5. Minnesota Statutes 1991 Supplement, section 62A.316, is amended to read:

62A.316 [BASIC MEDICARE SUPPLEMENT PLAN; COVERAGE.]

(a) The basic Medicare supplement plan must have a level of coverage that will provide:

(1) coverage for all of the Medicare part A inpatient hospital coinsurance amounts, and 100 percent of all Medicare part A eligible expenses for hospitalization not covered by Medicare for the calendar year, after satisfying the Medicare part A deductible;

(2) coverage for the daily copayment amount of Medicare part A eligible expenses for the calendar year incurred for skilled nursing facility care;

(3) coverage for the 20 percent copayment amount of Medicare eligible expenses excluding outpatient prescription drugs under Medicare part B regardless of hospital confinement for Medicare part B after the Medicare deductible amount;

(4) 80 percent of the usual and customary hospital and medical expenses and supplies incurred during travel outside the United States as a result of a medical emergency;

(5) coverage for the reasonable cost of the first three pints of blood, or equivalent quantities of packed red blood cells as defined under federal regulations under Medicare parts A and B, unless replaced in accordance with federal regulations; and

(6) 100 percent of the cost of immunizations and routine screening

procedures for cancer screening including mammograms and pap smears.

(b) Only the following optional benefit riders may be added to this plan:

(1) coverage for all of the Medicare part A inpatient hospital deductible amount;

(2) a minimum of 80 percent of usual and customary eligible medical expenses, not to exceed any charge limitation established by the Medicare program, and supplies not covered by Medicare part B. This does not include outpatient prescription drugs;

(3) coverage for all of the Medicare part B annual deductible; ~~and~~

(4) coverage for at least 50 percent, or the equivalent of 50 percent, of usual and customary prescription drug expenses;

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

(5) coverage for the following preventive health services:

(i) an annual clinical preventive medical history and physical examination that may include tests and services from clause (ii) and patient education to address preventive health care measures;

(ii) any one or a combination of the following preventive screening tests or preventive services, the frequency of which is considered medically appropriate:

(A) fecal occult blood test and/or digital rectal examination;

(B) dipstick urinalysis for hematuria, bacteriuria, and proteinuria;

(C) pure tone (air only) hearing screening test, administered or ordered by a physician;

(D) serum cholesterol screening every five years;

(E) thyroid function test;

(F) diabetes screening;

(iii) any other tests or preventive measures determined appropriate by the attending physician.

Reimbursement shall be for the actual charges up to 100 percent of the Medicare-approved amount for each service, as if Medicare were to cover the service as identified in American Medical Association current procedural terminology (AMA CPT) codes, to a maximum of \$120 annually under this benefit. This benefit shall not include payment for a procedure covered by Medicare;

(6) coverage for services to provide short-term at-home assistance with activities of daily living for those recovering from an illness, injury, or surgery;

(i) For purposes of this benefit, the following definitions apply:

(A) "activities of daily living" include, but are not limited to, bathing, dressing, personal hygiene, transferring, eating, ambulating, assistance with drugs that are normally self-administered, and changing bandages or other dressings;

(B) "care provider" means a duly qualified or licensed home health aide/homemaker, personal care aid, or nurse provided through a licensed home health care agency or referred by a licensed referral agency or licensed nurses registry;

(C) "home" means a place used by the insured as a place of residence, provided that the place would qualify as a residence for home health care services covered by Medicare. A hospital or skilled nursing facility shall not be considered the insured's place of residence;

(D) "at-home recovery visit" means the period of a visit required to provide at-home recovery care, without limit on the duration of the visit, except each consecutive four hours in a 24-hour period of services provided by a care provider is one visit;

(ii) Coverage requirements and limitations:

(A) at-home recovery services provided must be primarily services that assist in activities of daily living;

(B) the insured's attending physician must certify that the specific type and frequency of at-home recovery services are necessary because of a condition for which a home care plan of treatment was approved by Medicare;

(C) Coverage is limited to:

(I) no more than the number and type of at-home recovery visits certified as necessary by the insured's attending physician. The total number of at-home recovery visits shall not exceed the number of Medicare-approved home care visits under a Medicare-approved home care plan of treatment;

(II) the actual charges for each visit up to a maximum reimbursement of \$40 per visit;

(III) \$1,600 per calendar year;

(IV) seven visits in any one week;

(V) care furnished on a visiting basis in the insured's home;

(VI) services provided by a care provider as defined in this section;

(VII) at-home recovery visits while the insured is covered under the policy or certificate and not otherwise excluded;

(VIII) at-home recovery visits received during the period the insured is receiving Medicare-approved home care services or no more than eight weeks after the service date of the last Medicare-approved home health care visit;

(iii) Coverage is excluded for:

(A) home care visits paid for by Medicare or other government programs; and

(B) care provided by family members, unpaid volunteers, or providers who are not care providers.

Sec. 6. [62A.317] [STANDARDS FOR CLAIMS PAYMENT.]

(a) An issuer shall comply with section 1882(c)(3) of the federal Social Security Act, as enacted by section 4081(b)(2)(C) of the Omnibus Budget Reconciliation Act of 1987 (OBRA), Public Law Number 100-203, by:

(1) accepting a notice from a Medicare carrier on duly assigned claims submitted by Medicare participating physicians and suppliers as a claim for benefits in place of any other claim form otherwise required and making a payment determination on the basis of the information contained in that notice;

(2) notifying the Medicare participating physician or supplier and the beneficiary of the payment determination;

(3) paying the Medicare participating physician or supplier directly;

(4) furnishing, at the time of enrollment, each enrollee with a card listing the policy or certificate name, number, and a central mailing address to which notices from a Medicare carrier may be sent;

(5) paying user fees for claim notices that are transmitted electronically or otherwise; and

(6) providing to the secretary of health and human services, at least annually, a central mailing address to which all claims may be sent by Medicare carriers.

(b) Compliance with the requirements in paragraph (a) shall be certified on the Medicare supplement insurance experience reporting form.

Sec. 7. [62A.319] [REPORTING OF MULTIPLE POLICIES.]

Subdivision 1. [ANNUAL REPORT.] On or before March 1 of each year, an issuer shall report the following information for every individual resident of this state for which the issuer has in force more than one Medicare supplement policy or certificate:

(1) the policy and certificate number; and

(2) the date of issuance.

Subd. 2. [NAIC REPORT FORMS.] The items in subdivision 1 must be grouped by individual policyholder and be on the National Association of Insurance Commissioners Reporting Medicare Supplement Policies form.

Sec. 8. Minnesota Statutes 1990, section 62A.36, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM LOSS RATIOS RATIO STANDARDS.] Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, (a) A Medicare supplement policies policy form or certificate form shall not be required delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to Minnesota policyholders and certificate holders in the form of aggregate benefits under the policy, for each year excluding the year of issuance and the first year thereafter, on the basis of incurred claims experience and earned premiums in Minnesota and in accordance with accepted actuarial principles and practices, not including anticipated refunds or credits, provided under the policy form or certificate form:

(a) (1) at least 75 percent of the aggregate amount of premiums collected earned in the case of group policies, and

(b) (2) at least 65 percent of the aggregate amount of premiums collected earned in the case of individual policies, calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. An insurer shall demonstrate that the third year loss ratio is greater than or equal to the applicable percentage.

All filings of rates and rating schedules shall demonstrate that actual expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy or certificate shall equal or exceed the appropriate loss ratio standards.

(b) An issuer shall collect and file with the commissioner by May 31 of each year the data contained in the National Association of Insurance Commissioners Medicare Supplement Refund Calculating form, for each type of Medicare supplement benefit plan.

If, on the basis of the experience as reported, the benchmark ratio since inception (ratio 1) exceeds the adjusted experience ratio since inception (ratio 3), then a refund or credit calculation is required. The refund calculation must be done on a statewide basis for each type in a standard Medicare supplement benefit plan. For purposes of the refund or credit calculation, experience on policies issued within the reporting year shall be excluded.

A refund or credit shall be made only when the benchmark loss ratio exceeds the adjusted experience loss ratio and the amount to be refunded or credited exceeds a de minimis level. The refund shall include interest from the end of the calendar year to the date of the refund or credit at a rate specified by the secretary of health and human services, but in no event shall it be less than the average rate of interest for 13-week treasury bills. A refund or credit against premiums due shall be made by September 30 following the experience year on which the refund or credit is based.

(c) An issuer of Medicare supplement policies and certificates in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy or certificate duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation

shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policies or certificates in force less than three years.

As soon as practicable, but before the effective date of enhancements in Medicare benefits, every issuer of Medicare supplement policies or certificates in this state shall file with the commissioner, in accordance with the applicable filing procedures of this state:

(1) a premium adjustment that is necessary to produce an expected loss ratio under the policy or certificate that will conform with minimum loss ratio standards for Medicare supplement policies or certificates. No premium adjustment that would modify the loss ratio experience under the policy or certificate other than the adjustments described herein shall be made with respect to a policy or certificate at any time other than on its renewal date or anniversary date;

(2) if an issuer fails to make premium adjustments acceptable to the commissioner, the commissioner may order premium adjustments, refunds, or premium credits considered necessary to achieve the loss ratio required by this section;

(3) any appropriate riders, endorsements, or policy or certificate forms needed to accomplish the Medicare supplement insurance policy or certificate modifications necessary to eliminate benefit duplications with Medicare. The riders, endorsements, or policy or certificate forms shall provide a clear description of the Medicare supplement benefits provided by the policy or certificate.

(d) The commissioner may conduct a public hearing to gather information concerning a request by an issuer for an increase in a rate for a policy form or certificate form if the experience of the form for the previous reporting period is not in compliance with the applicable loss ratio standard. The determination of compliance is made without consideration of a refund or credit for the reporting period. Public notice of the hearing shall be furnished in a manner considered appropriate by the commissioner.

Sec. 9. Minnesota Statutes 1990, section 62A.38, is amended to read:

62A.38 [NOTICE OF FREE EXAMINATION.]

Medicare supplement policies or certificates, other than those issued pursuant to direct response solicitation, shall have a notice

prominently printed on the first page of the policy or attached thereto stating in substance that the policyholder or certificate holder shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded in full if, after examination of the policy or certificate, the insured person is not satisfied for any reason. Medicare supplement policies or certificates, issued pursuant to a direct response solicitation to persons eligible for medicare by reason of age, shall have a notice prominently printed on the first page or attached thereto stating in substance that the policyholder or certificate holder shall have the right to return the policy or certificate within 30 days of its delivery and to have the premium refunded within ten days after receipt of the returned policy or certificate to the insurer if, after examination, the insured person is not satisfied for any reason.

Sec. 10. Minnesota Statutes 1990, section 62A.39, is amended to read:

62A.39 [DISCLOSURE.]

No individual Medicare supplement plan shall be delivered or issued in this state and no certificate shall be delivered pursuant to under a group Medicare supplement plan delivered or issued in this state unless an outline containing at least the following information in no less than 12-point type is delivered to the applicant at the time the application is made:

(a) A description of the principal benefits and coverage provided in the policy;

(b) A statement of the exceptions, reductions, and limitations contained in the policy including the following language, as applicable, in bold print: "THIS POLICY DOES NOT COVER ALL MEDICAL EXPENSES BEYOND THOSE COVERED BY MEDICARE. THIS POLICY DOES NOT COVER ALL SKILLED NURSING HOME CARE EXPENSES AND DOES NOT COVER CUSTODIAL OR RESIDENTIAL NURSING CARE. READ YOUR POLICY CAREFULLY TO DETERMINE WHICH NURSING HOME FACILITIES AND EXPENSES ARE COVERED BY YOUR POLICY.";

(c) A statement of the renewal provisions including any reservations by the insurer of a right to change premiums. The premium and manner of payment shall be stated for all plans that are offered to the prospective applicant. All possible premiums for the prospective applicant shall be illustrated. If the premium is based on the increasing age of the insured, information specifying when premiums will change must be included;

(d) READ YOUR POLICY OR CERTIFICATE VERY CAREFULLY [Boldface type]. A statement that the outline of coverage is

a summary of the policy issued or applied for and that the policy should be consulted to determine governing contractual provisions. Additionally, it does not give all the details of Medicare coverage. Contact your local Social Security office or consult the Medicare handbook for more details; and

(e) A statement of the policy's loss ratio as follows: "This policy provides an anticipated loss ratio of (..%). This means that, on the average, policyholders may expect that (\$....) of every \$100.00 in premium will be returned as benefits to policyholders over the life of the contract.";

(f) When the outline of coverage is provided at the time of application and the Medicare supplement policy or certificate is issued on a basis that would require revision of the outline, a substitute outline of coverage properly describing the policy or certificate shall accompany the policy or certificate when it is delivered and contain the following statement, in no less than 12-point type, immediately above the company name:

"NOTICE: Read this outline of coverage carefully. It is not identical to the outline of coverage provided upon application, and the coverage originally applied for has not been issued.";

(g) RIGHT TO RETURN POLICY OR CERTIFICATE [Boldface type]. "If you find that you are not satisfied with your policy or certificate for any reason, you may return it to [insert issuer's address]. If you send the policy or certificate back to us within 30 days after you receive it, we will treat the policy or certificate as if it had never been issued and return all of your payments within ten days.";

(h) POLICY OR CERTIFICATE REPLACEMENT [Boldface type]. "If you are replacing another health insurance policy or certificate, do NOT cancel it until you have actually received your new policy or certificate and are sure you want to keep it.";

(i) NOTICE [Boldface type]. "This policy or certificate may not fully cover all of your medical costs."

A. [for agents:]

"Neither [insert company's name] nor its agents are connected with Medicare."

B. [for direct response:]

"[insert company's name] is not connected with Medicare."

(j) Notice regarding policies or certificates which are not Medicare supplement policies.

Any accident and sickness insurance policy or certificate, other than a Medicare supplement policy, or a policy or certificate issued pursuant to a contract under the federal Social Security Act, section 1833 or 1876 (United States Code, title 42, section 1395, et seq.), disability income policy; basic, catastrophic, or major medical expense policy; single premium nonrenewable policy; or other policy, issued for delivery in this state to persons eligible for Medicare shall notify insureds under the policy that the policy is not a Medicare supplement policy or certificate. The notice shall either be printed or attached to the first page of the outline of coverage delivered to insureds under the policy, or if no outline of coverage is delivered, to the first page of the policy or certificate delivered to insureds. The notice shall be in no less than 12-point type and shall contain the following language:

“THIS [POLICY OR CERTIFICATE] IS NOT A MEDICARE SUPPLEMENT [POLICY OR CONTRACT]. If you are eligible for Medicare, review the Medicare supplement buyer's guide available from the company.”

(k) COMPLETE ANSWERS ARE VERY IMPORTANT [Boldface type]. “When you fill out the application for the new policy or certificate, be sure to answer truthfully and completely all questions about your medical and health history. The company may cancel your policy or certificate and refuse to pay any claims if you leave out or falsify important medical information.” If the policy or certificate is guaranteed issue, this paragraph need not appear.

“Review the application carefully before you sign it. Be certain that all information has been properly recorded.”

Include for each plan, prominently identified in the cover page, a chart showing the services, Medicare payments, plan payments, and insured payments for each plan, using the same language, in the same order, using uniform layout and format.

Sec. 11. Minnesota Statutes 1990, section 62A.42, is amended to read:

62A.42 [RULEMAKING AUTHORITY.]

To carry out the purposes of sections 62A.31 to 62A.44, the commissioner may promulgate rules pursuant to chapter 14. These rules may:

(a) prescribe additional disclosure requirements for medicare

supplement plans, designed to adequately inform the prospective insured of the need and extent of coverage offered;

(b) prescribe uniform policy forms in order to give the insurance purchaser a reasonable opportunity to compare the cost of insuring with various insurers and may prescribe reasonable measures as necessary to conform Medicare supplement policies and certificates to the requirements of federal law and regulations; and

(c) establish other reasonable standards to further the purpose of sections 62A.31 to 62A.44.

Sec. 12. Minnesota Statutes 1990, section 62A.436, is amended to read:

62A.436 [COMMISSIONS.]

The commission, sales allowance, service fee, or compensation to an agent for the sale of a Medicare supplement plan must be the same for each of the first four years of the policy. The commissioner may grant a waiver of this restriction on commissions when the commissioner believes that the insurer's fee structure does not encourage deceptive practices.

In no event may the rate of commission, sales allowance, service fee, or compensation for the sale of a basic Medicare supplement plan exceed that which applies to the sale of an extended basic Medicare supplement plan.

For purposes of this section, "compensation" includes pecuniary or nonpecuniary remuneration of any kind relating to the sale or renewal of the policy or certificate, including but not limited to bonuses, gifts, prizes, awards, and finder's fees.

This section also applies to sales of replacement policies.

Sec. 13. Minnesota Statutes 1990, section 62A.44, is amended to read:

62A.44 [APPLICATIONS.]

Subdivision 1. [APPLICANT COPY.] No individual medicare supplement plan shall be issued or delivered in this state unless a signed and completed copy of the application for insurance is left with the applicant at the time application is made.

Subd. 2. [QUESTIONS.] (a) Application forms shall include the following questions designed to elicit information as to whether, as of the date of the application, the applicant has another Medicare supplement or other health insurance policy or certificate in force or

whether a Medicare supplement policy or certificate is intended to replace any other accident and sickness policy or certificate presently in force. A supplementary application or other form to be signed by the applicant and agent containing the questions and statements may be used.

“(1) You do not need more than one Medicare supplement policy or certificate.

(2) If you are 65 or older, you may be eligible for benefits under Medicaid and may not need a Medicare supplement policy or certificate.

(3) The benefits and premiums under your Medicare supplement policy or certificate will be suspended during your entitlement to benefits under Medicaid for 24 months. You must request this suspension within 90 days of becoming eligible for Medicaid. If you are no longer entitled to Medicaid, your policy or certificate will be reinstated if requested within 90 days of losing Medicaid eligibility.

To the best of your knowledge:

(1) Do you have another Medicare supplement policy or certificate in force, including health care service contract or health maintenance organization contract? If so, with which company?

(2) Do you have any other health insurance policies that provide benefits that this Medicare supplement policy or certificate would duplicate? (a) If so, with which company?

(3) If the answer to question 1 or 2 is yes, do you intend to replace these medical or health policies with this policy or certificate?

(4) Are you covered by Medicaid?”

(b) Agents shall list any other health insurance policies they have sold to the applicant.

(1) List policies sold that are still in force.

(2) List policies sold in the past five years that are no longer in force.

(c) In the case of a direct response issuer, a copy of the application or supplemental form, signed by the applicant, and acknowledged by the insurer, shall be returned to the applicant by the insurer on delivery of the policy or certificate.

(d) Upon determining that a sale will involve replacement of Medicare supplement coverage, any issuer, other than a direct response issuer, or its agent, shall furnish the applicant, before issuance or delivery of the Medicare supplement policy or certificate, a notice regarding replacement of Medicare supplement coverage. One copy of the notice signed by the applicant and the agent, except where the coverage is sold without an agent, shall be provided to the applicant and an additional signed copy shall be retained by the issuer. A direct response issuer shall deliver to the applicant at the time of the issuance of the policy or certificate the notice regarding replacement of Medicare supplement coverage.

(e) The notice required by paragraph (d) for an issuer shall be provided in substantially the following form in no less than 12-point type:

“NOTICE TO APPLICANT REGARDING REPLACEMENT
OF MEDICARE SUPPLEMENT INSURANCE

[Insurance company's name and address]

SAVE THIS NOTICE! IT MAY BE IMPORTANT
TO YOU IN THE FUTURE.

According to [your application] [information you have furnished], you intend to terminate existing Medicare supplement insurance and replace it with a policy or certificate to be issued by [Company Name] Insurance Company. Your new policy or certificate will provide 30 days within which you may decide without cost whether you desire to keep the policy or certificate.

You should review this new coverage carefully. Compare it with all accident and sickness coverage you now have. Terminate your present policy only if, after due consideration, you find that purchase of this Medicare supplement coverage is a wise decision.

STATEMENT TO APPLICANT BY ISSUER, AGENT, [BROKER OR OTHER REPRESENTATIVE]: I have reviewed your current medical or health insurance coverage. The replacement of insurance involved in this transaction does not duplicate coverage, to the best of my knowledge. The replacement policy or certificate is being purchased for the following reason(s) (check one):

Additional benefits

No change in benefits, but lower premiums

Fewer benefits and lower premiums

Other (please specify)

(1) Health conditions which you may presently have (preexisting conditions) may not be immediately or fully covered under the new policy or certificate. This could result in denial or delay of a claim for benefits under the new policy or certificate, whereas a similar claim might have been payable under your present policy or certificate.

(2) State law provides that your replacement policy or certificate may not contain new preexisting conditions, waiting periods, elimination periods, or probationary periods. The insurer will waive any time periods applicable to preexisting conditions, waiting periods, elimination periods, or probationary periods in the new policy (or coverage) for similar benefits to the extent the time was spent (depleted) under the original policy or certificate.

(3) If you still wish to terminate your present policy or certificate and replace it with new coverage, be certain to truthfully and completely answer all questions on the application concerning your medical and health history. Failure to include all material medical information on an application may provide a basis for the company to deny any future claims and to refund your premium as though your policy or certificate had never been in force. After the application has been completed and before you sign it, review it carefully to be certain that all information has been properly recorded. [If the policy or certificate is guaranteed issue, this paragraph need not appear.]

Do not cancel your present policy or certificate until you have received your new policy or certificate and are you sure that you want to keep it.

(Signature of Agent, Broker, or Other Representative)*

[Typed Name and Address of Issuer, Agent, or Broker]

(Date)

(Applicant's Signature)

(Date)

Signature not required for direct response sales.

(f) Paragraph (e), clauses (1) and (2), of the replacement notice (applicable to preexisting conditions) may be deleted by an issuer if the replacement does not involve application of a new preexisting condition limitation.

Sec. 14. Minnesota Statutes 1990, section 62E.07, is amended to read:

62E.07 [QUALIFIED MEDICARE SUPPLEMENT PLAN.]

Any plan which provides benefits to persons over the age of 65 years may be certified as a qualified Medicare supplement plan if the plan is designed to supplement Medicare and provides coverage of 100 percent of the deductibles required under Medicare and 80 percent of the charges for covered services described in section 62E.06, subdivision 1, which charges are not paid by Medicare. The coverage shall include a limitation of \$1,000 per person on total annual out-of-pocket expenses for the covered services. The coverage may be subject to a maximum lifetime benefit of not less than \$500,000.

Sec. 15. Minnesota Statutes 1991 Supplement, section 62E.10, subdivision 9, is amended to read:

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

This subdivision is effective until August 1, ~~1992~~ 1993.

Sec. 16. Minnesota Statutes 1991 Supplement, section 62E.12, is amended to read:

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

The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan, and a number two qualified plan, except that the maximum lifetime benefit on these plans shall be \$1,000,000, and ~~basic and an extended basic plan and a basic Medicare supplement plans plan as described in sections 62A.31 to 62A.44 and 62E.07.~~ The requirement that a policy issued by the association must be a qualified plan is satisfied if the association contracts with a preferred provider network and the level of benefits for services provided within the network satisfies the requirements of a qualified plan. If the association uses a preferred provider network, payments to nonparticipating providers must meet the minimum requirements of section 72A.20, subdivision 15. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. Notwithstanding the provisions of section 62E.06 the state plan shall exclude coverage of services of a private duty nurse other than on an inpatient basis and any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner.

Sec. 17. [FEDERAL CHANGES.]

If the federal government requires additions or changes for compliance with any provisions of this act that are required by the federal Omnibus Budget Reconciliation Act of 1990, Public Law Number 101-508, the commissioner may by order make those additions or changes. Before issuing an order, the commissioner shall notify the appropriate policy committees of the legislature of the additions or changes.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 14 and 17 are effective the day following final enactment and apply to policies or certificates issued before and after that date. Sections 15 and 16 are effective the day following final enactment.

ARTICLE 2

Section 1. [62A.318] [MEDICARE SELECT POLICIES AND CERTIFICATES.]

(a) This section applies to Medicare select policies and certificates, as defined in this section, including those issued by health maintenance organizations. No policy or certificate may be advertised as a Medicare select policy or certificate unless it meets the requirements of this section.

(b) For the purposes of this section:

(1) "complaint" means any dissatisfaction expressed by an individual concerning a Medicare select issuer or its network providers;

(2) "grievance" means dissatisfaction expressed in writing by an individual insured under a Medicare select policy or certificate with the administration, claims practices, or provision of services concerning a Medicare select issuer or its network providers;

(3) "Medicare select issuer" means an issuer offering, or seeking to offer, a Medicare select policy or certificate;

(4) "Medicare select policy" or "Medicare select certificate" means a Medicare supplement policy or certificate that contains restricted network provisions;

(5) "network provider" means a provider of health care, or a group of providers of health care, that has entered into a written agreement with the issuer to provide benefits insured under a Medicare select policy or certificate;

(6) "restricted network provision" means a provision that conditions the payment of benefits, in whole or in part, on the use of network providers; and

(7) "service area" means the geographic area approved by the commissioner within which an issuer is authorized to offer a Medicare select policy or certificate.

(c) The commissioner may authorize an issuer to offer a Medicare select policy or certificate pursuant to this section and section 4358 of the Omnibus Budget Reconciliation Act (OBRA) of 1990, Public Law Number 101-508, if the commissioner finds that the issuer has satisfied all of the requirements of this section.

(d) A Medicare select issuer shall not issue a Medicare select policy or certificate in this state until its plan of operation has been approved by the commissioner.

(e) A Medicare select issuer shall file a proposed plan of operation with the commissioner, in a format prescribed by the commissioner. The plan of operation shall contain at least the following information:

(1) evidence that all covered services that are subject to restricted network provisions are available and accessible through network providers, including a demonstration that:

(i) the services can be provided by network providers with reasonable promptness with respect to geographic location, hours of operation, and after-hour care. The hours of operation and availability of after-hour care shall reflect usual practice in the local area. Geographic availability shall reflect the usual travel times within the community;

(ii) the number of network providers in the service area is sufficient, with respect to current and expected policyholders, either:

(A) to deliver adequately all services that are subject to a restricted network provision; or

(B) to make appropriate referrals;

(iii) there are written agreements with network providers describing specific responsibilities;

(iv) emergency care is available 24 hours per day and seven days per week; and

(v) in the case of covered services that are subject to a restricted network provision and are provided on a prepaid basis, there are written agreements with network providers prohibiting the providers from billing or otherwise seeking reimbursement from or recourse against an individual insured under a Medicare select policy or certificate. This section does not apply to supplemental charges or coinsurance amounts as stated in the Medicare select policy or certificate;

(2) a statement or map providing a clear description of the service area;

(3) a description of the grievance procedure to be used;

(4) a description of the quality assurance program, including:

(i) the formal organizational structure;

(ii) the written criteria for selection, retention, and removal of network providers; and

(iii) the procedures for evaluating quality of care provided by network providers, and the process to initiate corrective action when warranted;

(5) a list and description, by specialty, of the network providers;

(6) copies of the written information proposed to be used by the issuer to comply with paragraph (i); and

(7) any other information requested by the commissioner.

(f) A Medicare select issuer shall file proposed changes to the plan of operation, except for changes to the list of network providers, with the commissioner before implementing the changes. The changes shall be considered approved by the commissioner after 30 days unless specifically disapproved.

An updated list of network providers shall be filed with the commissioner at least quarterly.

(g) A Medicare select policy or certificate shall not restrict payment for covered services provided by nonnetwork providers if:

(1) the services are for symptoms requiring emergency care or are immediately required for an unforeseen illness, injury, or condition; and

(2) it is not reasonable to obtain the services through a network provider.

(h) A Medicare select policy or certificate shall provide payment for full coverage under the policy or certificate for covered services that are not available through network providers.

(i) A Medicare select issuer shall make full and fair disclosure in writing of the provisions, restrictions, and limitations of the Medicare select policy or certificate to each applicant. This disclosure must include at least the following:

(1) an outline of coverage sufficient to permit the applicant to compare the coverage and premiums of the Medicare select policy or certificate with:

(i) other Medicare supplement policies or certificates offered by the issuer; and

(ii) other Medicare select policies or certificates;

(2) a description, including address, phone number, and hours of

operation, of the network providers, including primary care physicians, specialty physicians, hospitals, and other providers;

(3) a description of the restricted network provisions, including payments for coinsurance and deductibles when providers other than network providers are used;

(4) a description of coverage for emergency and urgently needed care and other out-of-service area coverage;

(5) a description of limitations on referrals to restricted network providers and to other providers;

(6) a description of the policyholder's rights to purchase any other Medicare supplement policy or certificate otherwise offered by the issuer; and

(7) a description of the Medicare select issuer's quality assurance program and grievance procedure.

(j) Before the sale of a Medicare select policy or certificate, a Medicare select issuer shall obtain from the applicant a signed and dated form stating that the applicant has received the information provided pursuant to paragraph (i) and that the applicant understands the restrictions of the Medicare select policy or certificate.

(k) A Medicare select issuer shall have and use procedures for hearing complaints and resolving written grievances from the subscribers. The procedures shall be aimed at mutual agreement for settlement and may include arbitration procedures.

(1) The grievance procedure must be described in the policy and certificates and in the outline of coverage.

(2) At the time the policy or certificate is issued, the issuer shall provide detailed information to the policyholder describing how a grievance may be registered with the issuer.

(3) Grievances must be considered in a timely manner and must be transmitted to appropriate decision makers who have authority to fully investigate the issue and take corrective action.

(4) If a grievance is found to be valid, corrective action must be taken promptly.

(5) All concerned parties must be notified about the results of a grievance.

(6) The issuer shall report no later than March 31 of each year to the commissioner regarding the grievance procedure. The report

shall be in a format prescribed by the commissioner and shall contain the number of grievances filed in the past year and a summary of the subject, nature, and resolution of the grievances.

(l) At the time of initial purchase, a Medicare select issuer shall make available to each applicant for a Medicare select policy or certificate the opportunity to purchase a Medicare supplement policy or certificate otherwise offered by the issuer.

(m)(1) At the request of an individual insured under a Medicare select policy or certificate, a Medicare select issuer shall make available to the individual insured the opportunity to purchase a Medicare supplement policy or certificate offered by the issuer that has comparable or lesser benefits and that does not contain a restricted network provision. The issuer shall make the policies or certificates available without requiring evidence of insurability after the Medicare supplement policy or certificate has been in force for six months. If the issuer does not have available for sale a policy or certificate without restrictive network provisions, the issuer shall provide enrollment information for the Minnesota comprehensive health association Medicare supplement plans.

(2) For the purposes of this paragraph, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare select policy or certificate being replaced. For the purposes of this paragraph, a significant benefit means coverage for the Medicare part A deductible, coverage for prescription drugs, coverage for at-home recovery services, or coverage for part B excess charges.

(n) Medicare select policies and certificates shall provide for continuation of coverage if the secretary of health and human services determines that Medicare select policies and certificates issued pursuant to this section should be discontinued due to either the failure of the Medicare select program to be reauthorized under law or its substantial amendment.

(1) Each Medicare select issuer shall make available to each individual insured under a Medicare select policy or certificate the opportunity to purchase a Medicare supplement policy or certificate offered by the issuer that has comparable or lesser benefits and that does not contain a restricted network provision. The issuer shall make the policies and certificates available without requiring evidence of insurability.

(2) For the purposes of this paragraph, a Medicare supplement policy or certificate will be considered to have comparable or lesser benefits unless it contains one or more significant benefits not included in the Medicare select policy or certificate being replaced. For the purposes of this paragraph, a significant benefit means

coverage for the Medicare part A deductible, coverage for prescription drugs, coverage for at-home recovery services, or coverage for part B excess charges.

(o) A Medicare select issuer shall comply with reasonable requests for data made by state or federal agencies, including the United States Department of Health and Human Services, for the purpose of evaluating the Medicare select program.

(p) Medicare select policies and certificates under this section shall be regulated and approved by the department of commerce.

(q) Medicare select policies and certificates must be either a basic plan or an extended basic plan. The basic plan may also include any of the optional benefit riders authorized by section 62A.316. Preventive care provided by Medicare select policies or certificates must be provided as set forth in section 62A.315 or 62A.316, except that the benefits are as defined in chapter 62D.

(r) Medicare select policies and certificates are exempt from the requirements of section 62A.31, subdivision 1, paragraph (d). This paragraph expires January 1, 1994.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 30, 1992, and applies to policies or certificates issued on or after that date."

The motion prevailed and the amendment was adopted.

Skoglund moved to amend S. F. No. 2743, as amended, as follows:

Page 9, line 26, delete everything after "must" and insert "offer, to each person to whom it offers any contract described in this paragraph, at least one contract that either:

(1) covers 80 percent of the reasonable and customary charge for prescription drugs or the copayment equivalency; or

(2) offers the coverage described in clause (1) as an optional rider that may be purchased separately from other optional coverages"

Page 9, delete lines 27 and 28

Page 9, line 29, delete everything before the period

Page 10, line 2, delete "is" and insert "may be" and delete "as an optional benefit" and after the period, insert "Please ask for further details."

The motion prevailed and the amendment was adopted.

S. F. No. 2743, A bill for an act relating to insurance; regulating Medicare supplement; making various changes in state law required by the federal government; regulating coverages and practices; regulating the Minnesota comprehensive health association; increasing the maximum lifetime benefit amounts of certain state plan coverages; extending the effective date of the authorization of use of experimental delivery methods; amending Minnesota Statutes 1990, sections 62A.31, by adding subdivisions; 62A.315; 62A.36, subdivision 1; 62A.38; 62A.39; 62A.42; 62A.436; 62A.44; and 62E.07; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 62A.316; 62E.10, subdivision 9; and 62E.12; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

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

Those who voted in the affirmative were:

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

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

S. F. No. 2781 was reported to the House.

Bauerly moved that S. F. No. 2781 be temporarily laid over on Special Orders. The motion prevailed.

Vellenga was excused between the hours of 7:00 p.m. and 8:25 p.m.

S. F. No. 2662 was reported to the House.

Dawkins moved to amend S. F. No. 2662, as follows:

Page 2, after line 2, insert:

“Sec. 3. Minnesota Statutes 1991 Supplement, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After July 1, 1987, all real estate salespersons and all real estate brokers shall be required to successfully complete 15 hours of real estate education, either as a student or a lecturer, in courses of study approved by the commissioner, each year after their initial annual renewal date or after the expiration of their currently assigned three year continuing education due date. All salespersons and brokers shall report continuing education on an annual basis no later than June 30, 1990. Hours in excess of 15 earned in any one year may be carried forward to the following year.

(b) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision.

(c) Any program approved by Minnesota continuing legal education shall be approved by the commissioner of commerce for continuing education for real estate brokers and salespeople if the program or any part thereof relates to real estate.

(d) As part of the continuing education requirements of this section, the commissioner shall require that all real estate brokers and salespersons receive at least two hours of training every even-numbered year in courses in state and federal fair housing laws, regulations, and rules, or other anti-discrimination laws.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Jennings moved to amend S. F. No. 2662, as amended, as follows:

Page 1, after line 9, insert:

“ARTICLE 1”

Page 7, after line 6, insert:

“ARTICLE 2

Section 1. Minnesota Statutes 1990, section 504.20, subdivision 2, is amended to read:

Subd. 2. Any deposit of money shall not be considered received in a fiduciary capacity within the meaning of section 82.17, subdivision 7, but shall be held by the landlord for the tenant who is party to the agreement and shall bear simple ~~noncompounded~~ interest at the rate of ~~5-1/2~~ four percent per annum ~~noncompounded until May 1, 1997, and 5-1/2 percent per annum thereafter,~~ computed from the first day of the next month following the full payment of the deposit to the last day of the month in which the landlord, in good faith, complies with the requirements of subdivision 3 or to the date upon which judgment is entered in any civil action involving the landlord's liability for the deposit, whichever date is earlier. Any interest amount less than \$1 shall be excluded from the provisions of this section.

Sec. 2. [REVIEW.]

The reversion of the interest rate to 5-1/2 percent in section 1 is subject to review by the legislature in the 1996 session.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.”

Amend the title as follows:

Page 1, line 3, after the semicolon insert “temporarily changing the interest rate required on a rental deposit;”

Page 1, line 6, after the semicolon insert “504.20, subdivision 2;”

The motion prevailed and the amendment was adopted.

Dawkins moved to amend S. F. No. 2662, as amended, as follows:

Page 6, delete line 36 and insert “August 1, 1992.”

The motion prevailed and the amendment was adopted.

S. F. No. 2662, A bill for an act relating to commerce; regulating the real estate, education, research, and recovery fund; amending Minnesota Statutes 1990, sections 82.19, by adding a subdivision; and 82.34, subdivisions 3, 4, 7, 9, 11, 13, and 14; proposing coding for new law in Minnesota Statutes, chapter 80A; repealing Minnesota Statutes 1990, section 82.34, subdivision 20.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Speaker pro tempore Krueger called Bauerly to the Chair.

H. F. No. 2032 was reported to the House.

Kalis moved that H. F. No. 2032 be continued on Special Orders. The motion prevailed.

S. F. No. 2463, A bill for an act relating to insurance; solvency; making various technical corrections; requiring notice; regulating business transacted with a producer controlled insurer; modifying various provisions relating to the guaranty association; amending Minnesota Statutes 1990, sections 45.025, subdivision 2, as amended; 60A.03, subdivision 6; 60A.10, subdivision 4; 61B.03, subdivision 5; 61B.06, subdivision 7; and 61B.12, by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 60A.031, subdivision 1; 60A.092, subdivision 3; 60A.11, subdivisions 13 and 20; 60A.112; 60A.12, subdivision 10; 60A.124; 60D.17, subdivision 1; 61A.28, subdivision 1; and 61B.12, subdivision 6; Laws 1991, chapter 325, article 5, section 6; proposing coding for new law in Minnesota Statutes, chapters 60C; and 60J; repealing Minnesota Statutes 1991 Supplement, sections 60J.01; 60J.02; 60J.03; 60J.04; 60J.05; and 72A.206.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2137 was reported to the House.

Segal moved to amend S. F. No. 2137, as follows:

Page 3, after line 25, insert:

“Sec. 4. [COMPREHENSIVE INTEGRATED MENTAL HEALTH PLAN.]

The commissioner of human services, by January 15, 1993, shall submit to the legislature a comprehensive integrated mental health plan for regional treatment centers and community-based services. The plan must be based on a systemwide analysis of individual needs and contain specific strategies, target dates, funding methods, and budgets.”

ReNUMBER the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Anderson, R., moved to amend the Segal amendment to S. F. No. 2137, as follows:

In the Segal amendment, line 7, delete “regional treatment centers and”

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 22 yeas and 108 nays as follows:

Those who voted in the affirmative were:

Battaglia	Hasskamp	Murphy	Rodosovich	Weaver
Begich	Jennings	Nelson, S.	Sparby	Wenzel
Dauner	Krueger	O'Connor	Steensma	
Farrell	Lieder	Olson, E.	Tunheim	
Frederick	Lourey	Ozment	Uphus	

Those who voted in the negative were:

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

Hanson	Kalis	Morrison	Peterson	Sviggun
Hartle	Kelso	Munger	Pugh	Swenson
Haukoos	Kinkel	Nelson, K.	Reding	Thompson
Hausman	Koppendrayer	Newinski	Rest	Tompkins
Heir	Krambeer	Ogren	Rice	Trimble
Henry	Krinkie	Olsen, S.	Rukavina	Valento
Hufnagle	Lasley	Olson, K.	Runbeck	Vanasek
Hugoson	Leppik	Omann	Sarna	Wagenius
Jacobs	Limmer	Onnen	Schafer	Waltman
Janezich	Lynch	Orenstein	Schreiber	Wejzman
Jaros	Macklin	Orfield	Seaberg	Welker
Jefferson	Mariani	Osthoff	Segal	Welle
Johnson, A.	Marsh	Ostrom	Simoneau	Winter
Johnson, R.	McEachern	Pauly	Smith	Spk. Long
Johnson, V.	McPherson	Pellow	Solberg	
Kahn	Milbert	Pelowski	Stanius	

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

The question recurred on the Segal amendment and the roll was called. There were 107 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kahn	Olson, E.	Simoneau
Anderson, I.	Frerichs	Kalis	Olson, K.	Smith
Anderson, R. H.	Garcia	Kelso	Omann	Solberg
Battaglia	Girard	Koppendrayer	Onnen	Sparby
Beard	Goodno	Krambeer	Orenstein	Stanius
Begich	Greenfield	Krinkie	Orfield	Sviggun
Bertram	Gruenes	Krueger	Osthoff	Swenson
Bettermann	Gutknecht	Lasley	Ostrom	Tompkins
Bishop	Hanson	Leppik	Pauly	Trimble
Blatz	Haukoos	Lieder	Pellow	Tunheim
Bodahl	Hausman	Limmer	Pelowski	Valento
Boo	Heir	Lynch	Peterson	Vanasek
Carlson	Henry	Macklin	Pugh	Wagenius
Carruthers	Hufnagle	McEachern	Rest	Waltman
Clark	Hugoson	McPherson	Rice	Weaver
Davids	Jacobs	Milbert	Rukavina	Wejzman
Dawkins	Janezich	Morrison	Runbeck	Welker
Dempsey	Jaros	Munger	Sarna	Winter
Dille	Jefferson	Nelson, K.	Schafer	Spk. Long
Dorn	Johnson, A.	Newinski	Schreiber	
Erhardt	Johnson, R.	O'Connor	Seaberg	
Farrell	Johnson, V.	Ogren	Segal	

Those who voted in the negative were:

Anderson, R.	Hartle	Lourey	Ozment	Welle
Bauerly	Hasskamp	Marsh	Rodosovich	Wenzel
Brown	Jennings	Murphy	Steensma	
Cooper	Kinkel	Nelson, S.	Thompson	
Dauner	Knickerbocker	Olsen, S.	Uphus	

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Clark, Schreiber, Stanius, Pauly, Greenfield and Osthoff moved to amend S. F. No. 2137, as amended, as follows:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] “Abatement” means removal of, replacement of, or encapsulation of deteriorated paint, bare soil, dust, drinking water, or other materials that are or may become readily accessible during the abatement process and pose an immediate threat of actual lead exposure to people. ~~The abatement rules to be adopted under section 144.878, subdivision 2, shall apply as described in section 144.874.~~

Sec. 2. Minnesota Statutes 1990, section 144.871, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT CONTRACTOR.] “Abatement contractor” means any person hired by a property owner or resident to perform abatement of a lead source in violation of standards under section 144.878.

Sec. 3. Minnesota Statutes 1990, section 144.871, subdivision 6, is amended to read:

Subd. 6. [ELEVATED BLOOD LEAD LEVEL.] “Elevated blood lead level” in a child no more than six years old or in a pregnant woman means at least 25 micrograms of lead per deciliter of whole blood a blood lead level that exceeds the federal Centers for Disease Control guidelines for preventing lead poisoning in young children, unless the commissioner finds that a lower concentration is necessary to protect public health.

Sec. 4. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

Subd. 7a. [HIGH RISK FOR TOXIC LEAD EXPOSURE.] “High risk for toxic lead exposure” means either:

(1) that elevated blood lead levels have been diagnosed in a population of children or pregnant women;

(2) without blood lead data, that a population of children or pregnant women resides in:

(i) a census tract with many residential structures known to have or suspected of having deteriorated paint; or

(ii) a census tract with a median soil lead concentration greater than 100 parts per million for any sample collected according to Minnesota Rules, part 4761.0400, subpart 8, and rules adopted under section 144.878; or

(3) the priorities adopted by the commissioner under section 144.878, subdivision 2, shall apply to this subdivision.

Sec. 5. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

Subd. 7b. [PRIMARY PREVENTION FOR TOXIC LEAD EXPOSURE.] "Primary prevention for toxic lead exposure" means performance of swab team services, encapsulation, and removal and replacement abatement, including lead cleanup and health education, before children develop elevated blood lead levels.

Sec. 6. Minnesota Statutes 1990, section 144.871, subdivision 8, is amended to read:

Subd. 8. [SAFE HOUSING.] "Safe housing" means a residence that does not violate have deteriorating paint, bare soil, lead dust, and which does not violate any of the standards adopted according to section 144.878, subdivision 2.

Sec. 7. Minnesota Statutes 1990, section 144.871, is amended by adding a subdivision to read:

Subd. 9. [SWAB TEAM.] "Swab team" means a person or persons who implement in-place management of lead exposure sources, which includes:

(1) covering or replacing bare soil that has a lead concentration of 100 parts per million, and establishing safe exterior play and garden areas;

(2) removing loose paint and paint chips and installing guards to protect intact paint;

(3) removing lead dust by washing, vacuuming, and cleaning the interior of residential property including carpets; and

(4) other means, including cleanup and health education, that immediately protect children who engage in mouthing or pica behavior from lead sources.

Sec. 8. Minnesota Statutes 1990, section 144.872, subdivision 1, is amended to read:

Subdivision 1. [PROACTIVE LEAD EDUCATION STRATEGY.] ~~For fiscal years 1990 and 1991, The commissioner shall, within available federal or state appropriations, contract with boards of health in communities at high risk for toxic lead exposure to children, lead advocacy organizations, and businesses to design and implement a uniform, proactive educational program to introduce sections 144.871 to 144.878 and to promote the prevention of exposure to all sources of lead to target populations. Priority shall be given to providing to assure, at the time of a home assessment or following an abatement order, that a family will receive visits by public health nurses and community-based advocates specifically trained in lead cleanup and the health-related aspects of lead exposure in their residence periodically throughout the abatement process or until the child's blood lead level is no longer elevated. The purpose of the home visit is to provide information about safety measures, community resources, legal resources related to the abatement process, housing resources, nutrition, health follow-up materials, and methods to be followed before, during, and after the abatement process. If a family moves to a new residence temporarily, during the abatement process, services should be provided at the temporary residence whenever feasible. Boards of health are encouraged to link the service with other home visits a family may be receiving and to use neighborhood-based programs which give priority to hiring neighborhood residents as community-based advocates. Ongoing education that includes health and lead cleanup information and the lead laws and rules shall be provided to health care and social service providers, registered licensed abatement contractors, other contractors, building trades professionals and nonprofessionals, property owners, and parents. Educational materials shall be multilingual and multicultural to meet the needs of diverse populations. The commissioner shall create and administer a program to fund locally based advocates who, following the issuance of an abatement order, shall visit the family in their residence to instruct them about safety measures, materials, and methods to be followed before, during, and after the abatement process. either conduct or contract with nonprofit organizations or businesses, for a proactive lead education program to serve communities at high risk for toxic lead exposure to children in which a board of health does not have a contract with the commissioner for a proactive lead education strategy.~~

Sec. 9. Minnesota Statutes 1990, section 144.872, subdivision 2, is amended to read:

Subd. 2. [HOME ASSESSMENTS.] The commissioner shall, within available federal or state appropriations, contract with boards of health, who may determine priority for responding to cases of elevated blood lead levels, to conduct assessments to determine sources of lead contamination in the residences of children and pregnant women whose blood lead levels exceed 25 are at least ten micrograms per deciliter and of children whose blood lead levels are

at least 20 micrograms per deciliter or whose blood lead levels persist in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification to the board of health or the commissioner. Assessments must be conducted within five working days of the board of health receiving notice that the criteria in this subdivision have been met. The commissioner or boards of health must identify the known addresses for the previous 12 months of the child or pregnant woman with elevated blood lead levels and notify the property owners at those addresses. The commissioner may also collect information on the race, sex, and family income of children and pregnant women with elevated blood lead levels. Within the limits of appropriations, a board of health shall conduct home assessments for children and pregnant women whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. The commissioner shall also provide educational materials on all sources of lead to boards of health to provide education on ways of reducing the danger of lead contamination. The commissioner may provide laboratory or field lead testing equipment to a board of health or may reimburse a board of health for direct costs associated with assessments.

Sec. 10. Minnesota Statutes 1990, section 144.872, subdivision 3, is amended to read:

Subd. 3. [SAFE HOUSING.] The commissioner shall contract with boards of health for safe housing to be used in meeting relocation requirements in section 144.874, subdivision 4. The commissioner shall, within available federal or state appropriations, award grants to boards of health for the purposes of paying housing costs under section 144.874, subdivision 4.

Sec. 11. Minnesota Statutes 1990, section 144.872, subdivision 4, is amended to read:

Subd. 4. [PAINT REMOVAL LEAD CLEANUP EQUIPMENT AND MATERIAL GRANTS.] State matching Within the limits of available state or federal appropriations, funds shall be made available for under a grant program to nonprofit community-based organizations in areas at high risk for toxic lead exposure. Grantees shall use the money to purchase and provide paint removal lead cleanup equipment and educational materials, and to pay for training for staff and volunteers for lead abatement certification. Grantees may work with licensed lead abatement contractors and certified trainers to meet the requirements of this program. Equipment shall include: high efficiency particle accumulator and wet vacuum cleaners, drop cloths, secure containers, respirators, scrapers, and dust and particle containment material, and other cleanup and containment materials to patch loose paint and plaster, control household dust, wax floors, clean carpets and sidewalks, and cover bare soil. Upon certification, the grantees may make equipment and educational materials available to residents and property owners and

instruct them on the proper use. Equipment shall be made available to low-income households on a priority basis.

Sec. 12. Minnesota Statutes 1991 Supplement, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner confirmed finger stick and venipuncture blood lead results of at least five micrograms per deciliter and the method used to obtain these results. Boards of health must report to the commissioner the results of analyses from residential samples of paint, ~~bare~~ soil, dust, and drinking water ~~that show lead in concentrations greater than or equal to the lead standards adopted by permanent rule under section 144.878.~~ The commissioner shall require the date of the test, and the current address and birthdate of the patient, and other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public, including the date of the test and the address of the patient.

Sec. 13. Minnesota Statutes 1990, section 144.873, subdivision 2, is amended to read:

Subd. 2. [TEST OF CHILDREN IN HIGH RISK AREAS.] Within limits of available state and federal appropriations, the commissioner shall promote and subsidize a blood lead test of all children under six years of age who live in ~~the all areas of high risk areas of Minneapolis, St. Paul, and Duluth for toxic lead exposure that are currently known or subsequently identified.~~ Within the limits of available appropriations, the commissioner shall conduct surveys, especially soil assessments larger than a residence, as defined by the commissioner, in greater Minnesota communities where a case of elevated blood lead levels has been reported.

Sec. 14. Minnesota Statutes 1990, section 144.873, subdivision 3, is amended to read:

Subd. 3. [STATEWIDE LEAD SCREENING.] Statewide lead screening by ~~erythrocyte protoporphyrin test~~ blood lead assays in conjunction with routine blood tests analyzed by atomic absorption equipment or other equipment with equivalent or better accuracy shall be advocated by boards of health.

Sec. 15. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct a timely assessment of a residence, within five working days of receiving notification that the criteria in this subdivision have been met, to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood; or

(2) a child in the residence is identified as having an elevated a blood lead level at or above 20 micrograms per deciliter; or

(3) a blood lead level that persists in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification.

Within the limits of available state and federal appropriations, a board of health shall also conduct home assessments for children whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. If a child regularly spends several hours per day at another residence, such as a residential child care facility, the board of health must also assess the other residence.

(b) The board of health must conduct the residential assessment according to rules adopted by the commissioner according to section 144.878.

Sec. 16. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 2, is amended to read:

Subd. 2. [RESIDENTIAL LEAD ASSESSMENT GUIDE.] (a) The commissioner of health shall develop or purchase a residential lead assessment guide that enables parents to assess the possible lead sources present and that suggests actions. The guide must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the persons to either perform the abatement or to intelligently select an abatement contractor. In addition, the guide must:

(1) meet the requirements of Minnesota laws and rules;

(2) be understandable at an eighth grade reading level;

(3) include information on all necessary safety precautions for all lead source cleanup; and

(4) be the best available educational material.

(b) A board of health must provide the residential lead assessment guide to:

(1) parents of children who are identified as having blood lead levels of at least ten micrograms per deciliter; and

(2) property owners and occupants who are issued housing code orders requiring disruption of lead sources.

(c) A board of health must provide the residential lead assessment guide on request to owners or tenants of residential property within the jurisdiction of the board of health.

Sec. 17. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT ORDERS.] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878 at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. Abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. With each abatement order, the board of health must provide a residential lead abatement guide. ~~The guide must be developed or purchased by the commissioner and must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the property owner to either perform the abatement or to intelligently select an abatement contractor.~~

Sec. 18. Minnesota Statutes 1990, section 144.874, subdivision 4, is amended to read:

Subd. 4. [RELOCATION OF RESIDENTS.] A board of health must ensure that residents are relocated from rooms or dwellings during abatement that generates leaded dust, such as removal or disruption of lead-based paint or plaster that contains lead. Residents must be allowed to return to the residence or dwelling after completion of abatement. A board of health shall use grant funds under section 144.872, subdivision 3, in cooperation with local housing agencies, to pay for moving costs for any low income resident temporarily relocated during lead abatement, not to exceed \$250 per household.

Sec. 19. Minnesota Statutes 1991 Supplement, section 144.874, subdivision 12, is amended to read:

Subd. 12. [ENFORCEMENT AND STATUS REPORT.] The commissioner shall examine compliance with Minnesota's existing lead standards and rules and report to the legislature by January 15, 1992, on biennially, beginning February 15, 1993, including an evaluation of current levels of compliance lead program activities by the state and boards of health, the need for any additional enforcement procedures, recommendations on developing a method to enforce compliance with lead standards and cost estimates for any proposed enforcement procedure. The report must also include a geographic analysis of all blood lead assays showing incidence data and environmental analyses reported or collected by the commissioner.

Sec. 20. Minnesota Statutes 1990, section 144.876, is amended to read:

144.876 [REGISTRATION AND LICENSING OF ABATEMENT CONTRACTORS AND CERTIFICATION OF EMPLOYEES.]

Subdivision 1. [LICENSING AND CERTIFICATION.] Abatement contractors must register with, within 180 days after rules are adopted under section 144.878, subdivision 5, obtain a license from the commissioner according to forms and procedures prescribed by the commissioner. Employees of abatement contractors must obtain certification from the commissioner. The commissioner shall specify training and testing requirements for licensure and certification and shall charge a fee for the cost of issuing a license or certificate and for training provided by the commissioner. The commissioner shall provide the contractor with a written violation notice, and may revoke the license of an abatement contractor, or the certificate of an employee, upon finding that the contractor or employee has violated the rules adopted under section 144.878 in a manner that poses unreasonable risk to public health.

Fees collected under this subdivision must be set in amounts to be determined by the commissioner to cover but not exceed the costs of adopting rules under section 144.878, subdivision 5, the costs of licensure, certification, and training, and the costs of enforcing licenses and certificates under this subdivision. All fees received must be paid into the state treasury and credited to the lead abatement licensing and certification account and are appropriated to the commissioner to cover costs incurred under this subdivision and section 144.878, subdivision 5.

Subd. 2. [LICENSED BUILDING CONTRACTOR; INFORMATION.] The commissioner shall provide health and safety information on lead abatement to all residential building contractors licensed under section 326.84. The information must include material on ways to protect the health and safety of both employees working on lead contaminated structures and residents of lead contaminated structures.

Subd. 3. [UNLICENSED ABATEMENT CONTRACTORS.] Contractors may not advertise or otherwise present themselves as abatement contractors unless they have abatement licenses issued by the department of health under rules adopted under section 144.878, subdivision 5.

Sec. 21. Minnesota Statutes 1990, section 144.878, subdivision 2, is amended to read:

Subd. 2. [LEAD STANDARDS AND ABATEMENT METHODS.] (a) By January 31, 1991, The commissioner shall adopt rules establishing standards and abatement methods for lead in paint,

dust, and drinking water in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose. The commissioner shall adopt priorities for providing abatement services to areas defined to be at high risk for toxic lead exposure. In adopting priorities, the commission shall consider the number of children and pregnant women diagnosed with elevated blood lead levels and the median concentration of lead in the soil. The commissioner shall give priority to: areas having the largest population of children and pregnant women having elevated blood lead levels; areas with the highest median soil lead concentration; and areas where it has been determined that there are large numbers of residences that have deteriorating paint. The commissioner shall differentiate between intact paint and deteriorating paint. The commissioner and political subdivisions shall require abatement of intact paint only if the commissioner or political subdivision finds that intact paint is ~~accessible to children~~ as a chewable or lead-dust producing surface ~~and that is a known source of actual lead exposure to a specific person.~~ In adopting rules under this subdivision, the commissioner shall require the best available technology for abatement methods, paint stabilization, and repainting.

(b) By January 31, 1991, The commissioner of the pollution control agency health shall adopt standards and abatement methods for lead in bare soil on playgrounds and residential property in a manner to protect public health and the environment.

(c) By January 31, 1991, The commissioner of the pollution control agency shall adopt rules to ensure that removal of exterior lead-based coatings from residential property by abrasive blasting methods is and disposal of any hazardous waste are conducted in a manner that protects public health and the environment.

(d) All standards adopted under this subdivision must provide adequate margins of safety that are consistent with a detailed review of scientific evidence and an emphasis on overprotection rather than underprotection when the scientific evidence is ambiguous. The rules must apply to any individual performing or ordering the performance of lead abatement.

Sec. 22. Minnesota Statutes 1990, section 144.878, is amended by adding a subdivision to read:

Subd. 5. [LEAD ABATEMENT CONTRACTORS AND EMPLOYEES.] The commissioner shall adopt rules to license abatement contractors; to certify employees of lead abatement contractors who perform abatement; and to certify lead abatement trainers who provide lead abatement training for contractors, employees, or other lead abatement trainers. The rules must include standards and procedures for on-the-job training for swab teams. All lead abatement training must include a hands-on component and instruction

on the health effects of lead exposure, the use of personal protective equipment, workplace hazards and safety problems, abatement methods and work practices, decontamination procedures, cleanup and waste disposal procedures, lead monitoring and testing methods, and legal rights and responsibilities. At least 30 days before publishing initial notice of proposed rules under this subdivision on the licensing of lead abatement contractors, the commissioner shall submit the rules to the chairs of the health and human services committees in the house of representatives and the senate, and to any legislative committee on licensing created by the legislature."

Page 3, after line 13, insert:

"Sec. 25. Minnesota Statutes 1991 Supplement, section 326.87, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] The commissioner, in consultation with the council, may adopt standards for continuing education requirements and course approval. Except for the course content, the standards must be consistent with the standards established for real estate agents and other professions licensed by the department of commerce. At a minimum, the content of one hour of any required continuing education must contain information on lead abatement rules and safe lead abatement procedures.

Sec. 26. [ALLOCATION OF FEDERAL LEAD ABATEMENT FUNDS.]

To the extent practicable under federal guidelines, the commissioner of health shall coordinate with the commissioner of housing finance so that at least 50 percent of federal lead abatement funds are allocated for swab teams as defined in section 7. Priority for funding swab teams shall be given to contractors who hire residents from neighborhoods where the contractor is providing lead abatement services.

To the extent practicable under federal guidelines, the commissioner of health may use federal funding for local boards of health for lead screening, lead assessment, and lead abatement only to the extent that the federal funds do not replace existing funding for these lead services."

Page 3, after line 25, insert:

"Sec. 28. [REVISOR INSTRUCTION.]

In Minnesota Statutes and Minnesota Rules, the revisor shall recodify Minnesota Statutes, section 116.53, subdivision 2, as part of Minnesota Statutes, chapter 144, and shall change the terms "commissioner of the pollution control agency," "pollution control

agency," and similar terms to "commissioner of health," "department of health," and similar terms.

Sec. 29. [REPEALER.]

Minnesota Statutes 1990, sections 116.51; 116.52; 116.53, subdivision 1; and 144.878, subdivision 4, are repealed."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2137, A bill for an act relating to nursing homes; defining a residential hospice facility; modifying hospice program conditions; limiting the number of residential hospice facilities; requiring a report; amending Minnesota Statutes 1990, section 144A.48, subdivision 1, and by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R. Davids	Dempsey Frerichs	Girard Johnson, V.	Kinkel Knickerbocker	Schafer Thompson
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The bill was passed, as amended, and its title agreed to.

S. F. No. 2781 which was temporarily laid over earlier today was again reported to the House.

S. F. No. 2781, A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2628 was reported to the House.

O'Connor moved to amend S. F. No. 2628, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 299A.41, subdivision 4, is amended to read:

Subd. 4. [PUBLIC SAFETY OFFICER.] “Public safety officer” includes:

(1) a peace officer defined in section 626.84;

(2) a correction officer employed at a correctional facility and charged with maintaining the safety, security, discipline, and custody of inmates at the facility;

(3) a firefighter employed on a full-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in the hazards of firefighting an individual employed on a full-time basis by the state or by a fire department of a governmental subdivision of the state, who is engaged in any of the following duties:

(i) firefighting;

(ii) emergency motor vehicle operation;

(iii) investigation into the cause and origin of fires;

(iv) the provision of emergency medical services; or

(v) hazardous material responder;

(4) a legally enrolled member of a volunteer fire department or member of an independent nonprofit firefighting corporation who is engaged in the hazards of firefighting;

(5) a good samaritan while complying with the request or direction of a public safety officer to assist the officer;

(6) a reserve police officer or a reserve deputy sheriff while acting under the supervision and authority of a political subdivision;

(7) a driver or attendant with a licensed basic or advanced life support transportation service who is engaged in providing emergency care; and

(8) a first responder who is certified by the commissioner of health to perform basic emergency skills before the arrival of a licensed ambulance service and who is a member of an organized service recognized by a local political subdivision to respond to medical

emergencies to provide initial medical care before the arrival of an ambulance.”

The motion prevailed and the amendment was adopted.

S. F. No. 2628, A bill for an act relating to public safety officers; defining firefighters for purposes of the public safety officer's survivor benefits law; amending Minnesota Statutes 1990, section 299A.41, subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 1821, A bill for an act relating to children; changing certain provisions for placement of children; establishing a general preference for adoption by relatives; requiring continued study of out-of-home dispositions; amending Minnesota Statutes 1990, sections 257.025; 257.071, subdivision 1; 257.072, subdivision 7; 259.255; 259.28, subdivision 2; 259.455; 260.181, subdivision 3; and 518.17, 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 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Smith

The bill was passed and its title agreed to.

MOTIONS FOR RECONSIDERATION

Jefferson moved that the vote whereby S. F. No. 1821 was passed on Special Orders earlier today be now reconsidered. The motion prevailed.

Jefferson moved that the action whereby S. F. No. 1821 was given its third reading be now reconsidered. The motion prevailed.

S. F. No. 1821 was again reported to the House.

Jefferson moved to amend S. F. No. 1821, as follows:

Page 2, line 7, after "involved" insert "; except that a disability, as defined in section 363.01, of a proposed custodian or the child shall not be determinative of the custody of the child, unless the proposed custodial arrangement is not in the best interest of the child"

Page 2, delete the new language on lines 23 and 24

Page 10, line 6, after "involved" insert "; except that a disability, as defined in section 363.01, of a proposed custodian or the child shall not be determinative of the custody of the child, unless the proposed custodial arrangement is not in the best interest of the child"

Page 10, delete the new language on lines 21 and 22

The motion prevailed and the amendment was adopted.

S. F. No. 1821, A bill for an act relating to children; changing certain provisions for placement of children; establishing a general preference for adoption by relatives; requiring continued study of out-of-home dispositions; amending Minnesota Statutes 1990, sections 257.025; 257.071, subdivision 1; 257.072, subdivision 7; 259.255; 259.28, subdivision 2; 259.455; 260.181, subdivision 3; and 518.17, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Runbeck	Simoneau	Sviggum	Valento	Welker
Sarna	Skoglund	Swenson	Vanasek	Welle
Schafer	Solberg	Thompson	Wagenius	Wenzel
Schreiber	Sparby	Trimble	Waltman	Winter
Seaberg	Stanius	Tunheim	Weaver	Spk. Long
Segal	Steensma	Upfus	Wejcmán	

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

S. F. No. 2746 was reported to the House.

Murphy offered an amendment to S. F. No. 2746.

POINT OF ORDER

Onnen raised a point of order pursuant to rule 3.09 that the Murphy amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

S. F. No. 2746, A bill for an act relating to occupations and professions; board of accountancy; establishing procedures for the board to carry out disciplinary proceedings; providing penalties; amending Minnesota Statutes 1990, section 326.211, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1990, sections 326.23; and 326.231.

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

Pugh	Schafer	Sparby	Tunheim	Welker
Reding	Schreiber	Stanis	Uphus	Welle
Rest	Seaberg	Steensma	Valento	Wenzel
Rice	Segal	Sviggum	Vanasek	Winter
Rodosovich	Simoneau	Swenson	Wagenius	Spk. Long
Rukavina	Skoglund	Thompson	Waltman	
Runbeck	Smith	Tompkins	Weaver	
Sarna	Solberg	Trimble	Wejeman	

The bill was passed and its title agreed to.

S. F. No. 2732 was reported to the House.

Bishop moved that S. F. No. 2732 be temporarily laid over on Special Orders. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

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

S. F. No. 1648.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1648, A bill for an act relating to the agricultural economy; authorizing the commissioner of finance to issue obligations to assist in the use of agricultural-industrial facilities in the city of Detroit Lakes.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Thompson moved that the rule therein be suspended

and an urgency be declared so that S. F. No. 1648 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Thompson moved that the Rules of the House be so far suspended that S. F. No. 1648 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1648 was read for the second time.

The Speaker called Krueger to the Chair.

S. F. No. 1648, A bill for an act relating to the agricultural economy; authorizing the commissioner of finance to issue obligations to assist in the use of agricultural-industrial facilities in the city of Detroit Lakes.

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 120 yeas and 12 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Haukoos	Krinkie	Sviggum
Girard	Heir	Limmer	Valento
Gutknecht	Hufnagle	McPherson	Welker

The bill was passed and its title agreed to.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1903

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.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1903, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1903 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. CAPITAL IMPROVEMENTS APPROPRIATIONS

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

SUMMARY

TECHNICAL COLLEGES	\$ 12,907,000
COMMUNITY COLLEGES	14,630,000
STATE UNIVERSITIES	12,870,000
UNIVERSITY OF MINNESOTA	61,900,000
K-12 EDUCATION	25,836,000

HUMAN SERVICES	24,105,000
CORRECTIONS	15,382,000
JOBS AND TRAINING	2,000,000
HOUSING FINANCE AGENCY	3,000,000
ADMINISTRATION	26,396,000
MILITARY AFFAIRS	2,400,000
TRADE AND ECONOMIC DEVELOPMENT	4,550,000
PUBLIC FACILITIES AUTHORITY	7,500,000
SCIENCE MUSEUM OF MINNESOTA	200,000
NATURAL RESOURCES	11,682,000
BOARD OF WATER AND SOIL RESOURCES	1,250,000
AGRICULTURE	365,000
POLLUTION CONTROL AGENCY	13,050,000
OFFICE OF WASTE MANAGEMENT	2,000,000
MINNESOTA ZOOLOGICAL GARDEN	1,820,000
HISTORICAL SOCIETY	2,375,000
TRANSPORTATION	28,849,000
BOND SALE EXPENSES	260,000
CANCELLATIONS	(327,000)
TOTAL	\$275,000,000
Bond Proceeds Fund	231,695,000
General Fund	1,889,000
Maximum Effort School Loan Fund	12,130,000
State Airports Fund	2,000,000
Trunk Highway Fund	10,113,000
Transportation Fund	17,500,000

APPROPRIATIONS

\$

Sec. 2. TECHNICAL COLLEGES

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

12,907,000

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.

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.

During the biennium, the state 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.

Until June 30, 1994, the state board of technical colleges may acquire lands or sites for public buildings or real estate by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under Minnesota Statutes, chapter 117.

During the biennium, the state board may delegate the authority provided in this section to the campus president 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 may delegate responsibilities to technical college staff.

Subd. 2. Repair and Betterment

(a) Systemwide Capital Improvements 4,700,000

This appropriation is for roof repair and replacement, code compliance, critically needed repair of buildings, hazardous material and asbestos abatement, parking lots, and handicap access throughout the technical college system. This appropriation includes up to \$70,000 to rehabilitate the existing diesel shop at Willmar Technical College.

(b) Minneapolis Technical College 5,700,000

This appropriation is for the restoration of the exterior walls and roof. The total cost of this project must not exceed \$6,706,000 whether paid from state, local, or federal money.

Subd. 3. Brainerd Technical College 1,200,000

This appropriation is for working drawings for the joint campus with Brainerd Community College. The technical college board must consult with the com-

munity college board 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 from local money.

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

680,000

(a) This appropriation is for working drawings to remodel and construct classroom, lab, library, and child care space. This project will accommodate general education offered by the community college system and technical education offered by the technical college system on a single site. Duluth Technical College must consult with the community college system throughout the project. The total cost of this project must not exceed \$800,000 whether paid from state, local, or federal money.

(b) The state board shall supervise the construction of an aircraft rescue fire-fighting training center. The total cost of the project shall be paid from federal and local money.

Subd. 5. Red Wing Technical College

327,000

(a) The appropriation in Laws 1988, chapter 703, article 2, section 2, subdivision 2, paragraph (d), is canceled.

(b) \$327,000 is for remodeling to consolidate the campuses.

Subd. 6. Northwest Minnesota Interactive Television Project

300,000

This appropriation is from the general fund.

Sec. 3. COMMUNITY COLLEGES

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

14,630,000

During the biennium, the state board for community colleges shall supervise and control the making of necessary repairs to all community college buildings and structures.

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.

Subd. 2. Repair and Betterment

(a) Systemwide Capital Improvements

4,500,000

This appropriation is for code compliance, critically needed repair of buildings, roof replacement and repair, hazardous material and asbestos abatement, mechanical/electrical system rehabilitation, parking lots, and handicap access throughout the community college system.

(b) North Hennepin Community College

2,980,000

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. 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, fitness center, and mechanical systems upgrade. This

appropriation may be supplemented with local money.

The community college board, in consultation with the technical college board, shall reexamine the proposed location of the learning resources center to determine a cost-effective strategy to locate the center on a site more readily accessible to both campuses. Prior to construction, the boards 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.

12,870,000

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 for which appropriations are made to the board. 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 con-

structed, 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 state university board shall supervise and control the making of necessary repairs to all state university buildings and structures.

Subd. 2. Repair and Betterment

(a) Systemwide Capital Improvements	4,500,000
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This appropriation is for code compliance, critically needed repair of buildings, hazardous material and asbestos abatement, parking lots, and roof repair and replacement throughout the state university system.

(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
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This appropriation is for emergency construction to repair fire damage.

(d) Moorhead State, Heating Plant	4,090,000
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This appropriation is for rehabilitation and capacity expansion of the university heating plant.

Subd. 3. Bemidji State	100,000
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This appropriation is for schematic plans to remodel the library and construct an addition.

Subd. 4. Metro State University

140,000

This appropriation is for schematic plans to remodel buildings A and C.

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 working drawings 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

460,000

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. The state university board may acquire land at St. Cloud State

University for improvement of a recreation area.

Sec. 5. UNIVERSITY OF MINNESOTA

61,900,000

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

Subd. 2. Repair and Betterment

9,200,000

This appropriation is for code compliance, critically needed repair of buildings, hazardous material and asbestos abatement, water pipe repair, and improved handicap access throughout the university system.

Subd. 3. Twin Cities Campus

52,700,000

This appropriation is for construction of the Basic Sciences and Biomedical Engineering Building.

The university must match this appropriation with a minimum of \$10,000,000 of federal or other nonstate money.

The legislature requests the board of regents to expend federal and other nonstate money prior to expenditure of this appropriation.

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

Sec. 6. POST-SECONDARY SYSTEMS

Each post-secondary governing board shall report on its petroleum tank release cleanup account reimbursements as part of each biennial budget request. The board shall specify its costs in relation to any tank removal, replacement, and cleanup and shall identify all petroleum tank release cleanup ac-

count reimbursements it received or assigned and the specific activity for which the reimbursement or assignment was made. The board must place all reimbursements it receives into its capital repair and betterment account.

Sec. 7. K-12 EDUCATION

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

25,836,000

Subd. 2. Minnesota Library for the Blind and Physically Handicapped

1,325,000

To the commissioner of administration to construct and equip an addition to the current library for the blind and physically handicapped, remodel the existing building, and improve the utility system serving the library.

Subd. 3. Hoffman Center

400,000

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 state bond 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 state bond fund.

Subd. 4. Grant County School Districts

100,000

This is to the commissioner of education for a grant and administrative expenses to facilitate planning for cooperation and combination, including facility needs, for a group of school districts in Grant county. This appropriation is from the general fund.

Subd. 5. Cooperative Facilities Grants

5,881,000

This appropriation is for a grant under Minnesota Statutes, sections 124.492 to 124.496, the cooperative secondary facilities grant act, to a group of school districts consisting of independent school districts No. 240, Blue Earth, No. 225, Winnebago, No. 219, Elmore, and No. 218, Delavan.

Subd. 6. Maximum Effort School Loans

12,130,000

To the commissioner of education from the maximum effort school loan fund to make debt service loans and capital loans to school districts as provided in Minnesota Statutes, sections 124.36 to 124.46.

The commissioner shall review the proposed plan and budgets of the projects and may reduce the amount of a loan to ensure that the project will be economical. The commissioner may recover the cost incurred by the commissioner for any professional services associated

with the final review by reducing the proceeds of the loan paid to the district.

\$10,000,000 is approved for a capital loan to independent school district No. 38, Red Lake public schools for construction of a new elementary school and remodeling of the present elementary school into a middle school facility.

\$2,130,000 is approved for a capital loan to independent school district No. 139, Rush City public schools for construction of a new high school.

Subd. 7. Independent School District No. 15, St. Francis

(a) To provide funds for the construction of a facility to meet the educational needs of court-placed adolescents for whom independent school district No. 15, has the responsibility of providing services, independent school district No. 15 may, by two thirds majority plus one vote of all the members of the school board, issue general obligation bonds in one or more series in calendar years 1992 and 1993 as provided in this section. The aggregate principal amount of any bonds issued under this subdivision for calendar years 1992 and 1993 may not exceed \$4,000,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. If the school board proposes to issue bonds under this subdivision, it must publish a resolution describing the proposed bond issue once each week for two successive weeks in a legal newspaper published in the county of Anoka. The bonds may be issued without the submission of the question of their issue to the electors unless, within 30 days after the second publication of the resolution, a petition requesting an election signed by a number of people residing in the school district equal to ten percent of the people registered to vote in the last general election in the school district is

filed with the recording officer. If such a petition is filed, no bonds shall be issued under this subdivision unless authorized by a majority of the electors voting on the question at the next general or special election called to decide the issue. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this subdivision is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law.

(b) Independent school district No. 15 shall include the yearly debt service amounts in its required debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of receiving debt service equalization aid. The district may add the portion of the debt service levy remaining after equalization aid is paid to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. If, for any reason, the receipt of payments from resident districts and debt service equalization aid attributable to this debt service is not sufficient to make the required debt service payments, the district may levy under paragraph (c).

(c) To pay the principal of and interest on bonds issued under paragraph (a), independent school district No. 15 shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay any portion of the principal of and interest on the bonds that is not paid through the receipt of debt service equalization aid and tuition payments under paragraph (b). The tax authorized under this subdivision is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

To the commissioner of education to make a grant for construction of a secondary facility for independent school districts No. 145, Glyndon-Felton, and No. 147, Dilworth. The grant may not be awarded until each district has passed a referendum under Minnesota Statutes, section 122.23 or 122.243 and the project has received a positive review and comment under Minnesota Statutes, section 121.15.

Subd. 9. Capital Improvement Desegregation Grants

4,000,000

To the commissioner of education for grants under Minnesota Statutes, sections 124C.55 to 124C.57.

Sec. 8. HUMAN SERVICES

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

24,105,000

Subd. 2. St. Peter Regional Treatment Center

8,100,000

To program, design, equip, and construct a 50-bed addition on the Minnesota Security Hospital to accommodate psychopathic personality commitments.

Subd. 3. Brainerd Regional Treatment Center

210,000

(a) To rehabilitate and improve the regional laundry 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 under Minnesota Statutes, section 246.57. Laundry service fees established by the commissioner must in-

clude appropriate charges for this debt service, which must be paid to the commissioner of finance as required by section 32.

Subd. 4. 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. 5. For the installation of air conditioning in Oakview building at Cambridge Regional Human Services Center.

250,000

Subd. 6. Mental Health Units

13,400,000

To reconstruct or remodel mental health units at a regional treatment center or centers, to be selected by the commissioner of human services.

Sec. 9. CORRECTIONS

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

15,382,000

Subd. 2. Minnesota Correctional Facility – Faribault

4,300,000

To renovate two living units for an additional 160 inmates.

Bonds are not authorized and may not be issued for this project until the project in section 8, subdivision 4, has been approved and contracts have been awarded to carry it out.

Subd. 3. Minnesota Correctional Facility – Shakopee

10,900,000

To plan, design, and construct living units and program space for an additional 100 inmates and a ten-bed mental health unit addition to Higbee Hall.

Subd. 4. Minnesota Correctional Facility – Lino Lakes

To infill the area between buildings G and F1 at the Minnesota correctional facility – Lino Lakes

182,000

Money appropriated by Laws 1990, chapter 610, article 1, section 11, subdivision 3, items (a) and (b), that is not needed to expand the “Q” building or construct two medium security cottages at the Minnesota correctional facility – Lino Lakes, approximately \$182,000, is canceled.

Sec. 10. JOBS AND TRAINING

2,000,000

To the commissioner of jobs and training for grants to agencies and political subdivisions of the state for construction or rehabilitation of facilities for Head Start or other early intervention education programs. The facilities must be owned by the state or a political subdivision, but may be leased to organizations that operate the programs. The commissioner shall prescribe the terms and conditions of leases. The grants must be distributed according to a demonstrated need for the facilities. The grants shall also be geographically distributed across the state to the extent that this is not inconsistent with need for the facilities. No grant for any individual facility shall exceed \$200,000.

At least 25 percent of the total appropriation under this section must be used in conjunction with the youth employment program under Minnesota Statutes, sections 268.361 to 268.367, the training and housing program for homeless adults under Laws 1992, chapter 376, article 6, and other employment and training programs.

Sec. 11. HOUSING FINANCE AGENCY

3,000,000

(a) \$2,000,000 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.

(b) \$1,000,000 is to the commissioner of the housing finance agency for grants to agencies and political subdivisions of the state for construction or rehabilitation of shelters for battered women or other facilities serving crime victims. The shelters or facilities must be owned by the state or a political subdivision, but may be leased to organizations that operate the shelters or facilities. The commissioner shall prescribe the terms and conditions of leases. The grants must be distributed according to a demonstrated need for the facilities. The grants shall also be geographically distributed across the state, to the extent that this is not inconsistent with need for the facilities. No grant for any individual facility shall exceed \$200,000.

(c) At least 25 percent of the total appropriation under paragraph (b) must be used in conjunction with the youth employment program under Minnesota Statutes, sections 268.361 to 268.367, the training and housing program for homeless adults under Laws 1992, chapter 376, article 6, and other employment and training programs. Eligible employment and training programs must demonstrate the ability and experience to operate a construction training program and consult with appropriate labor organizations to deliver education and training. Facilities for battered women include, but are not limited to, shelters and transitional housing.

Sec. 12. ADMINISTRATION

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

26,396,000

Subd. 2. Capital Asset Preservation and Repair

6,500,000

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 section 32.

Subd. 4. Judicial Center – Phase II

6,000,000

To renovate the old Historical Society Building to meet the program needs of the new Judicial Center.

Subd. 5. 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. 6. Plan to Locate State Agencies

420,000

This appropriation is from the general fund to complete a strategic long-range plan for state agency office space in the metropolitan area.

Subd. 7. Agency Relocation

1,633,000

\$869,000 is from the general fund for relocation costs. \$764,000 is from the trunk highway fund for the partial relocation of the Department of Transportation.

Subd. 8. Sewer Separation

5,900,000

To separate the sanitary and storm sewers in the capitol area under state jurisdiction in conjunction with the combined sewer overflow program established by the 1985 legislature.

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

800,000

Subd. 10. Capitol building

1,643,000

To provide a state-of-the-art fire management system for the capitol building and to plan for roof replacement, long-term testing and monitoring of the building's exterior, and restoration of the Quadriga.

Subd. 11. 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 appropriations from the bond proceeds fund for acquisition, construction, and other costs are contingent upon the authority obtaining matching funds from nonstate sources.

The authority shall report to the house appropriations and senate finance committees and their environmental and natural resources divisions by January 15 each year on the status of the project and the status as to meeting the contingencies.

Subd. 12. 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. 13. MILITARY AFFAIRS

2,400,000

To the adjutant general to construct an educational facility at Camp Ripley, to be known as the Minnesota national guard education center.

Sec. 14. TRADE AND ECONOMIC DEVELOPMENT

4,550,000

\$2,250,000 of this appropriation is for payment by the commissioner of trade and economic development to the metropolitan council established under Minnesota Statutes, section 473.123.

The commissioner shall transfer the amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay the cost of acquisition and betterment by the metropolitan council and local government units of regional recreational open space lands in accordance with the council's policy plan as provided in Minnesota Statutes, sections 473.315 and 473.341, including relocation costs and tax equivalents required to be paid by Minnesota Statutes, sections 473.315 and 473.341.

\$1,900,000 of this appropriation 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 of this appropriation is to the national sports center for purchase and development of land for additional soccer fields.

None of the proceeds from the sale of bonds authorized by this appropriation may be used to reimburse a development agency of a city of the first class for land acquisition or development costs incurred prior to 1988.

Sec. 15. PUBLIC FACILITIES AUTHORITY

7,500,000

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. 16. 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, 1993, if matching funds have not been obtained.

Sec. 17. SCIENCE MUSEUM OF MINNESOTA

200,000

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

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. 18. NATURAL RESOURCES

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

11,682,000

Subd. 2. Dam Repair and Replacement

1,570,000

For the emergency repair or removal of publicly owned dams under Minnesota Statutes, section 103G.511.

Money for removal of a dam is only available after the state has acquired title to the dam structure. The commissioner shall negotiate with the owners to obtain title to the structure at no cost to the state, and shall remove it 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

500,000

This appropriation is for flood hazard mitigation grants for capital projects

under Minnesota Statutes, section 103F.161.

\$200,000 is for the Jack Creek project.

\$300,000 is for the Good Lake project.

Subd. 4. Field offices consolidation	1,731,000
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This appropriation is for capital acquisition, construction, and renovations of field offices, including the Two Harbors field office.

Subd. 5. Parks	2,751,000
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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
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This appropriation is for betterment of state trails in accordance with the department's priorities and including the Willmar-New London Trail.

Subd. 7. State Fish Hatchery Improvement	1,250,000
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Subd. 8. Scientific and Natural Area Acquisition	100,000
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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.

Subd. 9. Underground Fuel Tank Replacement	295,000
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To remove or replace underground fuel storage tanks on department property.

Subd. 10. State Park Acquisition	600,000
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Subd. 11. State Forest Acquisition

385,000

To acquire state forest lands in the Richard J. Dorer Hardwood Forest that are priority instant units.

Subd. 12. Well Sealing

250,000

To seal abandoned wells on property owned by the department.

Subd. 13. Critical Habitat Acquisition

1,250,000

For transfer to the critical habitat private sector matching account under Minnesota Statutes, section 84.943.

Subd. 14. Work Program

The commissioner of natural resources must submit a work program and semi-annual progress reports in the form determined by the legislative commission on Minnesota resources and request its recommendation before spending any money appropriated by subdivisions 4, 5, 6, 7, 8, 10, 11, 12, and 13. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a negative recommendation. Work programs involving land acquisition must include a land acquisition plan.

Sec. 19. BOARD OF WATER AND SOIL RESOURCES

1,250,000

To the board of water and soil resources for the reinvest in Minnesota conservation reserve program under Minnesota Statutes, section 103F.515.

Sec. 20. 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 pursuant 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 which shall then be paid to the commissioner of finance as required by section 32.

Sec. 21. 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 116.162 for projects begun during fiscal years 1992 or 1993.

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. 22. OFFICE OF WASTE MANAGEMENT

2,000,000

To the director of the office of waste management for capital assistance program grants under Minnesota Statutes, section 115A.54.

Sec. 23. MINNESOTA ZOOLOGICAL GARDEN

1,820,000

For roof replacement and the replacement of skylights in the tropics exhibit building.

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, which shall be paid to the commissioner of finance as required by section 32.

Sec. 24. HISTORICAL SOCIETY

2,375,000

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. 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

28,849,000

Subdivision 1. To the commissioner
of transportation for the purposes spec-
ified in this section.

Subd. 2. Trunk Highway Facility
Projects

9,349,000

To the commissioner of transportation
for the purposes specified in this subdi-
vision. The appropriations in this sub-
division are from the trunk highway
fund.

(a) construct additions to welding shops
at Rochester, Owatonna, Windom, Mor-
ris, 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 con-
struct an addition for storage of large
pieces of snow and ice removal equip-
ment, both at Winona

450,000

(e) construct an equipment storage ad-
dition and remodel building to upgrade
crew room and sanitary facilities to
meet code, in Motley

300,000

(f) construct building for road mainte-
nance equipment and bridge mainte-
nance 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	325,000

(u) construct Fergus Falls truck station addition	225,000
(v) construct Olivia truck station addition	140,000
(w) construct St. Charles truck station addition	160,000
(x) 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 office space, and a passenger waiting area.

Subd. 4. Local Road and Bridge Replacement and Rehabilitation	17,500,000
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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	10,000,000
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This appropriation is to match federal funds to complete the Bloomington ferry bridge.

(b) Other Bridges on Local Road Systems	5,000,000
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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, 2,680,000

(2) to cities, 1,085,000

(3) to towns, 1,235,000

(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.

(d) Mankato Route Improvements

2,500,000

This appropriation is to match federal funds.

Sec. 26. BOND SALE EXPENSES

260,000

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

Sec. 27. DEBT SERVICE

The commissioner of finance shall schedule the sale of state general obli-

gation bonds so that, during the biennium ending June 30, 1993, no more than \$412,000,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. Before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 28. [BOND SALE.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the 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 \$231,695,000 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.

Subd. 2. [MAXIMUM EFFORT SCHOOL LOAN FUND.] To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$12,130,000 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 maximum effort school loan fund.

Subd. 3. [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 \$17,500,000 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. [PLANNING.]

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

Sec. 31. [DEBT SERVICE SHARE.]

(a) 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 repair and betterment projects under subdivision 2 of sections 2 to 5. After each sale of

general obligation bonds, the commissioner of finance shall notify the state board of technical colleges, the state board for community colleges, the state university board, and the regents of the University of Minnesota of the amounts for which each system is assessed for each year for the life of the bonds.

(b) The commissioner shall reduce each system's assessment each year under paragraph (a) by one-third of the net income from investment of general obligation bond proceeds that must be allocated among the systems in proportion to the amount of principal and interest otherwise required to be paid by each. Each higher education system shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If a higher education system fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise payable to the system and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the higher education systems to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under section 16A.641, subdivision 10.

Sec. 32. [16A.643] [ASSESSMENTS IF AGENCY MUST PAY DEBT SERVICE.]

Subdivision 1. [WHEN PAYMENT REQUIRED.] The commissioner of finance shall assess each board, agency, or other public entity, other than the higher education systems described in section 31, for the amount that would otherwise need to be paid for debt service with respect to general obligation bonds sold to finance capital improvement projects for the entity if the law authorizing the project requires debt service for the project to be paid by the agency.

Subd. 2. [METHOD OF PAYMENT.] After each sale of state general obligation bonds, the commissioner of finance shall notify the entity of the amounts for which the entity is responsible under subdivision 1 for each year for the life of the bonds. Each entity shall pay its assessment of debt service payments to the commissioner of finance by December 1 each year. If an entity fails to make an assessment payment when due, the commissioner of finance shall reduce allotments for appropriations from the appropriate accounts to be used by the entity to pay the assessment payment and apply the amount of the reduction to cover the missed payment. The commissioner of finance shall credit the payments received from the entities, or the amount of the reduction made, to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under section 16A.641, subdivision 10.

Sec. 33. Minnesota Statutes 1990, section 16B.24, subdivision 2, is amended to read:

Subd. 2. [REPAIRS.] The commissioner shall supervise and control the making of necessary repairs to all state buildings and structures, except:

(1) structures, other than buildings, under the control of the state transportation department; ~~provided that and~~

(2) buildings and structures under the control of the state university board or the state board for community colleges.

All repairs to the public and ceremonial areas and the exterior of the state capitol building shall be carried out subject to the standards and policies of the capitol area architectural and planning board and the commissioner of administration adopted pursuant to section 15.50, subdivision 2, clause (h).

Sec. 34. Minnesota Statutes 1990, section 16B.30, is amended to read:

16B.30 [GENERAL AUTHORITY.]

Subject to other provisions in this chapter, the commissioner shall supervise and control the making of all contracts for the construction of buildings and for other capital improvements to state buildings and structures, other than buildings and structures under the control of the state university board.

Sec. 35. Minnesota Statutes 1990, section 16B.31, subdivision 1, is amended to read:

Subdivision 1. [CONSTRUCTION PLANS AND SPECIFICATIONS.] The commissioner shall (1) have plans and specifications prepared for the construction, alteration, or enlargement of all state buildings, structures, and other improvements except highways and bridges, and except for buildings and structures under the control of the state university board; (2) approve those plans and specifications; (3) advertise for bids and award all contracts in connection with the improvements; (4) supervise and inspect all work relating to the improvements; (5) approve all lawful changes in plans and specifications after the contract for an improvement is let; and (6) approve estimates for payment. This subdivision does not apply to the construction of the zoological gardens.

Sec. 36. [136.261] [STATE UNIVERSITY SITES; ACQUISITION.]

Subdivision 1. [PURCHASE OF NEIGHBORING PROPERTY.]
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.

Subd. 2. [METHODS OF ACQUISITION.] If money has been appropriated to the state university board to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under chapter 117.

Subd. 3. [RELOCATION COSTS.] The state university board may pay relocation costs, at its discretion, when acquiring property.

Sec. 37. Minnesota Statutes 1990, section 136C.05, subdivision 5, is amended to read:

Subd. 5. [USE OF PROPERTY.] (a) A school board must not sell, lease, or assign technical college property for purposes other than technical college activities without the approval of the chancellor. ~~A school board need not obtain approval for uses that are incidental.~~

(b) Notwithstanding section 123.36, subdivision 13, proceeds from the sale, exchange, lease, or assignment of technical college land or buildings shall be used to repay any remaining debt service on the land or buildings. Subject to the approval of the chancellor, any remaining proceeds shall be placed in the post-secondary capital expenditure, repair and replacement, or construction fund.

(c) The proceeds of any arbitration or litigation resulting from claims involving technical college property shall be placed in the technical college repair and replacement fund.

Sec. 38. [REPEALER.]

Minnesota Statutes 1990, section 136.03, subdivision 2, is repealed.

Sec. 39. [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 condi-

tions; authorizing issuance of bonds; authorizing assessments for debt service; appropriating money, with certain conditions; amending Minnesota Statutes 1990, sections 16B.24, subdivision 2; 16B.30; 16B.31, subdivision 1; and 136C.05, subdivision 5; Minnesota Statutes 1991 Supplement, sections 124.479; proposing coding for new law in Minnesota Statutes, chapters 16A; and 136; repealing Minnesota Statutes 1990, sections 136.03, subdivision 2."

We request adoption of this report and repassage of the bill.

House Conferees: WAYNE SIMONEAU, HENRY J. KALIS, LYNDON R. CARLSON, BECKY KELSO AND BOB ANDERSON.

Senate Conferees: GENE MERRIAM, JIM VICKERMAN, DEAN E. JOHNSON, LEROY A. STUMPF AND STEVEN MORSE.

Simoneau moved that the report of the Conference Committee on H. F. No. 1903 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker resumed the Chair.

CALL OF THE HOUSE

On the motion of Bauerly and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Bauerly moved that further proceedings of the roll call be dispensed with and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

H. F. No. 1903, 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.

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.

Bauerly moved that those not voting be excused from voting. The motion prevailed.

There were 94 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Goodno	Kinkel	Olson, E.	Simoneau
Anderson, R.	Greenfield	Knickerbocker	Olson, K.	Skoglund
Battaglia	Gruenes	Koppendrayner	Omman	Solberg
Bauerly	Hanson	Krambeer	Orenstein	Sparby
Beard	Hasskamp	Krueger	Orfield	Steensma
Begich	Hausman	Lieder	Osthoff	Swenson
Bertram	Henry	Lourey	Ostrom	Thompson
Bodahl	Hugoson	Macklin	Ozment	Trimble
Boo	Jacobs	Mariani	Pauly	Tunheim
Carlson	Janezich	Marsh	Pelowski	Vanasek
Carruthers	Jaros	McGuire	Peterson	Vellenga
Cooper	Jefferson	Milbert	Pugh	Wagenius
Dauner	Jennings	Morrison	Reding	Weaver
Dawkins	Johnson, A.	Munger	Rest	Wejzman
Dille	Johnson, R.	Murphy	Rice	Welle
Dorn	Johnson, V.	Nelson, K.	Rodosovich	Wenzel
Farrell	Kahn	Nelson, S.	Rukavina	Winter
Frederick	Kalis	O'Connor	Sarna	Spk. Long
Garcia	Kelso	Ogren	Schreiber	

Those who voted in the negative were:

Abrams	Erhardt	Krinkie	Onnen	Svigum
Anderson, R. H.	Frerichs	Lasley	Pellow	Tompkins
Bettermann	Girard	Leppik	Runbeck	Uphus
Bishop	Gutknecht	Limmer	Schafer	Valento
Blatz	Hartle	Lynch	Seaberg	Waltman
Brown	Haukoos	McEachern	Segal	Welker
Davids	Heir	McPherson	Smith	
Dempsey	Hufnagle	Olsen, S.	Stanisus	

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

CALL OF THE HOUSE LIFTED

Bishop moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

The Speaker called Rodosovich to the Chair.

SPECIAL ORDERS

S. F. No. 2732 which was temporarily laid over earlier today was again reported to the House.

Murphy, Simoneau and Blatz moved to amend S. F. No. 2732, as follows:

Page 1, after line 13, insert:

“ARTICLE 1”

Page 22, line 26, delete “act” and insert “article”

Page 22, after line 27, insert:

“ARTICLE 2

Section 1. [148C.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 1 to 13, the following terms have the meanings given them.

Subd. 2. [LICENSED CHEMICAL DEPENDENCY COUNSELOR.] “Licensed chemical dependency counselor” means a person who:

(1) represents herself or himself to the public by any title or description of services incorporating the words “licensed chemical dependency counselor”;

(2) offers to render professional chemical dependency counseling services to the general public or groups, organizations, corporations, institutions, or government agencies for compensation, implying that she or he is licensed and trained, experienced or expert in chemical dependency counseling; and

(3) holds a valid license issued under sections 1 to 12 to engage in the practice of chemical dependency counseling.

Subd. 3. [OTHER TITLES.] For the purposes of sections 1 to 13, all individuals who practice, as their main vocation, chemical dependency counseling as defined in subdivision 2, regardless of their titles, shall be covered by sections 1 to 12. This includes, but is not limited to, individuals who may refer to themselves as "alcoholism counselor," "drug abuse therapist," "chemical dependency recovery counselor," "chemical dependency relapse prevention planner," "addiction therapist," "chemical dependency intervention specialist," "family chemical dependency counselor," "chemical health specialist," "chemical health coordinator," and "substance abuse counselor."

Subd. 4. [CHEMICAL DEPENDENCY.] "Chemical dependency" means a condition in which a person pathologically uses alcohol or a controlled substance as defined in chapter 152, accompanied by physical manifestation of increased tolerance to the chemical or chemicals being used, or withdrawal syndrome following cessation of chemical use.

Subd. 5. [CHEMICAL ABUSE.] "Chemical abuse" means a pattern of inappropriate and harmful use of alcohol or a controlled substance governed by chapter 152. Chemical abuse includes inappropriate and harmful patterns of chemical use that are linked to specific situations in an individual's life such as loss of a job, death of a loved one, or a sudden change in life circumstances. Chemical abuse does not involve a pattern of pathological use, but it may progress to pathological use.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 7. [ACCREDITED SCHOOL OR EDUCATIONAL PROGRAM OF CHEMICAL DEPENDENCY COUNSELING.] "Accredited school or educational program of chemical dependency counseling" means a school of chemical dependency counseling or other educational program that has been recognized by the commissioner.

Subd. 8. [PRIVATE PRACTICE.] "Private practice" means chemical dependency counseling practice conducted by an individual who is either self-employed or a member of a partnership or a group practice, rather than being employed by a public agency or an agency licensed under chapter 245A.

Subd. 9. [TWELVE CORE FUNCTIONS.] "Twelve core functions" means the following services provided in chemical dependency treatment:

- (1) screening;
- (2) intake;
- (3) orientation;
- (4) assessment;
- (5) treatment planning;
- (6) counseling;
- (7) case management;
- (8) crisis intervention;
- (9) client education;
- (10) referral;
- (11) reports and record keeping; and
- (12) consultation with other professionals regarding client treatment and services.

Sec. 2. [148C.02] [CHEMICAL DEPENDENCY COUNSELING LICENSING ADVISORY COUNCIL.]

Subdivision 1. [MEMBERSHIP.] The chemical dependency licensing advisory council consists of 13 members. The governor shall appoint:

- (1) seven members who must be licensed chemical dependency counselors;
- (2) three members who must be public members as defined by section 214.02;
- (3) one member who must be a director or coordinator of an accredited chemical dependency training program; and
- (4) one member who must be a former consumer of chemical dependency counseling service and who must have received the service more than three years before the person's appointment.

The American Indian advisory committee to the department of human services chemical dependency office shall appoint the remaining member.

Subd. 2. [DUTIES.] The council shall study the provision of chemical dependency counseling and advise the commissioner, the profession, and the public.

Sec. 3. [148C.03] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [GENERAL.] The commissioner shall:

(a) adopt and enforce rules for licensure of chemical dependency counselors and for regulation of professional conduct. The rules must be designed to protect the public;

(b) adopt rules establishing standards and methods of determining whether applicants and licensees are qualified under section 5. The rules must provide for examinations and must establish standards for professional conduct, including adoption of a professional code of ethics;

(c) hold examinations at least twice a year to assess applicants' knowledge and skills. The examinations may be written or oral and may be administered by the commissioner or by a nonprofit agency under contract with the commissioner to administer the licensing examinations. Examinations must minimize cultural bias and must be balanced in various theories relative to practice of chemical dependency;

(d) issue licenses to individuals qualified under sections 1 to 12;

(e) issue copies of the rules for licensure to all applicants;

(f) establish and implement procedures, including a standard disciplinary process and a code of ethics, to ensure that individuals licensed as chemical dependency counselors will comply with the commissioner's rules;

(g) establish, maintain, and publish annually a register of current licensees;

(h) establish initial and renewal application and examination fees sufficient to cover operating expenses of the commissioner;

(i) educate the public about the existence and content of the rules for chemical dependency counselor licensing to enable consumers to file complaints against licensees who may have violated the rules; and

(j) evaluate the rules in order to refine and improve the methods used to enforce the commissioner's standards.

Subd. 2. [CONTINUING EDUCATION COMMITTEE.] The commissioner shall appoint a continuing education committee of five persons, including a chair, which shall advise the commissioner on the administration of continuing education requirements in section 6, subdivision 2.

Subd. 3. [RESTRICTIONS ON MEMBERSHIP.] A member or an employee of the department that carries out the functions under this section may not be an officer, employee, or paid consultant of a trade association in the counseling services industry.

Sec. 4. [FEE COLLECTION; REPORTS.]

Subdivision 1. [FEE COLLECTION.] The commissioner shall, by rule, with the approval of the commissioner of finance, set and adjust license fees for chemical dependency counselors so that the total fees collected will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in Minnesota Statutes, section 16A.128. The fee established must include an amount necessary to recover, over a five-year period, the commissioner's direct expenditures for the adoption of the rules providing for the licensure of chemical dependency counselors. All fees received shall be deposited in the state treasury and credited to the special revenue fund.

Subd. 2. [REPORTS.] The commissioner shall prepare reports on activities related to the licensure of chemical dependency counselors according to this subdivision by October 1 of each even-numbered year. Copies of the reports shall be delivered to the legislature in accordance with Minnesota Statutes, section 3.195, and to the governor. The reports shall contain the following information on the commissioner's activities relating to the licensure of chemical dependency counselors, for the two-year period ending the previous June 30:

- (1) a general statement of these activities;
- (2) the number of staff hours spent on these activities;
- (3) the receipts and disbursements of funds;
- (4) the names of advisory council members and their addresses, occupations, and dates of appointment and reappointment;
- (5) the names and job classifications of employees;
- (6) a brief summary of rules proposed or adopted during the

reporting period with appropriate citations to the State Register and published rules;

(7) the number of persons having each type of license issued by the commissioner as of June 30 in the year of the report;

(8) the locations and dates of the administration of examinations by the commissioner;

(9) the number of persons examined by the commissioner with the persons subdivided into groups showing age categories, sex, and states of residency;

(10) the number of persons licensed by the commissioner after taking the examinations referred to in clause (8) with the persons subdivided by age categories, sex, and states of residency;

(11) the number of persons not licensed by the commissioner after taking the examinations referred to in clause (8) with the persons subdivided by age categories, sex, and states of residency;

(12) the number of persons not taking the examinations referred to in clause (8) who were licensed by the board or who were denied licensing with the reasons for the licensing or denial thereof and with the persons subdivided by age categories, sex, and states of residency;

(13) the number of persons previously licensed by the commissioner whose licenses were revoked, suspended, or otherwise altered in status with brief statements of the reasons for the revocation, suspension, or alteration;

(14) the number of written and oral complaints and other communications received by the commissioner which allege or imply a violation of a statute or rule which the commissioner is empowered to enforce;

(15) a summary, by specific category, of the substance of the complaints and communications referred to in clause (14) and, for each specific category, the responses or dispositions thereof; and

(16) any other objective information which the commissioner believes will be useful in reviewing the commissioner's activities.

Sec. 5. [148C.04] [REQUIREMENTS FOR LICENSURE.]

Subdivision 1. [GENERAL REQUIREMENTS.] The commissioner shall issue licenses to the individuals qualified under sections 1 to 12 to practice chemical dependency counseling.

Subd. 2. [FEE.] Each applicant shall pay a nonrefundable fee set by the commissioner. Fees paid to the commissioner shall be deposited in the general fund.

Subd. 3. [LICENSING REQUIREMENTS FOR CHEMICAL DEPENDENCY COUNSELOR; EVIDENCE.] (a) To be licensed as a chemical dependency counselor, an applicant must meet the requirements in clauses (1) to (3).

(1) Except as provided in subdivision 4, the applicant must have received an associate degree including 270 clock hours of chemical dependency education and 880 clock hours of chemical dependency practicum.

(2) The applicant must have completed a written and oral case presentation that demonstrates competence in the 12 core functions.

(3) The applicant must have satisfactorily passed a written examination as established by the commissioner.

(b) To be licensed as a chemical dependency counselor, an applicant must furnish evidence satisfactory to the commissioner that the applicant has met the requirements of paragraph (a).

Subd. 4. [ADDITIONAL LICENSING REQUIREMENTS.] Beginning five years after the effective date of sections 1 to 12, an applicant for licensure must have received a bachelor's degree in a human services area, and must have completed 480 clock hours of chemical dependency education and 880 clock hours of chemical dependency practicum.

Sec. 6. [148C.05] [LICENSE RENEWAL REQUIREMENTS.]

Subdivision 1. [RENEWAL.] Licensees shall renew licenses at the time and in the manner established by the commissioner.

Subd. 2. [CONTINUING EDUCATION.] At the time of renewal, each licensee shall furnish evidence satisfactory to the commissioner that the licensee has completed annually at least the equivalent of 40 clock hours of continuing professional postdegree education every two years, in programs approved by the commissioner, and that the licensee continues to be qualified to practice under sections 1 to 12.

Sec. 7. [148C.06] [LICENSE WITHOUT EXAMINATION; TRANSITION PERIOD.]

For two years from the effective date of sections 1 to 12, the commissioner shall issue a license without examination to an applicant if the applicant meets one of the following qualifications:

(a) is credentialed as a certified chemical dependency counselor (CCDC) or certified chemical dependency counselor reciprocal (CCDCR) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.;

(b) has three years or 6,000 hours of supervised chemical dependency counselor experience, 270 clock hours of chemical dependency training, 300 hours of chemical dependency practicum, and has successfully completed a written and oral test;

(c) has five years or 10,000 hours of chemical dependency counselor experience as defined by the 12 core functions, 270 clock hours of chemical dependency training, and has successfully completed a written or oral test or is credentialed as a certified chemical dependency practitioner (CCDP) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.; or

(d) has seven years or 14,000 hours of supervised chemical dependency counselor experience as defined by the 12 core functions and 270 clock hours of chemical dependency training with 60 hours of this training occurring within the past five years.

After July 1, 1995, no person may be licensed without passing the examination.

Sec. 8. [148C.07] [RECIPROCITY.]

The commissioner shall issue an appropriate license to an individual who holds a current license or other credential from another jurisdiction if the commissioner finds that the requirements for that credential are substantially similar to the requirements in sections 1 to 12.

Sec. 9. [148C.08] [NONTRANSFERABILITY OF LICENSES.]

A chemical dependency counselor license is not transferable.

Sec. 10. [148C.09] [DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.]

Subdivision 1. [GROUNDS.] The commissioner may refuse to grant a license to, or may suspend, revoke, or restrict the license of an individual if the commissioner, after a hearing under the contested case provisions of chapter 14, determines that a licensee or applicant:

(1) is incompetent to engage in chemical dependency counseling practice or is found to be engaged in chemical dependency counseling practice in a manner harmful or dangerous to a client or the public;

(2) has violated the rules of the commissioner or the statutes the commissioner is empowered to enforce;

(3) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent misrepresentation;

(4) has knowingly made a false statement on the form required by the commissioner for licensing or license renewal; or

(5) has failed to obtain continuing education credits required by the commissioner.

Subd. 2. [RESTORING A LICENSE.] For reasons it finds sufficient, the commissioner may grant a license previously refused, restore a license that has been revoked, or reduce a period of suspension or restriction of a license.

Subd. 3. [ANNUAL REVIEW.] Suspension, revocation, or restriction of a license shall be reviewed by the commissioner at the request of the licensee against whom the disciplinary action was taken.

Sec. 11. [148C.10] [PROHIBITION AGAINST UNLICENSED PRACTICE OR USE OF TITLES; PENALTY.]

Subdivision 1. [PRACTICE.] After the commissioner adopts rules, no individual shall engage in chemical dependency counseling practice unless that individual holds a valid license as a chemical dependency counselor.

Subd. 2. [USE OF TITLES.] After the commissioner adopts rules, no individual shall be presented to the public by any title incorporating the words "chemical dependency counselor" unless that individual holds a valid license. City, county, and state agency chemical dependency counselors who are not licensed under sections 1 to 12 may use the title "city agency chemical dependency counselor," "county agency chemical dependence counselor," or "state agency chemical dependency counselor." Hospital chemical dependency counselors who are not licensed under sections 1 to 12 may use the title "hospital chemical dependency counselor" while acting within the scope of their employment.

Subd. 3. [PENALTY.] A person who violates sections 1 to 12 is guilty of a misdemeanor.

Sec. 12. [148C.11] [EXCEPTIONS TO LICENSE REQUIREMENT.]

Subdivision 1. [OTHER PROFESSIONALS.] Nothing in sections 1 to 11 shall prevent members of other professions or occupations from performing functions for which they are qualified or licensed. This

exception includes, but is not limited to, licensed physicians, registered nurses, licensed practical nurses, licensed psychologists, members of the clergy, attorneys, probation officers, marriage and family therapists, social workers, professional counselors, school counselors, and registered occupational therapists or certified occupational therapist assistants. These persons must not, however, use a title incorporating the words "chemical dependency counselor" or "licensed chemical dependency counselor" or otherwise hold themselves out to the public by any title or description stating or implying that they are licensed to engage in the practice of chemical dependency counseling.

Subd. 2. [STUDENTS.] Nothing in sections 1 to 11 shall prevent students enrolled in an accredited school of chemical dependency counseling from engaging in the practice of chemical dependency counseling under qualified supervision in an accredited school of chemical dependency counseling.

Subd. 3. [FEDERALLY RECOGNIZED TRIBES AND PRIVATE NONPROFIT AGENCIES WITH A MINORITY FOCUS.] (a) The licensing of chemical dependency counselors who are employed by federally recognized tribes shall be voluntary.

(b) The commissioner shall develop special licensing criteria for issuance of a license to chemical dependency counselors who: (1) are members of ethnic minority groups; and (2) are employed by private, nonprofit agencies, including agencies operated by private, nonprofit hospitals, whose primary agency service focus addresses ethnic minority populations. These licensing criteria may differ from the licensing criteria specified in section 5. To develop these criteria, the commissioner shall establish a committee comprised of representatives from the council on hearing impaired, the council on affairs of Spanish-speaking people, the council on Asian-Pacific Minnesotans, the council on Black Minnesotans, and the Indian affairs council.

Subd. 4. [HOSPITAL CHEMICAL DEPENDENCY COUNSELORS.] Except as provided in subdivision 4, paragraph (b), the licensing of hospital chemical dependency counselors shall be voluntary. Hospitals employing chemical dependency counselors shall not be required to employ licensed chemical dependency counselors, nor shall they require their chemical dependency counselors to be licensed.

Sec. 13. Minnesota Statutes 1990, section 595.02, subdivision 1, is amended to read:

Subdivision 1. [COMPETENCY OF WITNESSES.] Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person

who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) A public officer shall not be allowed to disclose communications

made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) A registered nurse, psychologist or consulting psychologist shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity.

(h) An interpreter for a person handicapped in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person handicapped in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to

object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(j) (k) Sexual assault counselors may not be compelled to testify about any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of sections 626.556 and 626.557.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(k) (l) A person cannot be examined as to any communication or document, including worknotes, made or used in the course of or because of mediation pursuant to an agreement to mediate. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation by the common law.

(l) (m) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

\$217,000 is appropriated from the state government special revenue fund to the commissioner of human services for the purposes of sections 1 to 13. The complement of the department of human services is increased by four positions.

Sec. 15. [EFFECTIVE DATE.]

Sections 2 and 3 are effective the day following final enactment.

Sections 1 and 4 to 14 are effective July 1, 1993."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2732, A bill for an act relating to public health; providing for the reporting and monitoring of certain licensed health care workers who are infected with the human immunodeficiency virus or hepatitis B virus; authorizing rulemaking for certain health-related licensing boards; providing penalties; amending Minnesota Statutes 1990, sections 144.054; 144.55, subdivision 3; 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 153.19, subdivision 1; and 214.12; proposing coding for new law in Minnesota Statutes, chapters 150A; and 214.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Morrison	Orenstein	Rice	Solberg	Vellenga
Munger	Orfield	Rodosovich	Sparby	Wagenius
Murphy	Osthoff	Rukavina	Stanisus	Waltman
Nelson, K.	Ostrom	Runbeck	Steensma	Weaver
Nelson, S.	Ozment	Sarna	Swenson	Wejzman
Newinski	Pauly	Schafer	Thompson	Welle
O'Connor	Pellow	Schreiber	Tompkins	Wenzel
Ogren	Pellowski	Seaberg	Trimble	Winter
Olsen, S.	Peterson	Segal	Tunheim	Spk. Long
Olson, E.	Pugh	Simoneau	Uphus	
Olson, K.	Reding	Skoglund	Valento	
Omann	Rest	Smith	Vanasek	

Those who voted in the negative were:

Haukoos	Onnen	Svigum	Welker
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The bill was passed, as amended, and its title agreed to.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2280

A bill for an act relating to state lands; authorizing a conveyance of state lands to the city of Biwabik; authorizing the private sale of certain tax-forfeited land in St. Louis county; authorizing the sale of tax-forfeited land in the city of Duluth; authorizing the sale of certain land in the Chisago county.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2280, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2280 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1, is amended to read:

Subdivision 1. [RESERVATION OF MARGINAL LAND AND WETLANDS.] (a) ~~Notwithstanding any other law, Marginal land and wetlands are withdrawn from sale by the state or exchange~~

unless use of the marginal land or wetland is restricted by a conservation easement as provided in this section:

(1) notice of the existence of the nonforested marginal land or wetlands, in a form prescribed by the board of water and soil resources, is provided to prospective purchasers; and

(2) the deed contains a restrictive covenant, in a form prescribed by the board of water and soil resources, that precludes enrollment of the land in a state-funded program providing compensation for conservation of marginal land or wetlands.

(b) This section does not apply to transfers of land by the board of water and soil resources to correct errors in legal descriptions under section 103F.515, subdivision 8, or to transfers by the commissioner of natural resources for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ restrictive covenant would interfere with the commercial use;

(2) land in platted subdivisions;

(3) conveyances of land to correct errors in legal descriptions under section 84.0273;

(4) exchanges of nonagricultural land with the federal government, or exchanges of Class A, Class B, and Class C nonagricultural land with local units of government under sections 94.342, 94.343, 94.344, and 94.349;

(5) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10; and

(6) land not needed for trail purposes that is sold to adjacent property owners and lease holders under section 85.015, subdivision 1, paragraph (b).

(c) This section does not apply to transfers of land by the commissioner of administration or transportation or by the Minnesota housing finance agency, or to transfers of tax-forfeited land under chapter 282 if:

(1) the land is in platted subdivisions; or

(2) the conveyance is a transfer to correct errors in legal descriptions.

(d) This section does not apply to transfers of land by the

commissioner of administration or by the Minnesota housing finance agency for:

(1) land that is currently in nonagricultural commercial use if a ~~conservation easement~~ restrictive covenant would interfere with the commercial use; or

(2) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10.

Sec. 2. [SALE OF TAX-FORFEITED LAND; BIWABIK.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may convey the tax-forfeited land described in paragraph (c) to the city of Biwabik. The land is located in the city of Biwabik in St. Louis county.

(b) The land described in paragraph (c) may be conveyed by quitclaim deed in a form approved by the attorney general. The consideration for the conveyance must be the appraised value of the land plus the cost of appraisal.

(c) The land that may be conveyed is the land described as follows, except for any state highway right-of-way:

the NW 1/4 of the SW 1/4 of section 1;

the NE 1/4 of the SE 1/4 of section 2; and

the SW 1/4 of the SE 1/4 of section 2,

all in Township 58 North of Range 16 West.

Sec. 3. [SALE OF TAX-FORFEITED LANDS; LEECH LAKE BAND OF CHIPPEWA INDIANS.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Hubbard county may convey by private sale the tax-forfeited land described in paragraph (c).

(b) The land described in paragraph (c) may be conveyed by private sale to the Leech Lake Band of Chippewa Indians for not less than the appraised value. The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed is located in Hubbard county and is described as: the south half of the northwest quarter of the southeast quarter, Section 13, Township 145 North, Range 32 West of

the Fifth Principal Meridian, Hubbard county, Minnesota, containing 20 acres, more or less.

(d) The land is contiguous to the Leech Lake landfill and there has been some inadvertent encroachment of the landfill onto the land. The land is needed to provide cover materials for closing the landfill.

Sec. 4. [SALE OF TAX-FORFEITED LAND IN ITASCA COUNTY.]

(a) Notwithstanding Minnesota Statutes, section 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Itasca county may convey by private sale the tax-forfeited land bordering public waters described in paragraph (c).

(b) The land described in paragraph (c) may be sold by private sale to the owners of units in Pokegama Commons condominium in Itasca county, or their assigns. The conveyance must be in a form approved by the attorney general.

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

The COMMON ELEMENTS as shown on CONDOMINIUM NO. 4 POKEGAMA COMMONS, A CONDOMINIUM, according to the recorded condominium thereof, Itasca County, Minnesota being that part of the Northwest Quarter of the Northeast Quarter of Section 26, Township 54, Range 26, Itasca County, Minnesota, lying North of County Road Number 17, and that part of Government Lot 5, Section 23, Township 54, Range 26, Itasca County, Minnesota, lying South of the South line of THE PLAT OF SHERRY'S ARM, according to the plat thereof on file and of record in the office of the County Recorder, Itasca County, Minnesota, as now monumented and laid out, excepting therefrom the following described tracts.

Commencing at the Southwest corner of said Government Lot 5; thence on an assumed bearing of North 2 degrees 32 minutes 59 seconds West along the West line of said Government Lot 5, a distance of 141.11 feet to the point of beginning of the land to be described; thence North 47 degrees 04 minutes 41 seconds East a distance of 322.40 feet; thence North 42 degrees 55 minutes 19 seconds West, a distance of 122.09 feet; thence North 47 degrees 04 minutes 41 seconds East, a distance of 200.09 feet; thence South 42 degrees 55 minutes 19 seconds East, a distance of 268.53 feet; thence Northerly, a distance of 47.64 feet, along a nontangential curve concave to the Northwest, having a radius of 315.84 feet and a central angle of 8 degrees 38 minutes 34 seconds, the chord of said curve bearing North 16 degrees 50 minutes 55 seconds East; thence North 12 degrees 31 minutes 37 seconds East, tangent to the last described curve, a distance of 498.59 feet; thence North 77 degrees 28 minutes 23 seconds West, a distance of 255.00 feet; thence South 12 degrees 31 minutes 37 seconds West a distance of 266.96 feet;

thence West to the West line of said Government Lot 5; thence southerly along said West line of Government Lot 5 to the point of beginning.

AND

Commencing at the Southwest corner of said Government Lot 5; thence on an assumed bearing of North 2 degrees 32 minutes 59 seconds West along the West line of said Government Lot 5, a distance of 141.11 feet; thence North 47 degrees 04 minutes 41 seconds East a distance of 322.40 feet; thence North 42 degrees 55 minutes 19 seconds West, a distance of 122.09 feet; thence North 47 degrees 04 minutes 41 seconds East a distance of 200.09 feet; thence South 42 degrees 55 minutes 19 seconds East a distance of 323.25 feet to the point of beginning of the land to be described; thence continuing South 42 degrees 55 minutes 19 seconds East a distance of 220.00 feet; thence North 47 degrees 04 minutes 19 seconds East, a distance of 190.00 feet; thence North 42 degrees 55 minutes 19 seconds West a distance of 340.49 feet; thence South 12 degrees 31 minutes 37 seconds West a distance of 146.33 feet; thence Southerly a distance of 79.11 feet along a tangential curve concave to the Northwest, having a radius of 365.84 feet and a central angle of 12 degrees 23 minutes 24 seconds to the point of beginning.

AND EXCEPT

Condominium Units 1 through 16 inclusive said CONDOMINIUM NO. 4, POKEGAMA COMMONS A CONDOMINIUM.

(d) The land is common area for the Pokegama Commons condominium development on Pokegama Lake in Itasca county. To make the condominium units usable and return the property to the tax rolls, the common area and the units must be brought back into common ownership.

Sec. 5. [PRIVATE SALE OF STATE-OWNED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding other law to the contrary, St. Louis county, on behalf of the state, shall convey by private sale the state-owned land described in paragraph (c).

(b) The land described in paragraph (c) shall be sold by private sale to Mr. Edward William Jenkins of St. Louis county, Minnesota. The conveyance must be in a form approved by the attorney general for a consideration of its fair market value. The attorney general shall provide an accurate legal description of the property conveyed.

(c) The land to be conveyed is located in St. Louis county, consists of about five acres, and is generally described as: five acres bordering

land owned by Edward William Jenkins in the Northeast Quarter of the Southwest Quarter of Section 7, Township 63 North, Range 20 West of the Fourth Principal Meridian, all in St. Louis county.

Sec. 6. [PRIVATE SALE OF TAX-FORFEITED LAND; SCARLETT.]

(a) Notwithstanding Minnesota Statutes, section 282.018, the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may convey by private sale the tax-forfeited land described in paragraph (c).

(b) The land described in paragraph (c) may be sold by private sale to Raymond Scarlett of 2015 Woodland Avenue, Duluth, Minnesota. The conveyance must be in a form approved by the attorney general for a consideration equal to the aggregate of delinquent taxes and assessments computed under Minnesota Statutes, section 282.251, together with any penalties, interest, and costs that accrued or would have accrued if the property had not forfeited to the state.

(c) The land that may be conveyed is located in St. Louis county, is designated as tax parcel 10-1830-330, and consists of Lot 7, Block 19, Glen Avon First Division, in the city of Duluth, Minnesota.

(d) Mr. Scarlett, by mistake, failed to pay the taxes. The county has determined that the property would be put to better use if returned to the former owner.

Sec. 7. [SALE OF TAX-FORFEITED LAND IN CHISAGO COUNTY.]

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

(b) The conveyance must be in a form approved by the attorney general.

(c) The land that may be sold is located in the city of Lindstrom, Chisago county, and described as Lot 3, Sundbergs Beach.

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

Sec. 8. [PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.]

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, St. Louis county may sell and convey to Tom Schlotec by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general for a consideration equal to the fair market value of the property.

(c) The property to be sold consists of approximately 100 acres, and is described as:

(1) the SE 1/4 of the SW 1/4 and the SW 1/4 of the SE 1/4 of section 2;

(2) the N 1/2 of the N 1/2 of the NE 1/4 of the NW 1/4 of section 11; and

(3) the N 1/2 of the N 1/2 of the NW 1/4 of the NE 1/4 of section 11;
all located in township 52 N of range 17 W in St. Louis county.

(d) The county finds that the property is suitable for use as an industrial demolition landfill and recycling center and that the property would be put to better use if returned to private ownership.

Sec. 9. [RELEASE AND ALTERATION OF CONSERVATION EASEMENTS.]

Conservation easements existing under Minnesota Statutes, section 103F.535, as of the effective date of this act may be altered, released, or terminated by the board of water and soil resources after consultation with the commissioners of agriculture and natural resources. The board may alter, release, or terminate a conservation easement only if the board determines that the public interest and general welfare are better served by the alteration, release, or termination.

Sec. 10. [REPEALER.]

Minnesota Statutes 1990, section 103F.535, subdivisions 2, 3, and 4, are repealed.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 10 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; changing provisions relating to withdrawal of certain lands from sale or exchange; authorizing the private sale of tax-forfeited lands in St. Louis, Hubbard, Itasca, and Chisago counties; amending Minnesota Statutes 1991 Supplement, section 103F.535, subdivision 1; repealing Minnesota Statutes 1990, section 103F.535, subdivisions 2, 3, and 4."

We request adoption of this report and repassage of the bill.

House Conferees: TOM RUKAVINA, BOB JOHNSON AND BEN BOO.

Senate Conferees: RONALD R. DICKLICH, DOUGLAS J. JOHNSON AND JIM GUSTAFSON.

Rukavina moved that the report of the Conference Committee on H. F. No. 2280 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2280, A bill for an act relating to state lands; authorizing a conveyance of state lands to the city of Biwabik; authorizing the private sale of certain tax-forfeited land in St. Louis county; authorizing the sale of tax-forfeited land in the city of Duluth; authorizing the sale of certain land in the Chisago county.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2147

A bill for an act relating to the environment; banning placement of mercury in solid waste; regulating the sale and use of mercury; requiring recycling of mercury in certain products; altering exit sign requirements in the state building and fire codes; amending Minnesota Statutes 1991 Supplement, sections 16B.61, subdivision 3; 115A.9561, subdivision 2; and 299F.011, subdivision 4c; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2147, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2147 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [115A.932] [MERCURY PROHIBITION.]

Subdivision 1. [PROHIBITIONS.] (a) A person may not place mercury or a thermostat, thermometer, electric switch, appliance, or medical or scientific instrument from which the mercury has not been removed for reuse or recycling:

(1) in solid waste; or

(2) in a wastewater disposal system.

(b) A person may not knowingly place mercury or a thermostat, thermometer, electric switch, appliance, or medical or scientific instrument from which the mercury has not been removed for reuse or recycling:

(1) in a solid waste processing facility; or

(2) in a solid waste disposal facility, as defined in section 115.01, subdivision 8.

Subd. 2. [ENFORCEMENT.] (a) Except as provided in paragraph (b), a violation of subdivision 1 is subject to enforcement under sections 115.071 and 116.072.

(b) A violation of subdivision 1 by a generator of household hazardous waste, as defined in section 115A.96, is not subject to enforcement under section 115.071, subdivision 3.

(c) An administrative penalty imposed under section 116.072 for a violation of subdivision 1 by a generator of household hazardous waste, as defined in section 115A.96, may not exceed \$700.

Sec. 2. Minnesota Statutes 1991 Supplement, section 115A.9561, subdivision 2, is amended to read:

Subd. 2. [RECYCLING REQUIRED.] Major appliances must be recycled or reused. Each county shall ensure that its residents have the opportunity to recycle used major appliances. For the purposes of this section, recycling includes:

- (1) the removal of capacitors that may contain PCBs;
- (2) the removal of ballasts that may contain PCBs;
- (3) the removal of chlorofluorocarbon refrigerant gas; and
- (4) the recycling or reuse of the metals, including mercury.

Sec. 3. [116.92] [MERCURY EMISSIONS REDUCTION.]

Subdivision 1. [SALES.] A person may not sell mercury to another person in this state without providing a material safety data sheet, as defined in United States Code, title 42, section 11049, and requiring the purchaser to sign a statement that the purchaser:

(1) will use the mercury only for a medical, dental, instructional, research, or manufacturing purpose; and

(2) understands the toxicity of mercury and will appropriately store and use it and will not place, or allow anyone under the purchaser's control to place, the mercury in the solid waste stream or in a wastewater disposal system, as defined in section 115.01, subdivision 8.

Subd. 2. [USE OF MERCURY.] A person who uses mercury in any application may not place, or deliver the mercury to another person who places residues, particles, scrapings, or other materials that contain mercury in solid waste or wastewater, except for traces of materials that may inadvertently pass through a filtration system during a dental procedure.

Subd. 3. [LABELING; PRODUCTS CONTAINING MERCURY.] A manufacturer or wholesaler may not sell and a retailer may not knowingly sell any of the following items in this state that contain mercury unless the item is labeled in a manner to clearly inform a purchaser or consumer that mercury is present in the item and that the item may not be placed in the garbage until the mercury is removed and reused, recycled, or otherwise managed to ensure that it does not become part of solid waste or wastewater:

(1) a thermostat or thermometer;

(2) an electric switch, individually or as part of another product, other than a motor vehicle;

(3) an appliance; and

(4) a medical or scientific instrument.

Subd. 4. [REMOVAL FROM SERVICE; PRODUCTS CONTAINING MERCURY.] (a) When an item listed in subdivision 3 is removed from service the mercury in the item must be reused, recycled, or otherwise managed to ensure compliance with section 1.

(b) A person who is in the business of replacing or repairing an item listed in subdivision 3 in households shall ensure, or deliver the item to a facility that will ensure, that the mercury contained in an item that is replaced or repaired is reused or recycled or otherwise managed in compliance with section 1.

Subd. 5. [THERMOSTATS.] A manufacturer of thermostats that contain mercury or that may replace thermostats that contain mercury shall, in addition to the requirements of subdivision 3, provide incentives for and sufficient information to purchasers and consumers of the thermostats for the purchasers or consumers to ensure that mercury in thermostats being removed from service is reused or recycled or otherwise managed in compliance with section 1. A manufacturer that has complied with this subdivision is not

liable for improper disposal by purchasers or consumers of thermostats.

Subd. 6. [THERMOMETERS.] A medical facility may not routinely distribute thermometers containing mercury.

Subd. 7. [FLUORESCENT AND HIGH INTENSITY DISCHARGE LAMPS; LARGE USE APPLICATIONS.] (a) A person who sells fluorescent or high intensity discharge lamps that contain mercury to the owner or manager of an industrial, commercial, office, or multiunit residential building, or to any person who replaces or removes from service outdoor lamps that contain mercury, shall clearly inform the purchaser in writing on the invoice for the lamps, or in a separate writing, that the lamps contain mercury, a hazardous substance that is regulated by federal or state law. This paragraph does not apply to a person who incidentally sells fluorescent or high intensity discharge lamps at retail to the specified purchasers.

(b) A person who contracts with the owner or manager of an industrial, commercial, office, or multiunit residential building, or with a person responsible for outdoor lighting, to remove from service fluorescent or high intensity discharge lamps that contain mercury shall clearly inform, in writing, the person for whom the work is being done that the lamps being removed from service contain mercury and what the contractor's arrangements are for the management of the mercury in the removed lamps.

Subd. 8. [BAN; TOYS OR GAMES.] A person may not sell for resale or at retail in this state a toy or game that contains mercury.

Subd. 9. [ENFORCEMENT; GENERATORS OF HOUSEHOLD HAZARDOUS WASTE.] (a) A violation of subdivision 2 or 4, paragraph (a), by a generator of household hazardous waste, as defined in section 115A.96, is not subject to enforcement under section 115.071, subdivision 3.

(b) An administrative penalty imposed under section 116.072 for a violation of subdivision 2 or 4, paragraph (a), by a generator of household hazardous waste, as defined in section 115A.96, may not exceed \$700.

Sec. 4. [FLUORESCENT AND HIGH INTENSITY DISCHARGE LAMPS; REPORT.]

The office of waste management, in consultation with the pollution control agency and manufacturers of fluorescent or high intensity discharge lamps that contain mercury, shall study and report to the legislative commission on waste management by January 1, 1993, with recommendations for fully implementing, by January 1,

1996, a system for ensuring that the toxic materials contained in lamps that are replaced are reused, recycled, or otherwise managed to ensure they are not placed in the solid waste stream or a wastewater disposal system, as defined in Minnesota Statutes, section 115.01, subdivision 8. The director of the office of waste management shall submit a preliminary report to the commission by October 1, 1992.

Sec. 5. [EFFECTIVE DATES.]

Section 3, subdivisions 1, 3, and 5, are effective January 1, 1993, and subdivision 3 applies to items manufactured on and after that date. Section 3, subdivision 4, paragraph (b), is effective July 1, 1993."

Delete the title and insert:

"A bill for an act relating to the environment; banning placement of mercury in solid waste; regulating the sale and use of mercury; requiring recycling of mercury in certain products; requiring a report on fluorescent and high intensity discharge lamps; amending Minnesota Statutes 1991 Supplement, section 115A.9561, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A; and 116."

We request adoption of this report and repassage of the bill.

House Conferees: JEAN WAGENIUS, SIDNEY PAULY AND ALICE HAUSMAN.

Senate Conferees: GREGORY L. DAHL, LeROY A. STUMPF AND GARY W. LAIDIG.

Wagenius moved that the report of the Conference Committee on H. F. No. 2147 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2147, A bill for an act relating to the environment; banning placement of mercury in solid waste; regulating the sale and use of mercury; requiring recycling of mercury in certain products; altering exit sign requirements in the state building and fire codes; amending Minnesota Statutes 1991 Supplement, sections 16B.61, subdivision 3; 115A.9561, subdivision 2; and 299F.011, subdivision 4c; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

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

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

CONFERENCE COMMITTEE REPORT ON 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.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1681, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1681 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1990, section 45.012, is amended to read:

45.012 [COMMISSIONER.]

(a) The department of commerce is under the supervision and control of the commissioner of commerce. The commissioner is appointed by the governor in the manner provided by section 15.06.

(b) Data that is received by the commissioner or the commissioner's designee by virtue of membership or participation in an association, group, or organization that is not otherwise subject to chapter 13 is confidential or protected nonpublic data but may be shared with the department employees as the commissioner considers appropriate. The commissioner may release the data to any person, agency, or the public if the commissioner determines that the access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest.

Sec. 2. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

Sec. 3. Minnesota Statutes 1990, section 45.027, is amended by adding a subdivision to read:

Subd. 1a. [RESPONSE TO DEPARTMENT REQUESTS.] An applicant, registrant, certificate holder, licensee, or other person subject to the jurisdiction of the commissioner shall comply with requests for information, documents, or other requests from the department within the time specified in the request, or, if no time is specified, within 30 days of the mailing of the request by the department. Applicants, registrants, certificate holders, licensees, or other persons subject to the jurisdiction of the commissioner shall appear before the commissioner or the commissioner's representative when requested to do so and shall bring all documents or materials that the commissioner or the commissioner's representative has requested.

Sec. 4. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 2, is amended to read:

Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, or proceeding, or inquiry under chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, the commissioner or a designated representative may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.

Sec. 5. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 5, is amended to read:

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

Sec. 6. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 6, is amended to read:

Subd. 6. [VIOLATIONS AND PENALTIES.] The commissioner may impose a civil penalty not to exceed \$2,000 per violation upon a person who violates chapters 45 to 83, 309, and 332, and sections 326.83 to 326.98, or any rule adopted or order issued under those chapters unless a different penalty is specified.

Sec. 7. Minnesota Statutes 1991 Supplement, section 45.027, subdivision 7, is amended to read:

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

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

(2) the person has violated chapters 45 to 83, 155A, 309, or 332, or sections 326.83 to 326.98 or any rule adopted or order issued under those chapters.

Except for information classified as confidential under sections 60A.03, subdivision 9; 60A.031; 60A.93; and 60D.22, the commissioner may make any data otherwise classified as private or confidential pursuant to this section accessible to an appropriate person or agency if the commissioner determines that the access will aid the law enforcement process, promote public health or safety, or dispel widespread rumor or unrest. If the commissioner determines that private or confidential information should be disclosed, the commissioner shall notify the attorney general as to the information to be disclosed, the purpose of the disclosure, and the need for the disclosure. The attorney general shall review the commissioner's determination. If the attorney general believes that the commissioner's determination does not satisfy the purpose and intent of this provision, the attorney general shall advise the commissioner in writing that the information may not be disclosed. If the attorney general believes the commissioner's determination satisfies the purpose and intent of this provision, the attorney general shall advise the commissioner in writing, accordingly.

After disclosing information pursuant to this provision, the commissioner shall advise the chairs of the senate and house of representatives judiciary committees of the disclosure and the basis for it.

Sec. 8. Minnesota Statutes 1990, section 45.027, is amended by adding a subdivision to read:

Subd. 10. [REHABILITATION OF CRIMINAL OFFENDERS.] Chapter 364 does not apply to an applicant for a license or to a licensee where the underlying conduct on which the conviction is based would be grounds for denial, censure, suspension, or revocation of the license.

Sec. 9. Minnesota Statutes 1990, section 59A.08, subdivision 1, is amended to read:

Subdivision 1. A premium finance agreement shall:

(a) Be dated and signed by or on behalf of the insured, and the printed portion thereof shall be in at least eight point type;

(b) Contain the name and place of business of the insurance agent or insurance broker negotiating the related insurance contract, the name and residence or the place of business of the insured as specified, the name and place of business of the premium finance company to which installments or other payments are to be made, the name of the insurer issuing the related insurance contract, a description of the insurance contracts including the term and type of policy, the premiums for which are advanced or are to be advanced under the agreement and the amount of the premiums therefor; and

(c) Set forth the following items where applicable:

(1) The total amount of the premiums,

(2) The amount of the down payment,

(3) The balance of premiums due, the amount financed (the difference between items (1) and (2)),

(4) The amount of the finance charge,

(5) The amount of the flat service fee,

(6) The total of payments (sum of items (3), (4) and (5)).

Sec. 10. Minnesota Statutes 1990, section 59A.08, subdivision 4, is amended to read:

Subd. 4. The premium finance company or the insurance agent shall deliver to the insured, or mail to the insured at the address shown in the agreement, a completed copy of that agreement. Within 15 days of receiving the policy number of the policy being financed, the premium finance company shall mail to the insurer a notice of financed premium, which contains the term, amount of premium, and type of policy being financed.

Sec. 11. Minnesota Statutes 1990, section 59A.11, subdivision 4, is amended to read:

Subd. 4. Where statutory, regulatory or contractual restrictions provide that the insurance contract may not be canceled unless notice is given to a governmental agency, mortgagee, or other third party, the insurer shall give the prescribed notice on behalf of itself or the insured to the governmental agency, mortgagee or other third party within a reasonable time ten days after the day it receives the notice of cancellation from the premium finance company. When the above restrictions require the continuation of insurance beyond the

effective date of cancellation specified by the premium finance company, the insurance shall be limited to the coverage to which the restrictions relate and to the persons they are designed to protect.

Sec. 12. Minnesota Statutes 1990, section 59A.12, subdivision 1, is amended to read:

Subdivision 1. Whenever a financed insurance contract is canceled, within 30 days of the effective date of cancellation, if the premium finance company has notified the insurer that the premiums are financed, the insurer shall return whatever gross unearned premiums, computed pro rata, are due under the insurance contract to the premium finance company for the account of the insured or insureds. This action by the insurer satisfies the insurer's obligations under the insurance contract which relate to the return of the unearned premiums.

Sec. 13. Minnesota Statutes 1990, section 60A.02, is amended by adding a subdivision to read:

Subd. 1a. [ASSOCIATION OR ASSOCIATIONS.] (a) "Association" or "associations" means an organized body of people who have some interest in common and that has at the onset a minimum of 100 persons; is organized and maintained in good faith for purposes other than that of obtaining insurance; and has a constitution and bylaws which provide that: (1) the association or associations hold regular meetings not less frequently than annually to further purposes of the members; (2) except for credit unions, the association or associations collect dues or solicit contributions from members; (3) the members have voting privileges and representation on the governing board and committees, which provide the members with control of the association including the purchase and administration of insurance products offered to members; and (4) the members are not, within the first 30 days of membership, directly solicited, offered, or sold an insurance policy if the policy is available as an association benefit.

(b) An association may apply to the commissioner for a waiver of the 30-day waiting period to that association. The commissioner may grant the waiver upon a finding of all of the following: (1) the association is in full compliance with this subdivision; (2) sanctions have not been imposed against the association as a result of significant disciplinary action by the commissioner; and (3) at least 80 percent of the association's income comes from dues, contributions, or sources other than income from the sale of insurance.

Sec. 14. Minnesota Statutes 1990, section 60A.03, subdivision 2, is amended to read:

Subd. 2. [POWERS OF COMMISSIONER.] (4) ~~[ENFORCEMENT.]~~ The commissioner shall have and exercise the power to

enforce all the laws of this state relating to insurance, and shall enforce all the provisions of the laws of this state relating to insurance.

~~(2) [DEPARTMENT OF COMMERCE.] The commissioner shall have and possess all the rights and powers and perform all the duties heretofore vested by law in the commissioner of commerce, except that applications for registrations of securities and brokers' licenses under sections 80A.01 to 80A.31, and all matters pertaining to such registrations and licenses, application for the organization and establishment of new financial institutions under sections 46.041, 46.043, and 46.044, applications by insuring companies for licenses to carry on business within the state, and all matters pertaining to such licenses, and applications for the consolidation of insuring companies transacting business within the state, shall be determined by the commissioner in the manner provided by the laws defining the powers and duties of the commissioner of commerce, and the state securities commission, respectively, or, in the absence of any law prescribing the procedure, by such any reasonable procedure as the commission, as defined in chapter 45, may prescribe commissioner prescribes.~~

Sec. 15. Minnesota Statutes 1990, section 60A.07, subdivision 1, is amended to read:

Subdivision 1. [INCORPORATION.] Except when the manner of organization is specifically otherwise provided in sections dealing with these insurers, domestic insurance corporations shall be organized under and governed by chapter 300. The articles or certificate of incorporation must meet the requirements of section 300.025, except other than:

(1) the requirement that a majority of board members shall always be residents of this state; and

(2) the requirements of section 300.025, clause (7).

Sec. 16. Minnesota Statutes 1990, section 60A.07, subdivision 10, is amended to read:

Subd. 10. [SPECIAL PROVISIONS AS TO LIFE COMPANIES.]
(1) [PREREQUISITES OF LIFE COMPANIES.] No mutual life company shall be qualified to issue any policy until applications for at least \$200,000 of insurance, upon lives of at least 200 separate residents, have been actually and in good faith made, accepted, and entered upon its books and at least one full annual premium thereunder, based upon the authorized table of mortality, received in cash or in absolutely payable and collectible notes. A duplicate receipt for each premium, conditioned for the return thereof unless the policy be issued within one year thereafter, shall be issued, and one copy delivered to the applicant and the other filed with the

commissioner, together with the certificate of a solvent authorized bank in the state, of the deposit therein of such cash and notes, aggregating the amount aforesaid, specifying the maker, payee, date, maturity, and amount of each. Such cash and notes shall be held by it not longer than one year, and at or before the expiration thereof to be by it paid or delivered, upon the written order of the commissioner, to such company or applicants, respectively.

(2) [FOREIGN COMPANIES MAY BECOME DOMESTIC.] Any company organized under the laws of any other state or country, which might have been originally incorporated under the laws of this state, and which has been admitted to do business therein for either or both the purpose of life or accident insurance, upon complying with all the requirements of law relative to the execution, filing, recording and publishing of original certificates and payment of incorporation fees by like domestic corporations, therein designating its principal place of business at a place in this state, may become a domestic corporation, and be entitled to like certificates of its corporate existence and license to transact business in this state, and be subject in all respects to the authority and jurisdiction thereof.

(3) [TEMPORARY CAPITAL STOCK OF MUTUAL LIFE COMPANIES.] A new mutual life insurance company which has complied with the provisions of clause (1) or an existing mutual life insurance company may establish, a temporary capital of, such amount not less than \$100,000, as may be approved by the commissioner. Such temporary capital shall be invested by the company in the same manner as is provided for the investment of its other funds. Out of the net surplus of the company the holders of the temporary capital stock may receive a dividend of not more than eight percent per annum, which may be cumulative. This capital stock shall not be a liability of the company ~~except that it but~~ shall be retired as soon as, but not before, ~~the surplus of the company remaining after its retirement shall be not less than the temporary capital so established within a reasonable time and according to terms approved by the commissioner.~~ At the time for the retirement of this capital stock, the holders shall be entitled to receive from the company the par value thereof and any dividends thereon due and unpaid, and thereupon the stock shall be surrendered and canceled, ~~and the right to vote thereon shall cease.~~ In the event of the liquidation of the company, the holders of temporary capital stock shall have the same preference in the assets of the company as shareholders have in a stock insurance company.

Temporary capital stock may be issued with or without voting rights. If issued with voting rights, the holders shall, at all meetings, be entitled to one vote for each \$10 of temporary capital stock held.

Sec. 17. Minnesota Statutes 1990, section 60A.12, subdivision 4, is amended to read:

Subd. 4. [UNEARNED PREMIUMS RESERVE.] (1) [FOR COMPANIES OTHER THAN LIFE OR TITLE.] To determine the policy liability of any company other than life or title insurance, and the amount the company shall hold as reserve, the commissioner shall take 50 percent of the aggregate premiums, on policies running one year or less from date of policy, and a pro rata amount on policies running more than one year from date of policy, except upon inland and marine risks, which the commissioner shall compute by charging 50 percent of the amount of premium written in its policies upon yearly risks and upon risks covering more than one passage not terminated, and the full amount of premiums written in policies upon all other inland and marine risks not terminated. In case of any fire and marine company with less than \$200,000 capital admitted to transact in this state fire business only, the full amount of premiums written in its marine and inland navigation and transportation policies shall be charged as liability.

(2) [SPECIAL PROVISIONS FOR MUTUAL FIRE COMPANIES WITH A CONTINGENT LIABILITY.] In case of a mutual fire insurance company with a policyholders' contingent liability fixed by its bylaws and in its policies as provided by law, to determine the amount of this reinsurance reserve, the commissioner shall take 25 percent of the aggregate premiums running one year or less from date of policy, and 50 percent of the pro rata amount on policies running more than one year from date of policy.

(3) [CASUALTY COMPANIES WRITING LIABILITY OR WORKERS' COMPENSATION.] In case of a casualty insurance company writing insurance against loss or damage resulting from accident to or injuries suffered by an employee or other person and for which the insured is liable, and under insurance against loss from liability on account of the death of or injury to an employee not caused by the negligence of an employer, the commissioner shall charge as a liability, in addition to the capital stock and all other outstanding indebtedness of the corporation:

The premium reserve on policies in force, equal to 50 percent of the gross premiums charged for covering the risks; provided, that the commissioner may charge a premium reserve equal to the unearned portions of the gross premiums charged, computed on each respective risk from the date of the issuance of the policy. Notwithstanding any other provision of this subdivision, an unearned premium reserve shall be required based only on the timing and the amount of the recorded written premium.

(4) [PROVISION FOR ANNUAL PAYMENT TERM POLICIES.] A policy for a term of years on which the premium is payable annually shall be considered a policy for one year.

Sec. 18. Minnesota Statutes 1991 Supplement, section 60A.13, subdivision 3a, is amended to read:

Subd. 3a. [ANNUAL AUDIT.] Every insurance company doing business in this state, including fraternal ~~beneficiary associations~~ benefit societies, reciprocal exchanges, service plan corporations licensed pursuant to chapter 62C, and legal service plans licensed pursuant to chapter 62G, unless exempted by the commissioner pursuant to subdivision 4a or by subdivision 7 shall have an annual audit of the financial activities of the most recently completed fiscal year performed by an independent certified public accountant as prescribed by the commissioner, and shall file the report of this audit with the commissioner not more than six months following the close of the company's fiscal year. ~~Any insurer required by this subdivision to file an annual audit which does not currently have its financial statement audited shall file its first audit with the commissioner not later than June 30, 1983. All other insurers shall file their annual audits beginning June 30, 1982.~~

Sec. 19. Minnesota Statutes 1990, section 60A.1701, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS.] This section does not apply to:

(a) persons soliciting or selling solely on behalf of companies organized and operating according to chapter 67A; or

(b) persons holding life and health, or property and casualty licenses who, by February 28 of each year at the time of license renewal, certify to the commissioner in writing that they will sell only credit life, credit health, and credit property insurance, during that year and do in fact so limit their sale of insurance.

Sec. 20. Minnesota Statutes 1990, section 60A.1701, subdivision 7, is amended to read:

Subd. 7. [CRITERIA FOR COURSE ACCREDITATION.] (a) The commissioner may accredit a course only to the extent it is designed to impart substantive and procedural knowledge of the insurance field. The burden of demonstrating that the course satisfies this requirement is on the individual or organization seeking accreditation. The commissioner shall approve any educational program approved by Minnesota Continuing Legal Education relating to the insurance field.

(b) The commissioner shall approve or disapprove professional designation examinations that are recommended for approval by the advisory task force. In order for an agent to receive full continuing education credit for a professional designation examination, the agent must pass the examination. An agent may not receive credit

for classroom instruction preparing for the professional designation examination and also receive continuing education credit for passing the professional designation examination.

(c) The commissioner may not accredit a course:

(1) that is designed to prepare students for a license examination;

(2) in mechanical office or business skills, including typing, speedreading, use of calculators, or other machines or equipment;

(3) in sales promotion, including meetings held in conjunction with the general business of the licensed agent;

(4) in motivation, the art of selling, psychology, or time management;

~~(5) unless the student attends classroom instruction conducted by an instructor approved by the department of commerce; or~~

~~(6) (5) which can be completed by the student at home or outside the classroom without the supervision of an instructor approved by the department of commerce, except that home-study courses may be accredited by the commissioner if the student is a nonresident agent residing in a state which is not contiguous to Minnesota.~~

Sec. 21. Minnesota Statutes 1990, section 60A.201, subdivision 4, is amended to read:

Subd. 4. [LISTS OF UNAVAILABLE LINES OF INSURANCE; MAINTENANCE.] The commissioner shall maintain on a current basis a list of those lines of insurance for which coverages are believed by the commissioner to be generally unavailable from licensed insurers. The commissioner shall republish a list and make it available to all licensees the list every six months at least annually. Any person may request in writing that the commissioner add or remove coverage from the current list at the next publication of the list. The commissioner's determinations of coverages to be added to or removed from the list shall not be subject to the administrative procedure act but prior to making determinations the commissioner shall provide opportunity for comment from interested parties.

Sec. 22. Minnesota Statutes 1990, section 60A.203, is amended to read:

60A.203 [LICENSEES TO FILE EVIDENCE OF TRANSACTIONS FILING REQUIREMENTS.]

Each surplus lines licensee shall keep a separate account of each transaction entered into pursuant to sections 60A.195 to 60A.209. Evidence of these transactions shall be filed with the commissioner documented in the form, and manner, and time designated by the commissioner or if designated by the commissioner, with an association and retained by the licensee for a minimum of five years. The forms must be readily available for review and audit by the commissioner.

Sec. 23. Minnesota Statutes 1990, section 60A.206, subdivision 3, is amended to read:

Subd. 3. [STANDARDS TO BE MET BY INSURERS.] (a) The commissioner shall recognize the insurer as an eligible surplus lines insurer when satisfied that the insurer is in a stable, unimpaired financial condition and that the insurer is qualified to provide coverage in compliance with sections 60A.195 to 60A.209. If filed with full supporting documentation before July 1 of any year, applications submitted under subdivision 2 shall be acted upon by the commissioner before December 31 of the year of submission.

(b) The commissioner shall not authorize an insurer as an eligible surplus lines insurer unless the insurer continuously maintains capital and surplus of at least \$3,000,000 and transaction of business by the insurer is not hazardous, financially or otherwise, to its policyholders, its creditors, or the public. Each alien surplus lines insurer shall have current financial data filed with the National Association of Insurance Commissioners Nonadmitted Insurers Information Office.

(c) Eligible surplus lines insurers domiciled within the United States shall file an annual statement and an annual financial audit, under the terms and conditions of section 60A.13, subdivisions 1, 3a, and 6, and are subject to the penalties of section 72A.061 in regard to those requirements. The commissioner also has the powers provided in section 60A.13, subdivision 2, in regard to eligible surplus lines insurers.

(d) Eligible surplus lines insurers domiciled outside the United States shall file an annual statement on the standard nonadmitted insurers information office financial reporting format as prescribed by the National Association of Insurance Commissioners and an annual financial audit performed by an independent accounting firm.

Sec. 24. Minnesota Statutes 1990, section 60B.03, is amended by adding a subdivision to read:

Subd. 20. [AFFILIATE OR AFFILIATED.] An "affiliate" of, or a person "affiliated" with, a specific person is a person that directly, or

indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

Sec. 25. Minnesota Statutes 1990, section 60B.15, is amended to read:

60B.15 [GROUNDS FOR REHABILITATION.]

The commissioner may apply by verified petition to the district court for Ramsey county or for the county in which the principal office of the insurer is located for an order directing the commissioner to rehabilitate a domestic insurer or an alien insurer domiciled in this state on any one or more of the following grounds:

(1) Any ground on which the commissioner may apply for an order of liquidation under section 60B.20, whenever the commissioner believes that the insurer may be successfully rehabilitated without substantial increase in the risk of loss to creditors of the insurer, its policyholders or to the public;

(2) That the commissioner has reasonable cause to believe that there has been theft from the insurer, wrongful sequestration or diversion of the insurer's assets, forgery or fraud affecting the insurer or other illegal conduct in, by or with respect to the insurer, which endanger assets in an amount threatening insolvency of the insurer;

(3) That substantial and unexplained discrepancies exist between the insurer's records and the most recent annual report or other official company reports;

(4) That the insurer, after written demand by the commissioner, has failed to remove any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee, or other person, if the person has been found by the commissioner after notice and hearing to be dishonest or untrustworthy in a way affecting the insurer's business such as is the basis for action under section 60A.051;

(5) That control of the insurer, whether by stock ownership or otherwise, and whether direct or indirect, is in one or more persons found by the commissioner after notice and hearing to be dishonest or untrustworthy such as is the basis for action under section 60A.051;

(6) That the insurer, after written demand by the commissioner, has failed within a reasonable period of time to terminate the employment and status and all influences on management of any person who in fact has executive authority in the insurer, whether an officer, manager, general agent, employee or other person if the

person has refused to submit to lawful examination under oath by the commissioner concerning the affairs of the insurer, whether in this state or elsewhere;

(7) That after lawful written demand by the commissioner the insurer has failed to submit promptly any of its own property, books, accounts, documents, or other records, or those of any subsidiary or related company within the control of the insurer, or those of any person having executive authority in the insurer so far as they pertain to the insurer, to reasonable inspection or examination by the commissioner or an authorized representative. If the insurer is unable to submit the property, books, accounts, documents, or other records of a person having executive authority in the insurer, it shall be excused from doing so if it promptly and effectively terminates the relationship of the person to the insurer;

(8) That without first obtaining the written consent of the commissioner, or if required by law, the written consent of the attorney general, the insurer has transferred, or attempted to transfer, substantially its entire property or business, or has entered into any transaction the effect of which is to merge, consolidate, or reinsure substantially its entire property or business of any other person;

(9) That the insurer or its property has been or is the subject of an application for the appointment of a receiver, trustee, custodian, conservator or sequestrator or similar fiduciary of the insurer or its property otherwise than as authorized under sections 60B.01 to 60B.61, and that such appointment has been made or is imminent, and that such appointment might divest the courts of this state of jurisdiction or prejudice orderly delinquency proceedings under sections 60B.01 to 60B.61;

(10) That within the previous year the insurer has willfully violated its charter or articles of incorporation or its bylaws or any applicable insurance law or regulation of any state, or of the federal government, or any valid order of the commissioner under section 60B.11 in any manner or as to any matter which threatens substantial injury to the insurer, its creditors, its policyholders or the public, or having become aware within the previous year of an unintentional or willful violation has failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent the same violations in the future;

(11) That the directors of the insurer are deadlocked in the management of the insurer's affairs and that the members or shareholders are unable to break the deadlock and that irreparable injury to the insurer, its creditors, its policyholders, or the public is threatened by reason thereof;

(12) That the insurer has failed to pay for 60 days after due date any obligation to this state or any political subdivision thereof or

any judgment entered in this state, except that such nonpayment shall not be a ground until 60 days after any good faith effort by the insurer to contest the obligation or judgment has been terminated, whether it is before the commissioner or in the courts;

(13) That the insurer has failed to file its annual report or other report within the time allowed by law, and after written demand by the commissioner has failed to give an adequate explanation immediately;

(14) That two-thirds of the board of directors, or the holders of a majority of the shares entitled to vote, or a majority of members or policyholders of an insurer subject to control by its members or policyholders, consent to rehabilitation under sections 60B.01 to 60B.61;

(15) That the insurer is engaging in a systematic practice of reaching settlements with and obtaining releases from policyholders or third party claimants and then unreasonably delaying payment of or failing to pay the agreed upon settlements;

(16) That the insurer is in such condition that the further transaction of business would be hazardous, financially or otherwise, to its policyholders, its creditors, or the public;

(17) That within the previous 12 months the insurer has systematically attempted to compromise with its creditors on the ground that it is financially unable to pay its claims in full;

(18) In the context of a health maintenance organization, "insurer" when used in clauses (1) to (17) means "health maintenance organization." In addition to the grounds in clauses (1) to (17), any one of the following constitutes grounds for rehabilitation of a health maintenance organization:

(a) the health maintenance organization is unable or is expected to be unable to meet its debts as they become due;

(b) grounds exist under section 62D.042, subdivision 7;

(c) the health maintenance organization's liabilities exceed the current value of its assets, exclusive of intangibles and, where the guaranteeing organization's financial condition no longer meets the requirements of sections 62D.041 and 62D.042, exclusive of any deposits, letters of credit, or guarantees provided by any guaranteeing organization under chapter 62D;

(d) in addition to grounds under clause (16), within the last year the health maintenance organization has failed, and the commissioner of health expects such failure to continue in the future, to

make comprehensive medical care adequately available and accessible to its enrollees and the health maintenance organization has not successfully implemented a plan of corrective action pursuant to section 62D.121, subdivision 7; and

(e) in addition to grounds under clause (16), within the last year the directors or officers of the health maintenance organization willfully violated the requirements of section 317A.251, or having become aware within the previous year of an unintentional or willful violation of section 317A.251, have failed to take all reasonable steps to remedy the situation resulting from the violation and to prevent the same violation in the future;

(19) An affiliate of the insurer has been placed in conservatorship, rehabilitation, liquidation, or other court supervision such that the insurer's financial condition may be jeopardized.

Sec. 26. Minnesota Statutes 1990, section 60B.17, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL DEPUTY COMMISSIONER.] The commissioner as rehabilitator shall ~~make every reasonable effort to employ an active or retired senior executive from a successful insurer to serve as~~ employ a special deputy commissioner to rehabilitate the insurer. The special deputy shall have all of the powers of the rehabilitator granted under this section. ~~To obtain a suitable special deputy, the commissioner may consult with and obtain the assistance and advice of executives of insurers doing business in this state.~~ Subject to court approval, the commissioner shall make such arrangements for compensation as are necessary to obtain a special deputy of proven ability. The special deputy shall serve at the pleasure of the commissioner.

Sec. 27. Minnesota Statutes 1991 Supplement, section 60D.15, subdivision 4, is amended to read:

Subd. 4. [CONTROL.] The term "control," including the terms "controlling," "controlled by," and "under common control with," means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with ~~or~~ corporate office held by, ~~or court appointment of,~~ the person. Control is presumed to exist if any person, directly or indirectly, owns, controls, holds with the power to vote, or holds proxies representing, ten percent or more of the voting securities of any other person. This presumption may be rebutted by a showing made in the manner provided by section 60D.19, subdivision 11, that control does not exist in fact. The commissioner may determine, after furnishing all persons in interest notice and opportunity to be

heard and making specific findings of fact to support such determination, that control exists in fact, notwithstanding the absence of a presumption to that effect.

Sec. 28. Minnesota Statutes 1991 Supplement, section 60D.17, subdivision 4, is amended to read:

Subd. 4. [APPROVAL BY COMMISSIONER; HEARINGS.] (a) The commissioner shall approve any merger or other acquisition of control referred to in subdivision 1 unless, after a public hearing, the commissioner finds that:

(1) After the change of control, the domestic insurer referred to in subdivision 1 would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed, unless the domestic insurer is in rehabilitation or other court-ordered supervision and the acquiring party commits to a plan that would enable the domestic insurer to satisfy the requirements for the issuance of a license within a reasonable amount of time;

(2) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in this state or tend to create a monopoly therein in applying the competitive standard in this subdivision:

(i) the informational requirements of section 60D.18, subdivision 3, paragraph (b), and the standards of section 60D.18, subdivision 4, paragraph (c), shall apply;

(ii) the merger or other acquisition shall not be disapproved if the commissioner finds that any of the situations meeting the criteria provided by section 60D.18, subdivision 4, paragraph (c), exist; and

(iii) the commissioner may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;

(3) The financial condition of any acquiring party is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

(4) The plans or proposals that the acquiring party has to liquidate the insurer, sell its assets, or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management, are unfair and unreasonable to policyholders of the insurer and not in the public interest;

(5) The competence, experience, and integrity of those persons who would control the operation of the insurer are such that it would

not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

(6) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

(b) The public hearing referred to in paragraph (a) must be held 30 days after the statement required by subdivision 1 is filed, and at least 20 days notice of it shall be given by the commissioner to the person filing the statement. Not less than seven days notice of the public hearing shall be given by the person filing the statement to the insurer and to other persons designated by the commissioner. The commissioner shall make a determination within 30 days after the conclusion of the hearing. At the hearing, the person filing the statement, the insurer, any person to whom notice of hearing was sent, and any other person whose interest may be affected by it may present evidence, examine and cross-examine witnesses, and offer oral and written arguments and may conduct discovery proceedings in the same manner as is presently allowed in the district courts of this state. All discovery proceedings must be concluded not later than three days before the start of the public hearing.

(c) The commissioner may retain at the acquiring person's expense any attorneys, actuaries, accountants, and other experts not otherwise a part of the commissioner's staff as may be reasonably necessary to assist the commissioner in reviewing the proposed acquisition of control.

Sec. 29. Minnesota Statutes 1990, section 61A.011, is amended by adding a subdivision to read:

Subd. 7. [ACCIDENTAL DEATH BENEFITS.] 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).

Sec. 30. Minnesota Statutes 1990, section 62A.10, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] Group accident and health insurance is hereby declared to be that form of accident and health insurance covering not less than two employees nor less than ten members, and which may include the employee's or member's dependents, consisting of husband, wife, children, and actual dependents residing in the household, written under a master policy issued to any governmental corporation, unit, agency, or department thereof, or to any corporation, copartnership, individual, employer, or to any association ~~having a constitution or bylaws and formed in~~

good faith for purposes other than that of obtaining insurance under the provisions of this chapter as defined by section 60A.02, subdivision 1a, where officers, members, employees, or classes or divisions thereof, may be insured for their individual benefit.

Any insurer authorized to write accident and health insurance in this state shall have power to issue group accident and health policies.

Sec. 31. Minnesota Statutes 1990, section 62A.21, subdivision 2b, is amended to read:

Subd. 2b. [CONVERSION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an insured, without providing evidence of insurability, to obtain from the insurer at the expiration of any continuation of coverage required under subdivision 2a or sections 62A.146 and 62A.20, conversion coverage providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. A policy providing reduced benefits at a reduced premium rate may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The individual policy shall be renewable at the option of the former spouse covered person as long as the former spouse covered person is not covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual policy shall apply to the former spouse's covered person's original age at entry and shall apply equally to all similar policies issued by the insurer.

A policy providing reduced benefits at a reduced premium rate may be accepted by the covered person in lieu of the optional coverage otherwise required by this subdivision.

Sec. 32. Minnesota Statutes 1990, section 62A.30, subdivision 1, is amended to read:

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all policies of accident and health insurance, health maintenance contracts regulated under chapter 62D, health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, but does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or policies that provide only accident coverage.

Sec. 33. Minnesota Statutes 1990, section 62A.54, is amended to read:

62A.54 [PROHIBITED PRACTICES.]

Unless otherwise provided for in ~~Laws 1986, chapter 397,~~ sections ~~2 to 8~~ 62A.46 to 62A.56, the solicitation or sale of long-term care policies is subject to the requirements and penalties applicable to the sale of Medicare supplement insurance policies as set forth in sections 62A.31 to 62A.44.

It is misconduct for any agent or company to make any misstatement concerning eligibility or coverage under the medical assistance program, or about how long-term care costs will or will not be financed if a person does not have long-term care insurance. Any agent or company providing information on the medical assistance program shall also provide information about how to contact the county human services department or the state department of human services.

Sec. 34. Minnesota Statutes 1990, section 62E.02, subdivision 23, is amended to read:

Subd. 23. "Contributing member" means those companies ~~operating pursuant to regulated under~~ regulated under chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance ~~or~~ health maintenance organizations ~~and regulated under~~ regulated under chapter 62D, nonprofit health service plan corporations ~~incorporated regulated under~~ regulated under chapter 62C ~~or~~ fraternal benefit societies ~~operating societies regulated under~~ regulated under chapter 64B, and joint self-insurance plans regulated under chapter 62H. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization shall be considered to be accident and health insurance premiums.

Sec. 35. Minnesota Statutes 1990, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; TAX EXEMPTION.] There is established a comprehensive health association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers, self-insurers, fraternal, joint self-insurance plans regulated under chapter 62H, and health maintenance organizations licensed or authorized to do business in this state. The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Sec. 36. Minnesota Statutes 1990, section 62E.11, subdivision 9, is amended to read:

Subd. 9. Each contributing member that terminates individual health coverage ~~regulated under chapter 62A, 62C, 62D, or 64B~~ for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 62D.121; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section 62E.14, subdivisions 1, paragraph (d), and 6. Such a contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees multiplied by the total number of terminated enrollees who enroll in the state plan.

The average cost of an enrollee in the state comprehensive health insurance plan shall be determined by dividing the state plan's total annual losses by the total number of enrollees from that year. This cost will be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

In the event that the contributing member is terminating health coverage because of a loss of health care providers, the commissioner may review whether or not the special assessment established under this subdivision will have an adverse impact on the contributing member or its enrollees or insureds, including but not limited to causing the contributing member to fall below statutory net worth requirements. If the commissioner determines that the special assessment would have an adverse impact on the contributing member or its enrollees or insureds, the commissioner may adjust the amount of the special assessment, or establish alternative payment arrangements to the state plan. For health maintenance organizations regulated under chapter 62D, the commissioner of health shall make the determination regarding any adjustment in the special assessment and shall transmit that determination to the commissioner of commerce.

Sec. 37. Minnesota Statutes 1990, section 62E.14, is amended by adding a subdivision to read:

Subd. 7. [TERMINATIONS OF CONVERSION POLICIES.] (a) A Minnesota resident who is covered by a conversion policy or contract of health coverage may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation in subdivision 3 and

a waiver of the evidence of rejection in subdivision 1, paragraph (c), at any time for any reason during the term of coverage.

(b) A Minnesota resident who was covered by a conversion policy or contract of health coverage may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation in subdivision 3 and a waiver of the evidence of rejection in subdivision 1, paragraph (c), if that person applies for coverage within 90 days after termination of the conversion policy or contract coverage regardless of: (1) the reasons for the termination; or (2) the party terminating coverage.

(c) Coverage under this subdivision is effective upon termination of prior coverage if the enrollee has submitted a completed application and paid the required premium or fee.

Sec. 38. Minnesota Statutes 1990, section 62E.15, subdivision 4, is amended to read:

Subd. 4. Every insurer and health maintenance organization which rejects or applies underwriting restrictions to an applicant for accident and a plan of health insurance coverage shall: (1) provide the applicant with a written notice of rejection or the underwriting restrictions applied to the applicant in a manner consistent with the requirements in section 72A.499; (2) notify the applicant of the existence of the state plan, the requirements for being accepted in it, and the procedure for applying to it; and (3) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer at no charge.

Sec. 39. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 5. [INITIAL NOTIFICATION.] Every insurer and health maintenance organization before issuing a conversion policy or contract of health insurance shall:

(1) notify the applicant of the existence of the state plan, the requirements for being accepted in it, the procedure for applying to it, and the plan rates; and

(2) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer and health maintenance organization at no charge.

Sec. 40. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 6. [ANNUAL NOTIFICATION.] Every insurer and health maintenance organization which provides health coverage to an insured through a conversion plan shall annually:

(1) notify the insured of the existence of the state plan, the requirements for being accepted in it, the procedure for applying to it, and the plan rates; and

(2) provide the applicant with written materials explaining the state plan in greater detail. This written material shall be provided by the association to every insurer and health maintenance organization at no charge.

Sec. 41. Minnesota Statutes 1990, section 62E.15, is amended by adding a subdivision to read:

Subd. 7. [CONVERSION RATES.] For Medicare supplement conversion policies issued prior to the effective date of this section, the requirements of subdivisions 5 and 6 apply only when the conversion rates offered to the applicant by the insurer or health maintenance organization exceed the association rates.

Sec. 42. Minnesota Statutes 1990, section 62E.16, is amended to read:

62E.16 [POLICY CONVERSION PRIVILEGES RIGHTS.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group or if an employer member of a group ceases to remit payment so as to terminate coverage for its employees, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be offered to enrollees without the addition of underwriting restrictions. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group or of the employer member of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group or of the employer member of the group shall be

provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 43. Minnesota Statutes 1990, section 62H.01, is amended to read:

62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any ~~three~~ two or more employers, excluding the state and its political subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short-term disability benefits. Joint plans must have a minimum of ~~250~~ 100 covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.

A multiple employer welfare arrangement as defined in United States Code, title 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq.

Sec. 44. [62I.121] [BENEFITS FOR EMPLOYEES.]

At the option of the board, employees may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service, and an insurance plan administered by the commissioner of employee relations under chapter 43A.

Sec. 45. Minnesota Statutes 1990, section 65B.133, subdivision 4, is amended to read:

Subd. 4. [NOTIFICATION OF CHANGE.] No insurer may change its surcharge plan unless a surcharge disclosure statement is mailed or delivered to the named insured before the change is made. A surcharge disclosure statement disclosing a change applicable on the renewal of a policy, may be mailed with an offer to renew the policy. No Surcharges cannot be applied to accidents or traffic violations that occurred prior to a change in a surcharge plan may be applied retroactively except to the extent provided under the prior plan.

Sec. 46. Minnesota Statutes 1990, section 72A.20, subdivision 23, is amended to read:

Subd. 23. [DISCRIMINATION IN AUTOMOBILE INSURANCE POLICIES.] (a) No insurer that offers an automobile insurance policy in this state shall:

(1) use the employment status of the applicant as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

(b) No insurer that offers an automobile insurance policy in this state shall:

(1) use the applicant's status as a tenant, as the term is defined in section 566.18, subdivision 2, as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason; or

(3) make any discrimination in offering or establishing rates, premiums, dividends, or benefits of any kind, or by way of rebate, for the same reason.

(c) No insurer that offers an automobile insurance policy in this state shall:

(1) use the failure of the applicant to have an automobile policy in force during any period of time before the application is made as an underwriting standard or guideline; or

(2) deny coverage to a policyholder for the same reason.

This provision does not apply if the applicant was required by law to maintain automobile insurance coverage and failed to do so.

An insurer may require reasonable proof that the applicant did not fail to maintain this coverage. The insurer is not required to accept the mere lack of a conviction or citation for failure to maintain this coverage as proof of failure to maintain coverage.

Sec. 47. Minnesota Statutes 1991 Supplement, section 72A.201, subdivision 8, is amended to read:

Subd. 8. [STANDARDS FOR CLAIM DENIAL.] The following acts by an insurer, adjuster, or self-insured, or self-insurance administrator constitute unfair settlement practices:

(1) denying a claim or any element of a claim on the grounds of a specific policy provision, condition, or exclusion, without informing the insured of the policy provision, condition, or exclusion on which the denial is based;

(2) denying a claim without having made a reasonable investigation of the claim;

(3) denying a liability claim because the insured has requested that the claim be denied;

(4) denying a liability claim because the insured has failed or refused to report the claim, unless an independent evaluation of available information indicates there is no liability;

(5) denying a claim without including the following information:

(i) the basis for the denial;

(ii) the name, address, and telephone number of the insurer's claim service office or the claim representative of the insurer to whom the insured or claimant may take any questions or complaints about the denial; and

(iii) the claim number and the policy number of the insured;

(6) denying a claim because the insured or claimant failed to exhibit the damaged property unless:

(i) the insurer, within a reasonable time period, made a written demand upon the insured or claimant to exhibit the property; and

(ii) the demand was reasonable under the circumstances in which it was made;

(7) denying a claim by an insured or claimant based on the evaluation of a chemical dependency claim reviewer selected by the insurer unless the reviewer meets the qualifications specified under

subdivision 8a. An insurer that selects chemical dependency reviewers to conduct claim evaluations must annually file with the commissioner of commerce a report containing the specific evaluation standards and criteria used in these evaluations. The report must be filed at the same time its annual statement is submitted under section 60A.13. The report must also include the number of evaluations performed on behalf of the insurer during the reporting period, the types of evaluations performed, the results, the number of appeals of denials based on these evaluations, the results of these appeals, and the number of complaints filed in a court of competent jurisdiction.

Sec. 48. Minnesota Statutes 1990, section 72B.02, is amended by adding a subdivision to read:

Subd. 14. [CROP HAIL ADJUSTER.] "Crop hail adjuster" means a person who for money, commission, or other thing of value acts as an adjuster in regard to insurance policies against crop damage by hail.

Sec. 49. Minnesota Statutes 1990, section 72B.03, subdivision 2, is amended to read:

Subd. 2. [CLASSES OF LICENSES.] (a) There shall be ~~three~~ four classes of licenses, as follows:

- (a) (1) independent adjuster's license;
- ~~(b) (2) public adjuster's license;~~
- ~~(c) (3) public adjuster solicitor's license; and~~
- (4) crop hail adjuster's license.

(b) The independent adjuster and public adjuster licenses shall be issued in at least three fields each, as follows:

~~(a) (1) fire and allied lines, inland marine lines and including all perils under homeowners policies;~~

~~(b) (2) all lines written as casualty insurance under section 60A.06, and including workers' compensation; and~~

~~(c) (3) a combination of the fields described in (a) clauses (1) and (b), above (2).~~ Separate licenses shall be required for each field, but the same person may obtain licenses in more than one field. No person shall be licensed as both a public and independent adjuster. The license shall state the class for which the person is licensed and, where applicable, the field in which the person is licensed, and shall state the licensee's name and residence address, the date of issuance

and the date of expiration of the license and any other information prescribed by the commissioner which is consistent with the purpose of the license.

Sec. 50. Minnesota Statutes 1990, section 72B.04, subdivision 6, is amended to read:

Subd. 6. [EXCEPTIONS.] A person who on January 1, 1972, meets all of the qualifications specified in subdivision 2 with regard to the class of license applied for and, if experience is one of the requisites, has gained the experience within the three years next preceding January 1, 1972, shall be eligible for the issuance of a license without taking an examination.

A person who has held a license of any given class or in any field or fields within three years prior to the application shall be entitled to a renewal of the license in the same class or in the same fields without taking an examination.

A person applying for a license as a crop hail adjuster shall not be required to comply with the requirements of subdivision 5.

The commissioner may issue a license under sections 72B.01 to 72B.14 without an examination, if the applicant presents sufficient and satisfactory evidence of having passed a similar examination in another state and if the commissioner, with the advice of the advisory board, has determined that the standards of such other state are equivalent to those in Minnesota for the class of license applied for. Any applicant who presents sufficient and satisfactory evidence of having successfully completed all six parts of the insurance institute of America program in adjusting shall be entitled to an adjuster's license without taking the examination prescribed in subdivision 5.

Sec. 51. Laws 1991, chapter 233, section 111, is amended to read:

Sec. 111. [EFFECTIVE DATE.]

(a) Sections 33 and 110, paragraph (a), are effective the day following final enactment.

(b) Sections 63; 64; 65; 66; 67; 68; 69; 70; 71; 72; 73; 74; 75; 76; 77; 78; 79; 80; 81; 82; 83; and 110, paragraph (b), are effective August 1, 1991.

(c) ~~Sections 43 and Section 44 are~~ is effective July for the licensing year beginning June 1, 1992.

Sec. 52. [REQUIRED PROPERTY AND CASUALTY COVERAGES INCLUDING BONDS; STUDY.]

The commissioner of commerce shall conduct a study of all property and casualty insurance coverages including bonds 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 and bonds;
- (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 and bonds 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.

Sec. 53. [APPLICATION.]

Section 13 does not apply to policies in force on the effective date of that section and does not preclude renewals of those policies.

Section 20 applies to reports required to be filed in 1993 and subsequent years.

Sec. 54. [REVISOR INSTRUCTION.]

The revisor of statutes shall change the terms "fraternal beneficiary association," "association," or similar terms to "fraternal benefit society," "society," or similar terms wherever they appear in Minnesota Statutes and Minnesota Rules in connection with those entities regulated under Minnesota Statutes, chapter 64B.

Sec. 55. [REPEALER.]

Minnesota Statutes 1990, sections 65B.70; and 72A.13, subdivision 3, are repealed.

Sec. 56. [EFFECTIVE DATE.]

Section 44 is effective retroactive to the effective date of Laws 1989, chapter 260, section 25. The prohibition against solicitation of

members within the first 30 days of membership in section 13 is effective August 1, 1993.

ARTICLE 2

Section 1. Minnesota Statutes 1990, section 45.028, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) When a person, including any nonresident of this state, engages in conduct prohibited or made actionable by chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters, and the person has not filed a consent to service of process under chapters 45 to 83, 155A, 309, and 332, that conduct is equivalent to an appointment of the commissioner as the person's attorney to receive service of process in any noncriminal suit, action, or proceeding against the person which is based on that conduct and is brought under chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters.

(b) Subdivision 2 ~~also~~ applies in all other cases under chapters 45 to 83, 155A, 309, and 332, or any rule or order under those chapters, in which a person, including a nonresident of this state, has filed a consent to service of process. This paragraph supersedes any inconsistent provision of law.

(c) Subdivision 2 applies in all cases in which service of process is allowed to be made on the commissioner of commerce.

Sec. 2. Minnesota Statutes 1990, section 48.185, subdivision 7, is amended to read:

Subd. 7. Any bank or savings bank extending credit in compliance with the provisions of this section, which is injured competitively by violations of this section by another bank or savings bank, may institute a civil action in the district court of this state against that bank or savings bank for an injunction prohibiting any violation of this section. The court, upon proper proof that the defendant has engaged in any practice in violation of this section, may enjoin the future commission of that practice. Proof of monetary damage or loss of profits shall not be required. Costs and attorneys' fees may be allowed to the plaintiff, unless the court directs otherwise. The relief provided in this subdivision is in addition to remedies otherwise available against the same conduct under the common law or statutes of this state.

Service of process shall be as in any other civil suit, except that if a defendant in the action is a foreign corporation or a national banking association with its principal place of business in another state, service of process may also be made by personal service outside the state, or in the manner provided by section 303.13,

subdivision 1, clause (3), or in such manner as the court may direct, or in accordance with section 45.028, subdivision 2. Process is valid if it satisfies the requirements of due process of law, whether or not defendant is doing business in Minnesota regularly or habitually.

Sec. 3. Minnesota Statutes 1990, section 60A.19, subdivision 4, is amended to read:

Subd. 4. [FEES.] The commissioner shall be entitled to charge and receive a fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4), for each notice, proof of loss, summons, or other process served under the provisions of this subdivision and subdivision 3, to be paid by the persons serving the same. The service of process ~~is authorized by this section shall be made by delivering to and leaving with the commissioner two copies thereof for each company being served~~ in compliance with section 45.028, subdivision 2.

Sec. 4. Minnesota Statutes 1990, section 60A.21, subdivision 2, is amended to read:

Subd. 2. [SERVICE OF PROCESS UPON UNAUTHORIZED INSURER.] (1) Any of the following acts in this state effected by mail or otherwise by an unauthorized foreign or alien insurer: (a) the issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein; (b) the solicitation of applications for such contracts; (c) the collection of premiums, membership fees, assessments, or other considerations for such contracts; or (d) any other transaction of insurance business, is equivalent to and shall constitute an appointment by such insurer of the commissioner of commerce and the commissioner's successor or successors in office to be its true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such contract of insurance and any such act shall be significant of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such insurer.

(2) Such service of process shall be made ~~by delivering to and leaving with the commissioner of commerce or some person in apparent charge of that office two copies thereof in compliance with section 45.028, subdivision 2 and the payment to that person of a filing fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4). The commissioner of commerce shall forthwith mail by certified mail one of the copies of such process to the defendant at its last known principal place of business and shall keep a record of all process so served upon the commissioner. Such service of process is sufficient provided notice of such service and a copy of the process are sent within ten days thereafter by certified mail by plaintiff or plaintiff's attorney to the defendant at its last known principal place~~

of business and the defendant's receipt, or receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the court administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(3) Service of process in any such action, suit, or proceeding shall in addition to the manner provided in clause (2) of this subdivision be valid if served upon any person within this state who, in this state on behalf of such insurer, is: (a) soliciting insurance, or (b) making, issuing, or delivering any contract of insurance, or (c) collecting or receiving any premium, membership fee, assessment, or other consideration for insurance; and if a copy of such process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant and the defendant's receipt, or the receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(4) No plaintiff or complainant shall be entitled to a judgment by default under this subdivision until the expiration of 30 days from the date of the filing of the affidavit of compliance.

(5) Nothing in this subdivision contained shall limit or abridge the right to serve any process, notice, or demand upon any insurer in any other manner now or hereafter permitted by law.

(6) The provisions of this section shall not apply to surplus line insurance lawfully effectuated under Minnesota law, or to reinsurance, nor to any action or proceeding against an unauthorized insurer arising out of:

(a) Wet marine and transportation insurance;

(b) Insurance on or with respect to subjects located, resident, or to be performed wholly outside this state, or on or with respect to vehicles or aircraft owned and principally garaged outside this state;

(c) Insurance on property or operations of railroads engaged in interstate commerce; or

(d) Insurance on aircraft or cargo of such aircraft, or against

liability, other than employer's liability, arising out of the ownership, maintenance, or use of such aircraft, where the policy or contract contains a provision designating the commissioner as its attorney for the acceptance of service of lawful process in any action or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such policy, or where the insurer enters a general appearance in any such action.

Sec. 5. Minnesota Statutes 1990, section 64B.35, subdivision 2, is amended to read:

Subd. 2. [SERVICE.] Service under this section shall only be made upon the commissioner, or if absent, upon the person in charge of the commissioner's office. It shall be made in duplicate and shall constitute sufficient service upon the society. When legal process against a society is served upon the commissioner, the commissioner shall immediately forward one of the duplicate copies by registered mail, prepaid, directed to the secretary or corresponding officer in compliance with section 45.028, subdivision 2. No service shall require a society to file its answer, pleading, or defense in less than 30 days from the date of mailing the copy of the service to a society. Legal process shall not be served upon a society except in the manner herein provided. At the time of serving any process upon the commissioner, the plaintiff or complainant in the action shall pay to the commissioner a fee as prescribed in section 60A.14.

Sec. 6. Minnesota Statutes 1990, section 71A.02, subdivision 3, is amended to read:

Subd. 3. [COMMISSIONER AS AGENT FOR SERVICE.] Concurrently with the filing of the declaration provided for by the terms of subdivision 2, the attorney shall execute and file with the commissioner an instrument in writing for the subscribers, conditioned that upon the issuance of the certificate of authority provided for in subdivision 1, service of process in compliance with section 45.028, subdivision 2, may be had upon the commissioner in all suits in this state arising out of these policies, contracts, or agreements, which service shall be valid and binding upon all subscribers exchanging at any time reciprocal or interinsurance contracts through such attorney. Three copies of the process shall be served and the commissioner shall file one copy, forward one copy to the attorney, and return one copy with an admission of service.

Sec. 7. Minnesota Statutes 1990, section 72A.22, subdivision 5, is amended to read:

Subd. 5. [SERVICE.] Statements of charges, notices, orders, and other processes of the commissioner under sections 72A.17 to 72A.32 may be served by anyone duly authorized by the commissioner, either in the manner provided by law for service of process in civil actions or by registering and mailing a copy thereof to the person

affected by the statement, notice, order, or other process at the person's residence or principal office or place of business. A verified return by the person serving the statement, notice, order, or other process, setting forth the manner of such service, or the return postcard receipt for a copy of the statement, notice, order, or other process, registered and mailed as aforesaid, shall be proof of the service of the same in compliance with section 45.028, subdivision 2.

Sec. 8. Minnesota Statutes 1990, section 72A.37, subdivision 2, is amended to read:

Subd. 2. [METHOD OF SERVICE.] Service of a statement of charges and notices under said unfair trade practice act shall be made by any deputy or employee of the department of commerce delivering to and leaving with upon the commissioner or some person in apparent charge of the office, two copies thereof in compliance with section 45.028. Service of process issued by any court in any action, suit or proceeding to collect any penalty under said act provided, shall be made by delivering and leaving with the commissioner, or some person in apparent charge of the office, two copies thereof. ~~The commissioner shall forthwith cause to be mailed by certified mail one of the copies of such statement of charges, notices or process to the defendant at its last known principal place of business, and shall keep a record of all statements of charges, notices and process so served. Such service of statement of charges, notices or process shall be sufficient provided they shall have been so mailed and the defendant's receipt or receipt issued by the post office with which the letter is certified, showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the person mailing such letter showing a compliance herewith are filed with the commissioner in the case of any statement of charges or notices, or with the court administrator of the court in which such action is pending in the case of any process, on or before the date the defendant is required to appear or within such further time as may be allowed in compliance with section 45.028, subdivision 2.~~

Sec. 9. Minnesota Statutes 1990, section 72A.43, subdivision 2, is amended to read:

Subd. 2. Service of such process shall be made by delivering and leaving with the commissioner two copies thereof and the payment to the commissioner of a \$15 filing fee. The commissioner shall forthwith mail by certified mail one of the copies of such process to such company at its last known registered office, and shall keep a record of all process so served. The company's receipt, or receipt issued by the post office with which the letter is certified, and an affidavit of compliance herewith by or on behalf of the commissioner, shall be filed with the court administrator of the court in which such action or proceeding is pending on or before the return date of such

process or within such further time as the court may allow in compliance with section 45.028, subdivision 2.

Sec. 10. Minnesota Statutes 1990, section 80A.27, subdivision 7, is amended to read:

Subd. 7. Every applicant for registration under sections 80A.01 to 80A.31 and every issuer who proposes to offer a security in this state through any person acting on an agency basis in the common law sense shall file with the commissioner, in such form as the commissioner by rule prescribes, an irrevocable consent appointing the commissioner or a successor in office to be the attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against that person or a successor, executor, or administrator which arises under sections 80A.01 to 80A.31 or any rule or order hereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. The consent need not be filed by a person who has filed a consent in connection with a previous registration or license which is then in effect. Service may be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless (a) the plaintiff, who may be commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last address on file with the commissioner, and (b) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.

Sec. 11. Minnesota Statutes 1990, section 80A.27, subdivision 8, is amended to read:

Subd. 8. When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by sections 80A.01 to 80A.31 or any rule or order hereunder, and has not filed a consent to service of process under subdivision 7 and personal jurisdiction cannot otherwise be obtained in this state, that conduct shall be considered equivalent to an appointment of the commissioner or a successor in office to be the attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against that person or a successor executor or administrator which grows out of that conduct and which is brought under sections 80A.01 to 80A.31 or any rule or order hereunder, with the same force and validity as if served personally. Service may under this section shall be made by leaving a copy of the process in the office of the commissioner, and it is not effective unless (a) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last known address or takes other steps which are reasonably calculated

to give actual notice, and (b) the plaintiff's affidavit of compliance with this subsection is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.

Sec. 12. Minnesota Statutes 1990, section 80C.20, is amended to read:

80C.20 [SERVICE OF PROCESS.]

Every applicant for registration under sections 80C.01 to 80C.22 and every franchisor on whose behalf an application for registration is filed, except applicants and franchisors which are Minnesota corporations, shall file with the commissioner, in such form as the commissioner may prescribe, an irrevocable consent appointing the commissioner and successors in office to be the applicant's or franchisor's attorney to receive service of any lawful process in any civil action against the applicant or franchisor or a successor, executor or administrator, which arises under sections 80C.01 to 80C.22 or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the applicant or franchisor or a successor, executor or administrator. Service may under this section shall be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless the plaintiff, who may be the commissioner in an action instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last address on file with the commissioner, and the plaintiff's affidavit of compliance with this subsection is filed with the court at the time of the filing of the complaint in compliance with section 45.028, subdivision 2.

When any person, including any nonresident of this state and any foreign corporation, engages in conduct prohibited or made actionable by sections 80C.01 to 80C.22, whether or not the person has filed a consent to service of process, and personal jurisdiction over the person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to appointment of the commissioner and successors in office to be the person's agent to receive service of any lawful process in any suit against the person or a successor, executor or administrator which grows out of that conduct and which is brought under sections 80C.01 to 80C.22, with the same force and validity as if served personally. Service may under this section shall be made by leaving a copy of the process in the office of the commissioner but it is not effective unless the plaintiff, who may be the commissioner in an action instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the last known address on file with the commissioner and the plaintiff's affidavit of compliance with this section is filed with the court at the time of the

filing of the complaint in compliance with section 45.028, subdivision 2.

Sec. 13. Minnesota Statutes 1990, section 82.31, subdivision 3, is amended to read:

Subd. 3. Service of process under this section ~~may~~ shall be made by filing a copy of the process with the commissioner or a representative, but is not effective unless:

(a) The plaintiff, who may be the commissioner in an action or proceeding instituted by the commissioner, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the address as shown by the records at the office of the commissioner in the case of service made on the commissioner as attorney pursuant to appointment in compliance with subdivision 1, and at the defendant's or respondent's last known address in the case of service on the commissioner as attorney pursuant to appointment by virtue of subdivision 2; and

(b) The plaintiff's affidavit of compliance with this subdivision is filed in the action or proceeding on or before the return day of the process, if any, or within such further time as the court or administrative law judge allows in compliance with section 45.028, subdivision 2.

Sec. 14. Minnesota Statutes 1990, section 82A.22, subdivision 1, is amended to read:

Subdivision 1. [CONSENT TO SERVICE.] Every membership camping operator or broker, on whose behalf an application for registration or exemption is filed, shall file with the commissioner, in such form as the commissioner may prescribe, an irrevocable consent appointing the commissioner and the commissioner's successors in office to be the membership camping operator's or broker's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the membership camping operator or broker or a successor, executor, or administrator which arises under this chapter or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the membership camping operator or the operator's successor, executor, or administrator. Service ~~may under this section~~ shall be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless:

(1) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at that person's last address on file with the commissioner; and

~~(2) the plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.~~

Sec. 15. Minnesota Statutes 1990, section 82A.22, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT OF COMMISSIONER.] When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by this chapter, or any rule or order thereunder, and the person has not filed a consent to service of process under subdivision 1 and personal jurisdiction over this person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to the person's appointment of the commissioner or the commissioner's successor to be the person's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the person which grows out of that conduct and which is brought under this chapter or any rule or order thereunder, with the same force and validity as if served on the person personally. Service ~~may~~ under this section shall be made by leaving a copy of the process in the office of the commissioner, and it is not effective unless:

~~(1) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at that person's last known address or takes other steps which are reasonably calculated to give actual notice; and~~

~~(2) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.~~

Sec. 16. Minnesota Statutes 1991 Supplement, section 82B.15, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE.] Service of process under this section ~~may~~ shall be made ~~under the provisions of~~ in compliance with section 45.028, subdivision 2.

Sec. 17. Minnesota Statutes 1990, section 83.39, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] Every applicant for registration under sections 83.20 to 83.42, 83.43 and 83.44 shall file with the commissioner, in a format as by rule may be prescribed, an irrevocable consent appointing the commissioner or commissioner's suc-

cessor to be the applicant's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the applicant or a successor, executor, or administrator which arises under sections 83.20 to 83.42, 83.43 and 83.44 or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the person filing the consent. Service may under this section shall be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless (a) the plaintiff, who may be commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at that person's last address on file with the commissioner, and (b) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Sec. 18. Minnesota Statutes 1990, section 83.39, subdivision 2, is amended to read:

Subd. 2. [SERVICE ON COMMISSIONER.] When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by sections 83.20 to 83.42, 83.43 and 83.44, or any rule or order thereunder, and the person has not filed a consent to service of process under subdivision 1 and personal jurisdiction over this person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to the person's appointment of the commissioner or the commissioner's successor to be the person's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the commissioner or the commissioner's successor, executor, or administrator which grows out of that conduct and which is brought under sections 83.20 to 83.42, 83.43 and 83.44 or any rule or order thereunder, with the same force and validity as if served on the person personally. Service may under this section shall be made by leaving a copy of the process in the office of the commissioner, and it is not effective unless (a) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by registered mail to the defendant or respondent at that person's last known address or takes other steps which are reasonably calculated to give actual notice, and (b) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows in compliance with section 45.028, subdivision 2.

Sec. 19. Minnesota Statutes 1990, section 543.08, is amended to read:

543.08 [SUMMONS, SERVICE UPON CERTAIN CORPORATIONS.]

If a private domestic corporation has no officer at the registered office of the corporation within the state upon whom service can be made, of which fact the return of the sheriff of the county in which that office is located, or the affidavit of a private person not a party, that none can be found in that county shall be conclusive evidence, service of the summons upon it may be made by depositing two copies, together with a fee of \$35 with the secretary of state, which shall be deemed personal service upon the corporation. One of the copies shall be filed by the secretary, and the other forthwith mailed by the secretary to the corporation by certified mail, if the place of its main office is known to the secretary or is disclosed by the files in the office.

If the defendant is a foreign insurance corporation, the summons may be served by ~~two copies delivered to the commissioner of commerce, who shall file one in the commissioner's office and forthwith mail the other postage prepaid to the defendant at its home office~~ in compliance with section 45.028, subdivision 2.

ARTICLE 3

INSURANCE AGENTS

Section 1. Minnesota Statutes 1990, section 60A.02, subdivision 7, is amended to read:

Subd. 7. [INSURANCE AGENT OR INSURANCE AGENCY.] An "insurance agent" or "insurance agency" is a person acting under express authority from, and an appointment pursuant to section ~~60A.17~~ 60K.02 by, an insurer and on its behalf to solicit insurance, or to appoint other agents to solicit insurance, or to write and countersign policies of insurance, or to collect premiums therefor within this state, or to exercise any or all these powers when so authorized by the insurer. The term "person" includes a natural person, a partnership, a corporation, or other entity, including an insurance agency.

Sec. 2. [60A.052] [DENIAL, REVOCATION, SUSPENSION OF CERTIFICATE OF AUTHORITY.]

Subdivision 1. [GROUNDS.] The commissioner may by order take any or all of the following actions: (1) deny, suspend, or revoke a certificate of authority; (2) censure the insurance company; or (3) impose a civil penalty as provided for in section 45.027, subdivision 6. In order to take this action the commissioner must find that the order is in the public interest, and the insurance company:

(1) has a board of directors or principal management that is incompetent, untrustworthy, or so lacking in insurance company managerial experience as to make its operation hazardous to policyholders, its stockholders, or to the insurance buying public;

(2) is controlled directly or indirectly through ownership, management, reinsurance transactions, or other business relations by any person or persons whose business operations are or have been marked by manipulation of any assets, reinsurance, or accounts as to create a hazard to the company's policyholders, stockholders, or the insurance buying public;

(3) is in an unsound or unsafe condition;

(4) has the actual liabilities that exceed the actual funds of the company;

(5) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it was made, contained any misrepresentation or was false, misleading, or fraudulent;

(6) has pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, or similar conduct;

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

(8) has violated or failed to comply with any order of the insurance regulator of any other state or jurisdiction;

(9) has had a certificate of authority denied, suspended, or revoked, has been censured or reprimanded, has been the subject of any other discipline imposed by, or has paid or has been required to pay a monetary penalty or fine to, another state;

(10) agents, officers, or directors refuse to submit to examination or perform any related legal obligation; or

(11) has violated or failed to comply with, any of the provisions of the insurance laws including chapter 45 or chapters 60A to 72A or any rule or order under those chapters.

Subd. 2. [SUMMARY SUSPENSION OR REVOCATION OF AUTHORITY OR CENSURE.] If the commissioner determines that one of the conditions listed in subdivision 1 exists, the commissioner may issue an order requiring the insurance company to show cause why any or all of the following should not occur: (1) revocation or

suspension of any or all certificates of authority granted to the foreign or domestic insurance company or its agent; (2) censuring of the insurance company; or (3) the imposition of a civil penalty. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. The commissioner may by order summarily suspend or revoke a certificate pending final determination of any order to show cause. If a certificate is suspended or revoked pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the summary order. All hearings shall be conducted in accordance with chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the insurance company fails to appear at a hearing after having been duly notified of it, the company shall be considered in default, and the proceeding may be determined against the company upon consideration of the order to show cause, the allegations of which may be considered to be true.

Subd. 3. [APPLICANTS.] Whenever it appears to the commissioner that an application for a certificate of authority should be denied pursuant to subdivision 1, the commissioner shall promptly give a written notice to the applicant of the denial. The notice must state the grounds for the denial and give reasonable notice of the rights of the applicant to request a hearing. A hearing must be held not later than 30 days after the request for hearing is received by the commissioner unless the applicant and the department of commerce agree that the hearing may be held at a later date. If no hearing is requested within 30 days of service of the notice, the denial will become final. All hearings shall be conducted in accordance with chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the applicant fails to appear at a hearing after having been duly notified of it, the applicant shall be considered in default, and the proceeding may be determined against the applicant upon consideration of the notice denying the application, the allegations of which may be considered to be true.

Subd. 4. [ACTIONS AGAINST LAPSED CERTIFICATE OF AUTHORITY.] If a certificate of authority lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the certificate of authority was last effective and enter a revocation or suspension order as of the last date on which the certificate of authority was in effect, or impose a civil penalty as provided for in section 45.027, subdivision 6.

Sec. 3. [60K.01] [DEFINITIONS.]

Unless the language or context clearly indicates that a different meaning is intended, the definitions in section 60A.01 are applicable to this chapter.

Sec. 4. [60K.02] [INSURANCE AGENTS; SOLICITORS LICENSE.]

Subdivision 1. [REQUIREMENT.] No person shall act or assume to act as an insurance agent in the solicitation or procurement of applications for insurance, nor in the sale of insurance or policies of insurance, nor in any manner aid as an insurance agent in the negotiation of insurance by or with an insurer, including resident agents or reciprocal or interinsurance exchanges and fraternal benefit societies, until that person obtains from the commissioner a license for that purpose. The license must specifically set forth the name of the person authorized to act as an agent and the class or classes of insurance for which that person is authorized to solicit or countersign policies. An insurance agent may qualify for a license in the following classes: (1) life and health; and (2) property and casualty.

No insurer shall appoint or reappoint a natural person, partnership, or corporation to act as an insurance agent on its behalf until that natural person, partnership, or corporation obtains a license as an insurance agent.

Subd. 2. [PARTNERSHIPS AND CORPORATIONS.] A license issued to a partnership or corporation must be solely in the name of the entity to which it is issued; provided that each partner, director, officer, stockholder, or employee of the licensed entity who is personally engaged in the solicitation or negotiation of a policy of insurance on behalf of the licensed entity shall be personally licensed as an insurance agent.

Upon request by the commissioner, each partnership and corporation licensed as an insurance agent shall provide the commissioner with a list of the names of each partner, director, officer, stockholder, and employee who is required to hold a valid insurance agent's license.

Subd. 3. [TRANSITION.] (a) Any agent who is qualified for life or accident and health as of June 1, 1981, is qualified for a life and health license under Laws 1981, chapter 307, and is appointed by an insurer which has submitted a written requisition for a license for that agent as of June 1, 1981.

(b) Any agent who is qualified for one or more lines of insurance, excluding life or accident and health and farm property liability as of June 1, 1981, is qualified for a property and casualty license under Laws 1981, chapter 307, and is appointed by any insurer which has submitted a written requisition for a license for that agent as of June 1, 1981.

Subd. 4. [CRIMINAL PENALTIES.] A person who acts or assumes

to act as an insurance agent without a valid license issued by the commissioner is guilty of a gross misdemeanor.

Sec. 5. [60K.03] [LICENSE APPLICATION.]

Subdivision 1. [PROCEDURE.] An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9), at the time the agent becomes licensed. The application and appointment must be on forms prescribed by the commissioner.

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

Subd. 2. [RESIDENT AGENT.] The commissioner shall issue a resident insurance agent's license to a qualified resident of this state as follows:

(a) A person may qualify as a resident of this state if that person resides in this state or the principal place of business of that person is maintained in this state. Application for a license claiming residency in this state for licensing purposes constitutes an election of residency in this state. A license issued upon an application claiming residency in this state is void if the licensee, while holding a resident license in this state, also holds, or makes application for, a resident license in, or thereafter claims to be a resident of, any other state or jurisdiction or if the licensee ceases to be a resident of this state; provided, however, if the applicant is a resident of a community or trade area, the border of which is contiguous with the state line of this state, the applicant may qualify for a resident license in this state and at the same time hold a resident license from the contiguous state.

(b) The commissioner shall subject each applicant who is a natural person to a written examination as to the applicant's competence to act as an insurance agent. The examination must be held at a reasonable time and place designated by the commissioner.

(c) The examination shall be approved for use by the commissioner and shall test the applicant's knowledge of the lines of insurance,

policies, and transactions to be handled under the class of license applied for, of the duties and responsibilities of the licensee, and pertinent insurance laws of this state.

(d) The examination shall be given only after the applicant has completed a program of classroom studies in a school, which shall not include a school sponsored by, offered by, or affiliated with an insurance company or its agents; except that this limitation does not preclude a bona fide professional association of agents, not acting on behalf of an insurer, from offering courses. The course of study shall consist of 30 hours of classroom study devoted to the basic fundamentals of insurance for those seeking a Minnesota license for the first time, 15 hours devoted to specific life and health topics for those seeking a life and health license, and 15 hours devoted to specific property and casualty topics for those seeking a property and casualty license. The program of studies or study course shall have been approved by the commissioner in order to qualify under this clause. If the applicant has been previously licensed for the particular line of insurance in the state of Minnesota, the requirement of a program of studies or a study course shall be waived. A certification of compliance by the organization offering the course shall accompany the applicant's license application. This program of studies in a school or a study course shall not apply to farm property perils and farm liability applicants, or to agents writing such other lines of insurance as the commissioner may exempt from examination by order.

(e) The applicant must pass the examination with a grade determined by the commissioner to indicate satisfactory knowledge and understanding of the class or classes of insurance for which the applicant seeks qualification. The commissioner shall inform the applicant as to whether or not the applicant has passed.

(f) An applicant who has failed to pass an examination may take subsequent examinations. Examination fees for subsequent examinations shall not be waived.

(g) Any applicant for a license covering the same class or classes of insurance for which the applicant was licensed under a similar license in this state, other than a temporary license, within the three years preceding the date of the application shall be exempt from the requirement of a written examination, unless the previous license was revoked or suspended by the commissioner. An applicant whose license is not renewed under section 60K.12 is exempt from the requirement of a written examination.

Subd. 3. [NONRESIDENT AGENT.] The commissioner shall issue a nonresident insurance agent's license to a qualified person who is a resident of another state or country as follows:

(a) A person may qualify for a license under this section as a

nonresident only if that person holds a license in another state, province of Canada, or other foreign country which, in the opinion of the commissioner, qualifies that person for the same activity as that for which a license is sought.

(b) The commissioner shall not issue a license to a nonresident applicant until that person files with the commissioner a designation of the commissioner and the commissioner's successors in office as the applicant's true and lawful attorney upon whom may be served all lawful process in an action, suit, or proceeding instituted by or on behalf of an interested person arising out of the applicant's insurance business in this state. This designation constitutes an agreement that this service of process is of the same legal force and validity as personal service of process in this state upon that applicant.

Service of process upon a licensee in an action or proceeding begun in a court of competent jurisdiction of this state may be made in compliance with section 45.028, subdivision 2.

(c) A nonresident license terminates automatically when the resident license for that class of license in the state, province, or foreign country in which the licensee is a resident is terminated for any reason.

Subd. 4. [TERM.] All licenses issued pursuant to this section remain in force until voluntarily terminated by the licensee, not renewed as prescribed in section 60K.06, or until suspended or revoked by the commissioner. A voluntary termination occurs when the license is surrendered to the commissioner with the request that it be terminated or when the licensee dies, or when the licensee is dissolved or its existence is terminated. In the case of a nonresident license, a voluntary termination also occurs upon the happening of the event described in subdivision 3, paragraph (c).

Every licensed agent shall notify the commissioner within 30 days of a change of name, address, or information contained in the application.

Subd. 5. [SUBSEQUENT APPOINTMENTS.] A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided that the licensee has permission from the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9). The notice of appointment must be on a form prescribed by the commissioner.

Subd. 6. [AMENDMENT OF LICENSE.] An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section 60A.14, subdivision 1, paragraph (c).

An applicant who surrenders an insurance license pursuant to this subdivision retains licensed status until an amended license is received.

Subd. 7. [EXCEPTIONS.] The following are exempt from the general licensing requirements prescribed by this section:

(1) agents of township mutuals who are exempted pursuant to section 60K.04;

(2) fraternal benefit society representatives exempted pursuant to section 60K.05;

(3) any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of insurance for that insurer, provided that a licensed agent must participate in the sale of the insurance;

(4) employers and their officers or employees, and the trustees or employees of any trust plan, to the extent that the employers, officers, employees, or trustees are engaged in the administration or operation of any program of employee benefits for the employees of the employers or employees of their subsidiaries or affiliates involving the use of insurance issued by a licensed insurance company; provided that the activities of the officers, employees and trustees are incidental to clerical or administrative duties and their compensation does not vary with the volume of insurance or applications for insurance;

(5) employees of a creditor who enroll debtors for life or accident and health insurance; provided the employees receive no commission or fee for it;

(6) clerical or administrative employees of an insurance agent who take insurance applications or receive premiums in the office of their employer, if the activities are incidental to clerical or administrative duties and the employee's compensation does not vary with the volume of the applications or premiums; and

(7) rental vehicle companies and their employees in connection

with the offer of rental vehicle personal accident insurance under section 72A.125.

Sec. 6. [60K.04] [TOWNSHIP MUTUAL AGENTS.]

No agent for a township mutual shall be required to take an examination to become eligible for an agent's license in farm property perils and farm liability if it is certified by one or more township mutual companies that the agent has been acting in the capacity of an agent at least since January 1, 1971, and no new examination shall be required for eligibility for a license in farm property perils and farm liability for a licensed agent in farm windstorm and hail insurance who was licensed prior to January 1, 1971.

Sec. 7. [60K.05] [FRATERNAL BENEFIT SOCIETY REPRESENTATIVES.]

Representatives of fraternal benefit societies who solicit and negotiate insurance contracts shall be deemed to be insurance agents and subject to the licensing requirements as set forth in section 60K.03 subdivision 1; provided, that no insurance agent's license shall be required of:

(1) any officer, employee, or secretary of a fraternal benefit society or of any subordinate lodge or branch who devotes substantially all of that person's time to activities other than the solicitation or negotiation of insurance contracts and who receives no commission or other compensation directly dependent upon the number or amount of contracts solicited or negotiated; or

(2) any agent or representative of a fraternal benefit society who devotes, or intends to devote, less than 50 percent of that person's time to the solicitation and procurement of insurance contracts for that society. Any person who in the preceding calendar year has solicited and procured life insurance in excess of \$50,000 face amount, or, in the case of any other kinds of insurance which the society may write, on the persons of more than 25 individuals, and who has received or will receive a commission or other compensation in the total amount of \$1,000 or more, shall be presumed to be devoting, or intending to devote, 50 percent of that person's time to the solicitation or procurement of insurance contracts for that society.

Sec. 8. [60K.06] [RENEWAL FEE.]

(a) Each agent licensed pursuant to section 60K.03 shall annually pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (10).

(b) Every agent, corporation, and partnership license expires on October 31 of the year for which period a license is issued.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

(d) The commissioner may issue licenses for agents, corporations, or partnerships for a three-year period. If three-year licenses are issued, the fee is three times the annual license fee.

Sec. 9. [60K.07] [TEMPORARY LICENSES.]

Subdivision 1. [EXAMINATION.] The commissioner may grant a temporary insurance agent's license to a person who has successfully completed the examination, if any, required by the commissioner. The temporary license may be granted as of the date upon which the applicant receives written notice from the commissioner that the person has passed any required examination. A temporary license will permit the applicant to act as an insurance agent for the original appointing insurer for the class of business specified therein until the earlier of (1) receipt by the applicant of the resident license, or (2) the expiration of 90 days from the date on which the temporary license was granted.

Subd. 2. [PERMISSIVE TEMPORARY LICENSE.] The commissioner may issue a temporary license to a person to act as an insurance agent for a period not to exceed 90 days, which may be extended as determined by the commissioner, without requiring an examination if the commissioner considers a temporary license necessary for the servicing of an insurance business in the following cases:

(1) to an agent licensed as a resident agent in another state where the commissioner determines that the foreign license is substantially the equivalent of that being applied for from the state of Minnesota and where the agent has been transferred into this state with the intention of becoming a resident, working as an insurance agent, and obtaining a resident license from the state of Minnesota;

(2) to the surviving spouse or next of kin, or to the administrator or executor, or to an employee of a deceased licensed insurance agent, or to the spouse, next of kin, an employee, or legal guardian of a disabled licensed insurance agent;

(3) to the designee of a licensed insurance agent entering upon active service in the armed forces of the United States; or

(4) in any other circumstance where the commissioner considers that the public interest will best be served by the issuance of a temporary license.

Sec. 10. [60K.08] [BROKERAGE BUSINESS.]

Every insurance agent duly licensed to transact business in this state shall have the right to procure the insurance of risks, or parts of risks, in the class or classes of insurance for which the agent is licensed in other insurers duly authorized to transact business in this state, but the insurance shall only be consummated through a duly appointed resident agent of the insurer taking the risk. If the law of another state requires a nonresident agent who is a resident agent of Minnesota to pay a portion of the premium to or share commissions with a licensed resident agent of that state, then the licensed resident agent of Minnesota when consummating and countersigning for a licensed nonresident agent of that state shall receive five percent of the total premium or 25 percent of the commission, whichever is less.

Sec. 11. [60K.09] [UNFIT PERSON NOT TO BE EMPLOYED BY INSURER.]

No insurer, its officers, agents, or managers shall knowingly make application to the commissioner for appointment of a person as its agent where that person is known to the insurer, its officers, agents, or managers making the application, to be unfit or disqualified to be licensed as an insurance agent, and immediately upon the discovery by the insurer, its officers, agents, or managers having supervision of the agent, of the unfitness or disqualification, the insurer, or the officers agents, or managers shall forthwith inform the commissioner in writing of their decision to terminate their appointment of this agent; nor shall any insurer retain in its employ any agent known by it to be disqualified or unfit to be licensed as an insurance agent.

Sec. 12. [60K.10] [TERM OF APPOINTMENTS.]

All appointments of agents by insurers pursuant to this section shall remain in force until terminated voluntarily by the appointing insurer or the license of the agent has for any reason been terminated during the appointment. The original appointing insurer, as well as any subsequent appointing insurer, may terminate the appointment of an agent at any time by giving written notice thereof to the commissioner and by sending a copy thereof to the last known address of the agent. The effective date of the termination shall be the date of receipt of the notice by the commissioner unless another date is specified by the insurer in the notice. Within 30 days after the

insurer gives notice of termination to the commissioner, the insurer shall furnish the agent with a current statement of the agent's commission account.

Accompanying the notice of a termination given to the commissioner by the insurer shall be a statement of the specific reasons constituting the cause of termination. Any document, record, or statement relating to the agent which is disclosed or furnished to the commissioner contemporaneously with, or subsequent to, the notice of termination shall be deemed confidential by the commissioner and a privileged communication. The document, record, or statement furnished to the commissioner shall not be admissible in whole or in part for any purpose in any action or proceeding against (1) the insurer or any of its officers, employees, or representatives submitting or providing the document, record, or statement, or (2) any person, firm, or corporation furnishing in good faith to the insurer the information upon which the reasons for termination are based.

Sec. 13. [60K.11] [DENIAL, REVOCATION, SUSPENSION, AND CENSURE OF LICENSES.]

Subdivision 1. [GROUNDS.] The commissioner may by order take any or all of the following actions:

- (1) deny, suspend, or revoke an insurance agent or agency license;
- (2) censure the licensee; or
- (3) impose a civil penalty as provided for in section 45.027, subdivision 6.

In order to take this action the commissioner must find that the order is in the public interest and that the applicant, licensee, or in the case of an insurance agency, partner, director, shareholder, officer, or agent of that insurance agency:

- (i) does not intend to or is not in good faith carrying on the business of an insurance agent;
- (ii) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, contains any misrepresentation, or is false, misleading, or fraudulent;
- (iii) has engaged in an act or practice, whether or not such act or practice involves the business of insurance, which demonstrates that the applicant or licensee is untrustworthy, financially irresponsible, or otherwise incompetent or unqualified to act as an insurance agent or agency;

(iv) has pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, including, but not limited to, assault or similar conduct;

(v) has violated or failed to comply with any of the provisions of the insurance laws including chapter 45 or chapters 60A to 72A or any rule or order under those chapters;

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

(vii) has violated or failed to comply with any order of the insurance regulator of any other state or jurisdiction;

(viii) has had an insurance agent or agency license denied, suspended, or revoked, has been censured or reprimanded, has been the subject of any other discipline imposed by, or has paid or has been required to pay a monetary penalty or fine to, another state or jurisdiction;

(ix) has misrepresented the terms of any actual or proposed insurance contract;

(x) has engaged in any fraudulent, coercive, deceptive, or dishonest act or practice whether or not such act or practice involves the business of insurance;

(xi) has improperly withheld, misappropriated, or converted to the licensee's or applicant's own use any money belonging to a policyholder, insurer, beneficiary, or other person; or

(xii) has forged another's name to any document whether or not the document relates to an application for insurance or a policy of insurance.

Subd. 2. [LICENSEES.] If the commissioner determines that one of the conditions listed in subdivision 1 exists, the commissioner may issue an order requiring a licensee to show cause why any or all of the following should not occur: (1) the license revocation or suspension; (2) censuring of the licensee; or (3) the imposition of a civil penalty. The order shall be calculated to give reasonable notice of the time and place for hearing on the matter, and shall state the reasons for the entry of the order. The commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension. All hearings shall be conducted in accordance with the provisions of

chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the licensee fails to appear at a hearing after having been duly notified of it, the licensee shall be considered in default, and the proceeding may be determined against the licensee upon consideration of the order to show cause, the allegations of which may be considered to be true.

Subd. 3. [APPLICANTS.] Whenever it appears to the commissioner that a license application should be denied pursuant to subdivision 1, the commissioner shall promptly give a written notice to the applicant of the denial. The notice must state the grounds for the denial and give reasonable notice of the rights of the applicant to request a hearing. A hearing must be held not later than 30 days after the request for the hearing is received by the commissioner unless the applicant and the department of commerce agree that the hearing may be held at a later date. If no hearing is requested within 30 days of service of the notice, the denial will become final. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making such disposition as the facts require. If the applicant fails to appear at a hearing after having been duly notified of it, the person shall be considered in default, and the proceeding may be determined against the applicant upon consideration of the notice denying application, the allegations of which may be considered to be true. All fees accompanying the application and appointment are considered earned and are not refundable.

Subd. 4. [ACTIONS AGAINST LAPSED LICENSE.] If a license lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the license was last effective and enter a revocation or suspension order as of the last date on which the license was in effect, or impose a civil penalty as provided for in section 45.027, subdivision 6.

Subd. 5. [NOTIFICATION OF ACTION TAKEN BY OTHER STATE.] An insurance agent shall notify the commissioner within 30 days of any fine imposed on that agent by another state or of a suspension or revocation of license by the commissioner of commerce of this state or the commissioner of insurance of any other state.

Subd. 6. [CONDITIONS FOR RELICENSURE.] A revocation of a license shall prohibit the licensee from making a new application for a license for at least two years from the effective date of the revocation. Further, the commissioner shall, as a condition of reapplication, require the applicant to obtain a performance bond issued by an insurer authorized to transact business in this state in the amount of \$20,000 or a greater amount the commissioner considers appropriate for the protection of citizens of this state in the event the commissioner grants the application. The bond shall be filed with the commissioner, with the state of Minnesota as obligee, condi-

tioned for the prompt payment to any aggrieved person entitled to payment of any amounts received by the licensee or to protect any aggrieved person from loss resulting from fraudulent, deceptive, dishonest, or other prohibited practices arising out of any transaction when the licensee was licensed or performed acts for which a license is required under this chapter. The bond shall remain operative for as long as that licensee is licensed. The bond required by this subdivision must provide coverage for all matters arising during the period of licensure.

Sec. 14. [60K.12] [TAX CLEARANCE CERTIFICATE.]

Subdivision 1. [REQUIREMENT FOR ISSUANCE OR RENEWAL OF LICENSE.] In addition to the provisions of section 60K.11, the commissioner may not issue or renew a license if the commissioner of revenue notifies the commissioner and the licensee or applicant for a license that the licensee or applicant owes the state delinquent taxes in the amount of \$500 or more. The commissioner may issue or renew the license only if: (1) the commissioner of revenue issues a tax clearance certificate; and (2) the commissioner of revenue or the licensee or applicant forwards a copy of the clearance certificate to the commissioner. The commissioner of revenue may issue a clearance certificate only if the licensee or applicant does not owe the state any uncontested delinquent taxes.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:

(1) "taxes" are all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes; and

(2) "delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the licensee or applicant has entered into a payment agreement to pay the liability and is current with the payments.

Subd. 3. [CONTESTED CASE HEARING.] In lieu of the notice and hearing requirements of section 60K.11, when a licensee or applicant is required to obtain a clearance certificate under this section, a contested case hearing must be held if the licensee or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice provided in subdivision 1. The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the licensee or applicant. The notice may be served personally or by mail.

Subd. 4. [IDENTIFICATION REQUIRED.] The commissioner shall require all licensees or applicants to provide their social security number and Minnesota business identification number on all license applications. Upon request of the commissioner of revenue, the commissioner must provide to the commissioner of revenue a list of all licensees and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the licensees and applicants no more than once each calendar year.

Sec. 15. [60K.13] [SURRENDER, LOSS, OR DESTRUCTION OF LICENSE.]

Subdivision 1. [NOTIFICATION.] The commissioner shall promptly notify the licensee and all appointing insurers, where applicable, of any suspension, revocation, or termination of the licensee's agent's license by the commissioner. Upon receipt of the notice of suspension or revocation of a license, the licensee shall immediately deliver it to the commissioner.

Subd. 2. [RETURN OF LICENSE.] An agent whose resident or nonresident license is terminated, as provided in section 60K.11, shall deliver the terminated license to the commissioner by personal delivery or by mail within 30 days after the date of termination.

Subd. 3. [DUPLICATE LICENSE.] The commissioner may issue a duplicate license for any lost, stolen, or destroyed license issued pursuant to this section upon an affidavit of the licensee concerning the facts of the loss, theft, or destruction, and the payment of a fee of \$3 by money order or cashier's check payable to the state treasurer.

Sec. 16. [60K.14] [PROHIBITED ACTS.]

Subdivision 1. [PERSONAL SOLICITATION OF INSURANCE SALES.] (a) [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them:

(1) "agent" means a person, copartnership, or corporation required to be licensed pursuant to section 60K.02; and

(2) "personal solicitation" means any contact by an agent, or any person acting on behalf of an agent, made for the purpose of selling or attempting to sell insurance, when either the agent or a person acting for the agent contacts the buyer by telephone or in person, except: (i) an attempted sale in which the buyer personally knows the identity of the agent, the name of the general agency, if any, which the agent represents, and the fact that the agent is an insurance agent; (ii) an attempted sale in which the prospective purchaser of insurance initiated the contact; or (iii) a personal contact which takes place at the agent's place of business.

(b) [DISCLOSURE REQUIREMENT.] Before a personal solicitation, the agent or person acting for an agent shall, at the time of initial personal contact or communication with the potential buyer, clearly and expressly disclose:

- (1) the name of the person making the contact or communication;
- (2) the name of the agent, general agency, or insurer that person represents; and
- (3) the fact that the agent, agency, or insurer is in the business of selling insurance.

(c) [FALSE REPRESENTATION OF GOVERNMENT AFFILIATION.] No agent or person acting for an agent shall make any communication to a potential buyer that indicates or gives the impression that the agent is acting on behalf of a government agency.

Subd. 2. [FEES FOR SERVICES.] No person shall charge a fee for any services rendered in connection with the solicitation, negotiation, or servicing of any insurance contract unless:

(1) before rendering the services, a written statement is provided disclosing:

- (i) the services for which fees are charged;
- (ii) the amount of the fees;
- (iii) that the fees are charged in addition to premiums; and
- (iv) that premiums include a commission; and

(2) all fees charged are reasonable in relation to the services rendered.

Subd. 3. [COMMISSIONS OR COMPENSATION.] No commission or other compensation shall be paid or allowed by any person, firm, or corporation to any other person, firm, or corporation acting, or assuming to act, as an insurance agent without a license therefor. A duly licensed agent may pay commissions or assign or direct that commissions be paid to a partnership of which the agent is a member, employee, or agent, or to a corporation of which the agent is an officer, employee, or agent. This subdivision does not prevent the payment or receipt of renewal or other deferred commissions to or by any person solely because the person has ceased to hold a license to act as an insurance agent.

Subd. 4. [SUITABILITY OF INSURANCE.] In recommending the purchase of any life, endowment, long-term care, annuity, life-endowment, or Medicare supplement insurance to a customer, an agent must have reasonable grounds for believing that the recommendation is suitable for the customer and must make reasonable inquiries to determine suitability. The suitability of a recommended purchase of insurance will be determined by reference to the totality of the particular customer's circumstances, including, but not limited to, the customer's income, the customer's need for insurance, and the values, benefits, and costs of the customer's existing insurance program, if any, when compared to the values, benefits, and costs of the recommended policy or policies.

Subd. 5. [PREMIUMS.] All premiums or other money received by an agent from an insured or applicant for insurance must be forthwith deposited directly in a business checking, savings, or other similar account maintained by the agent or agency, unless the money is forwarded directly to the designated insurer.

Subd. 6. [PRIVACY OF CLIENT.] Except as otherwise provided by law, no insurance agent may disclose nor cause to be disclosed to any other person the identity of a person insured through the agent without the consent of the insured.

Sec. 17. [60K.15] [INSURER'S AGENT.]

Any person who solicits insurance is the agent of the insurer and not the agent of the insured.

Sec. 18. [60K.16] [LIABILITY FOR PLACING INSURANCE IN UNAUTHORIZED COMPANY.]

Any person, regardless of whether that person is required to be licensed as an insurance agent, who participates in any manner in the sale of any insurance policy or certificate, or any other contract providing benefits, for or on behalf of any company which is required to be, but which is not authorized to engage in the business of insurance in this state, other than pursuant to sections 60A.195 to 60A.209, shall be personally liable for all premiums, whether earned or unearned, paid by the insured, and the premiums may be recovered by the insured. In addition, that person shall be personally liable for any loss the insured has sustained or may sustain if the loss is one resulting from a risk or hazard covered in the issued policy, certificate, or contract or which would have been covered if the policy, certificate, or contract had been issued to the purchaser of the insurance.

Sec. 19. [60K.17] [AGENTS; VARIABLE CONTRACTS.]

Subdivision 1. [LICENSE REQUIRED.] No person shall sell or

offer for sale a contract on a variable basis unless prior to making any solicitation or sale the person has obtained from the commissioner a license therefor. The license shall only be granted, upon the written requisition of an insurer, to a qualified person who holds a current license authorizing the person to solicit and sell life insurance and annuity contracts in this state. To become qualified, a person shall complete a written application on a form prescribed by the commissioner and shall take and pass an examination prescribed by the commissioner.

Subd. 2. [EXCEPTIONS.] (a) Any regularly salaried officer or employee of a licensed insurer may, without license or other qualification, act on behalf of that licensed insurer in the negotiation of a contract on a variable basis, provided that a licensed agent must participate in the sale of any contract.

(b) Any person who holds a valid license to solicit and sell life insurance and annuity contracts may solicit and sell contracts on a variable basis without acquiring a license under this subdivision if the contract is based on an account which is excluded from the definition of investment company under the Investment Company Act of 1940, United States Code, title 15, section 80a-3(11).

Subd. 3. [RULES.] The commissioner may by rule waive or modify any of the requirements in this section or prescribe additional requirements considered necessary for the proper sale and solicitation of contracts on a variable basis.

Sec. 20. [60K.18] [ALTERING EXISTING POLICIES; WRITTEN BINDERS REQUIRED.]

An insurance agent having express authority to bind coverage, who orally agrees on behalf of an insurer to provide insurance coverage, or to alter an existing insurance agreement, shall execute and deliver a written memorandum or binder containing the terms of the oral agreement to the insured within three business days from the time the oral agreement is entered.

Sec. 21. Minnesota Statutes 1990, section 62A.41, subdivision 4, is amended to read:

Subd. 4. [UNLICENSED SALES.] Notwithstanding section 60A.17 60K.02, subdivision 1, paragraph (d), a person who acts or assumes to act as an insurance agent without a valid license for the purpose of selling or attempting to sell Medicare supplement insurance, and the person who aids or abets the actor, is guilty of a felony and is subject to a civil penalty of not more than \$5,000 per violation.

Sec. 22. Minnesota Statutes 1990, section 62C.17, subdivision 5, is amended to read:

Subd. 5. A person shall not be qualified for a license if upon examination or reexamination it is determined that the person is incompetent to act as an agent or solicitor, if the person has acted in any manner which would disqualify a person to hold a license as an insurance agent or solicitor under ~~section 60A.17, subdivision 6~~ sections 60K.01 to 60K.18, or if the person fails to produce documents subpoenaed by the commissioner, or fails to appear at a hearing to which the person is a party or has been subpoenaed, if the production of documents or appearance is lawfully required.

Sec. 23. Minnesota Statutes 1990, section 62D.22, subdivision 8, is amended to read:

Subd. 8. All agents, solicitors, and brokers engaged in soliciting or dealing with enrollees or prospective enrollees of a health maintenance organization, whether employees or under contract to the health maintenance organization, shall be subject to the provisions of ~~section 60A.17~~ sections 60K.01 to 60K.18, concerning the licensure of health insurance agents, solicitors, and brokers, and lawful rules thereunder. Medical doctors and others who merely explain the operation of health maintenance organizations shall be exempt from the provisions of ~~section 60A.17~~ sections 60K.01 to 60K.18. ~~Section 60A.17 60K.03, subdivision 4a 2, paragraph (b)~~ shall not apply except as to provide for an examination of an applicant in the applicant's knowledge concerning the operations and benefits of health maintenance organizations and related insurance matters.

Sec. 24. Minnesota Statutes 1990, section 64B.33, is amended to read:

64B.33 [LICENSING OF AGENTS.]

Agents of societies shall be licensed in accordance with the provisions of ~~chapter~~ chapters 60A and 60K regulating the licensing, revocation, suspension, or termination of license of resident and nonresident agents, except as otherwise provided in ~~section 60A.17, subdivision 4e~~ 60K.05.

Sec. 25. Minnesota Statutes 1990, section 72A.07, is amended to read:

72A.07 [VIOLATIONS OF LAWS RELATING TO AGENTS, PENALTIES.]

Any person, firm, or corporation violating, or failing to comply with, any of the provisions of ~~section 60A.17~~ sections 60K.01 to 60K.18 and any person who acts in any manner in the negotiation or

transaction of unlawful insurance with an insurance company not licensed to do business in the state, or who, as principal or agent, violates any provision of law relating to the negotiation or effecting of contracts of insurance, shall be guilty of a misdemeanor. Upon the filing of a complaint by the commissioner of commerce in a court of competent jurisdiction against any person violating any provisions of this section, the county attorney of the county in which the violation occurred shall prosecute the person. Upon the conviction of any agent of any violation of the provisions of ~~section 60A.17~~ sections 60K.01 to 60K.18, the commissioner shall suspend the authority of the agent to transact any insurance business within the state for a period of not less than three months. Any insurer employing an agent and failing to procure an appointment, as required by ~~section 60A.17~~ sections 60K.01 to 60K.18, or allowing the agent to transact business for it within the state before an appointment has been procured, shall pay the commissioner, for the use of the state, a penalty of \$25 for each offense. Each sale of an insurance policy by an agent who is not appointed by an insurance company shall constitute a separate offense, but no insurer shall be required to pay more than \$300 in penalties as a result of the activities of a single unappointed agent. In the event of failure to pay a penalty within ten days after notice from the commissioner, the authority of the insurer to do business in this state shall be revoked by the commissioner until the penalty is paid. No insurer whose authority is revoked shall be readmitted until it shall have complied with all the terms and conditions imposed for admission in the first instance. Any action taken by the commissioner under this section shall be subject to review by the district court of the county in which the office of the commissioner is located.

Sec. 26. Minnesota Statutes 1990, section 72A.125, subdivision 2, is amended to read:

Subd. 2. [SALE BY AUTO RENTAL COMPANIES.] An auto rental company that offers or sells rental vehicle personal accident insurance in this state in conjunction with the rental of a vehicle shall only sell these products if the forms and rates have met the relevant requirements of section 62A.02, taking into account the possible infrequency and severity of loss that may be incurred. ~~Sections 60A.17 and 60A.1701 and 60K.01 to 60K.18~~ do not apply if the persons engaged in the sale of these products are employees of the auto rental company who do not receive commissions or other remuneration for selling the product in addition to their regular compensation. Compensation may not be determined in any part by the sale of insurance products. The auto rental company before engaging in the sale of the product must file with the commissioner the following documents:

(1) an appointment of the commissioner as agent for service of process;

(2) an agreement that the auto rental company assumes all responsibility for the authorized actions of all unlicensed employees who sell the insurance product on its behalf in conjunction with the rental of its vehicles;

(3) an agreement that the auto rental company with respect to itself and its employees will be subject to this chapter regarding the marketing of the insurance products and the conduct of those persons involved in the sale of insurance products in the same manner as if it were a licensed agent.

An auto rental company failing to file the documents in clauses (1) to (3) is guilty of an individual violation as to the unlicensed sale of insurance for each sale that occurs after August 1, 1987, until they make the required filings. Each individual sale after August 1, 1987, and prior to the filing required by this section is subject to, in addition to any other penalties allowable by law, up to a \$200 per violation fine. Further, the sale of the insurance product by an auto rental company or any employee or agent of the company after August 1, 1987, without having complied with this section shall be deemed to be in acceptance of the provisions of this section.

Insurance sold pursuant to this subdivision must be limited in availability to rental vehicle customers though coverage may extend to the customer, other drivers, and passengers using or riding in the rented vehicles; and limited in duration to a period equal to and concurrent with that of the vehicle rental.

Persons purchasing rental vehicle personal accident insurance may be provided a certificate summarizing the policy provisions in lieu of a copy of the policy if a copy of the policy is available for inspection at the place of sale and a free copy of the policy may be obtained from the auto rental company's home office.

The commissioner may, after a hearing, revoke an auto rental company's right to operate under this section if the company has repeatedly violated the insurance laws of this state and the revocation is in the public interest.

Sec. 27. Minnesota Statutes 1990, section 72A.201, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(1) Adjuster or adjusters. "Adjuster" or "adjusters" is as defined in section 72B.02.

(2) Agent. "Agent" means insurance agents or insurance agencies

licensed pursuant to ~~section 60A.17~~ sections 60K.01 to 60K.18, and representatives of these agents or agencies.

(3) Claim. "Claim" means a request or demand made with an insurer for the payment of funds or the provision of services under the terms of any policy, certificate, contract of insurance, binder, or other contracts of temporary insurance. The term does not include a claim under a health insurance policy made by a participating provider with an insurer in accordance with the participating provider's service agreement with the insurer which has been filed with the commissioner of commerce prior to its use.

(4) Claim settlement. "Claim settlement" means all activities of an insurer related directly or indirectly to the determination of the extent of liabilities due or potentially due under coverages afforded by the policy, and which result in claim payment, claim acceptance, compromise, or other disposition.

(5) Claimant. "Claimant" means any individual, corporation, association, partnership, or other legal entity asserting a claim against any individual, corporation, association, partnership, or other legal entity which is insured under an insurance policy or insurance contract of an insurer.

(6) Complaint. "Complaint" means a communication primarily expressing a grievance.

(7) Insurance policy. "Insurance policy" means any evidence of coverage issued by an insurer including all policies, contracts, certificates, riders, binders, and endorsements which provide or describe coverage. The term includes any contract issuing coverage under a self-insurance plan, group self-insurance plan, or joint self-insurance employee health plans.

(8) Insured. "Insured" means an individual, corporation, association, partnership, or other legal entity asserting a right to payment under their insurance policy or insurance contract arising out of the occurrence of the contingency or loss covered by the policy or contract. The term does not apply to a person who acquires rights under a mortgage.

(9) Insurer. "Insurer" includes any individual, corporation, association, partnership, reciprocal exchange, Lloyds, fraternal benefits society, self-insurer, surplus line insurer, self-insurance administrator, and nonprofit service plans under the jurisdiction of the department of commerce.

(10) Investigation. "Investigation" means a reasonable procedure adopted by an insurer to determine whether to accept or reject a claim.

(11) Notification of claim. "Notification of claim" means any communication to an insurer by a claimant or an insured which reasonably apprises the insurer of a claim brought under an insurance contract or policy issued by the insurer. Notification of claim to an agent of the insurer is notice to the insurer.

(12) Proof of loss. "Proof of loss" means the necessary documentation required from the insured to establish entitlement to payment under a policy.

(13) Self-insurance administrator. "Self-insurance administrator" means any vendor of risk management services or entities administering self-insurance plans, licensed pursuant to section 60A.23, subdivision 8.

(14) Self-insured or self-insurer. "Self-insured" or "self-insurer" means any entity authorized pursuant to section 65B.48, subdivision 3; chapter 62H; section 176.181, subdivision 2; Laws of Minnesota 1983, chapter 290, section 171; section 471.617; or section 471.981 and includes any entity which, for a fee, employs the services of vendors of risk management services in the administration of a self-insurance plan as defined by section 60A.23, subdivision 8, clause (2), subclauses (a) and (d).

Sec. 28. Minnesota Statutes 1990, section 270B.07, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE TO LICENSING AUTHORITIES.] The commissioner may disclose return information with respect to returns filed under Minnesota tax laws to licensing authorities of the state or political subdivisions of the state to the extent necessary to enforce the license clearance programs under sections 60A.17 60K.12, 82.27, 147.091, 148.10, 150A.08, and 270.72.

Sec. 29. [REVISOR INSTRUCTION.]

(a) The revisor shall recodify Minnesota Statutes, section 60A.1701, as Minnesota Statutes, section 60K.19, and shall make the necessary cross-reference changes in Minnesota Statutes and Minnesota Rules.

(b) If a provision of Minnesota Statutes, chapter 60A, repealed by this article is also amended in the 1992 regular legislative session by other law, the revisor shall recodify the amendment to be part of the recodification, notwithstanding Minnesota Statutes, section 645.30.

Sec. 30. [REPEALER.]

Minnesota Statutes 1990, sections 60A.05; 60A.051; 60A.17, sub-

divisions 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; and Minnesota Statutes 1991 Supplement, section 60A.17, subdivision 1d, are repealed.

Sec. 31. [EFFECTIVE DATE.]

Section 8 is effective for the licensing year beginning June 1, 1992.

ARTICLE 4 MISCELLANEOUS

Section 1. [45.0291]

Bonds issued under chapters 45 to 83, 309, 332, and sections 326.83 to 326.98, are not state bonds or contracts for purposes of sections 8.05 and 16B.06, subdivision 2.

Sec. 2. Minnesota Statutes 1990, section 46.03, is amended to read:

46.03 [SEAL OF DEPARTMENT OF COMMERCE.]

The commissioner of commerce, in chapters 46 to 59, called the commissioner, shall devise a seal for official use, which shall continue to be the seal of the department of commerce. The seal must be capable of being legibly reproduced under photographic methods. A description of the seal; with an impression thereof, and a copy of it, shall be filed in the office of the secretary of state.

Sec. 3. [60A.085] [CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO COVERED PERSONS.]

(a) No cancellation of any group life, group accidental death and dismemberment, group disability income, or group medical expense policy, plan, or contract is effective unless the insurer has made a good faith effort to notify all covered persons of the cancellation at least 30 days before the effective cancellation date. For purposes of this section, an insurer has made a good faith effort to notify all covered persons if the insurer has notified all the persons included on the list required by paragraph (b) at the home address given and only if the list has been updated within the last 12 months.

(b) At the time of the application for coverage subject to paragraph (a), the insurer shall obtain an accurate list of the names and home addresses of all persons to be covered. The insurer shall obtain an update of the list at least once during each subsequent 12-month period while the policy, plan, or contract is in force.

Sec. 4. Minnesota Statutes 1990, section 60A.23, subdivision 8, is amended to read:

Subd. 8. [SELF-INSURANCE OR INSURANCE PLAN ADMINISTRATORS WHO ARE VENDORS OF RISK MANAGEMENT SERVICES.] (1) [SCOPE.] This subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self-insurance or insurance plan. This subdivision does not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self-insurance plan for its employees' benefits; or (e) to an entity which administers a program of health benefits established pursuant to a collective bargaining agreement between an employer, or group or association of employers, and a union or unions.

(2) [DEFINITIONS.] For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self-insurance or insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self-insurance or insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self-insurance or insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance, as an employee fringe benefit, or a plan providing liability coverage for any other risk or hazard, which is or is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self-insurance or insurance plan for an employer.

(3) [LICENSE.] No vendor of risk management services or entity administering a self-insurance or insurance plan may transact this business in this state unless it is licensed to do so by the commis-

sioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license may be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee is \$100. All licenses are for a period of two years.

(4) [REGULATORY RESTRICTIONS; POWERS OF THE COMMISSIONER.] To assure that self-insurance or insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering insurance or self-insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering insurance or self-insurance plans, and insurance or self-insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30. In lieu of an unlimited guarantee from a parent corporation for a vendor of risk management services or an entity administering insurance or self-insurance plans, the commissioner may accept a fidelity bond in a form satisfactory to the commissioner in an amount equal to 120 percent of the total amount of claims handled by the applicant in the prior year. If at any time the total amount of claims handled during a year exceeds the amount upon which the bond was calculated, the administrator shall immediately notify the commissioner. The commissioner may require that the bond be increased accordingly.

(5) [RULEMAKING AUTHORITY.] To carry out the purposes of this subdivision, the commissioner may adopt rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

- (a) establish reporting requirements for administrators of insurance or self-insurance plans;
- (b) establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of insurance or self-insurance plans;
- (c) establish bonding requirements or other provisions assuring the financial integrity of entities administering insurance or self-insurance plans; or
- (d) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 5. Minnesota Statutes 1990, section 62A.146, is amended to read:

62A.146 [CONTINUATION OF BENEFITS TO SURVIVORS.]

No policy, contract, or plan of accident and health protection issued by an insurer, nonprofit health service plan corporation, or health maintenance organization, providing coverage of hospital or medical expense on either an expense incurred basis or other than an expense incurred basis which in addition to coverage of the insured, subscriber, or enrollee, also provides coverage to dependents, shall, except upon the written consent of the survivor or survivors of the deceased insured, subscriber, or enrollee, terminate, suspend, or otherwise restrict the participation in or the receipt of benefits otherwise payable under the policy, contract, or plan to the survivor or survivors until the earlier of the following dates:

(a) the date the surviving spouse becomes covered under another group health plan; or

(b) the date coverage would have terminated under the policy, contract, or plan had the insured, subscriber, or enrollee lived.

The survivor or survivors, in order to have the coverage and benefits extended, may be required to pay the entire cost of the protection on a monthly basis. The policy, contract, or plan must require the group policyholder or contract holder to, upon request, provide the insured, subscriber, or enrollee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. In no event shall the amount of premium or fee contributions charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children who are not the survivors of a deceased insured, without regard to whether such cost is paid by the employer or employee. Failure of the survivor to make premium or fee payments within 90 days after notice of the requirement to pay the premiums or fees shall be a basis for the termination of the coverage without written consent. In event of termination by reason of the survivor's failure to make required premium or fee contributions, written notice of cancellation must be mailed to the survivor's last known address at least 30 days before the cancellation. If the coverage is provided under a group policy, contract, or plan, any required premium or fee contributions for the coverage shall be paid by the survivor to the group policyholder or contract holder for remittance to the insurer, nonprofit health service plan corporation, or health maintenance organization.

Sec. 6. Minnesota Statutes 1990, section 62A.17, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY OF EMPLOYEE.] Every covered employee electing to continue coverage shall pay the former employer, on a monthly basis, the cost of the continued coverage. The policy, contract, or plan must require the group policyholder or contract holder to, upon request, provide the employee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. If the policy, contract, or health care plan is administered by a trust, every covered employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for similarly situated employees with respect to whom neither termination nor layoff has occurred, without regard to whether such cost is paid by the employer or employee. The employee shall be eligible to continue the coverage until the employee becomes covered under another group health plan, or for a period of 18 months after the termination of or lay off from employment, whichever is shorter. If the employee becomes covered under another group policy, contract, or health plan and the new group policy, contract, or health plan contains any preexisting condition limitations, the employee may, subject to the 18-month maximum continuation limit, continue coverage with the former employer until the preexisting condition limitations have been satisfied. The new policy, contract, or health plan is primary except as to the preexisting condition. In the case of a newborn child who is a dependent of the employee, the new policy, contract, or health plan is primary upon the date of birth of the child, regardless of which policy, contract, or health plan coverage is deemed primary for the mother of the child.

Sec. 7. Minnesota Statutes 1990, section 62A.21, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every policy described in subdivision 1 shall contain a provision which permits continuation of coverage under the policy for the insured's former spouse and dependent children upon entry of a valid decree of dissolution of marriage. The coverage shall be continued until the earlier of the following dates:

(a) the date the insured's former spouse becomes covered under any other group health plan; or

(b) the date coverage would otherwise terminate under the policy.

If the coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the insured on a monthly basis to the group policyholder for remittance to the insurer. The policy must require the group policyholder to, upon request, provide the insured with written verification from the

insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children with respect to whom the marital relationship has not dissolved, without regard to whether such cost is paid by the employer or employee.

Sec. 8. [62A.285] [PROHIBITED UNDERWRITING; BREAST IMPLANTS.]

Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all policies of accident and health insurance regulated under this chapter, subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, health maintenance contracts regulated under chapter 62D, and health benefit certificates offered through a fraternal benefit society regulated under chapter 64B. This section does not apply to policies, plans, certificates, or contracts payable on a fixed indemnity or nonexpense incurred basis, or policies, plans, certificates, or contracts that provide only accident coverage.

Subd. 2. [REQUIRED COVERAGE.] No policy, plan, certificate, or contract referred to in subdivision 1 shall be issued or renewed to provide coverage to a Minnesota resident if it provides an exclusion, reduction, or other limitation as to coverage, deductible, coinsurance, or copayment applicable solely to conditions caused by breast implants.

Subd. 3. [REFUSAL TO ISSUE OR RENEW.] No issuer of a policy, plan, certificate, or contract referred to in subdivision 1 shall refuse to issue or renew at standard premium rates a policy, plan, certificate, or contract referred to in subdivision 1 solely because the prospective insured or enrollee has breast implants.

Subd. 4. [EXCLUSION PERMITTED.] A policy, plan, certificate, or contract referred to in subdivision 1 may limit or exclude coverage for conditions caused by breast implants, if the conditions were diagnosed prior to the date that coverage for the person begins.

Sec. 9. Minnesota Statutes 1990, section 62C.142, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every subscriber contract, other than a contract whose continuance is contingent upon continued employment or membership, shall contain a provision which permits continuation of coverage under the contract for the subscriber's former spouse and children upon entry of a valid decree of dissolution of marriage, if the decree requires the subscriber to provide continued coverage for those persons. The coverage may be continued until the earlier of the following dates:

(a) the date of remarriage of either the subscriber or the subscriber's former spouse; or

(b) the date coverage would otherwise terminate under the subscriber contract.

The contract must require the group contract holder to, upon request, provide the insured with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. In no event shall the amount of premium charged exceed 102 percent of the cost to the plan for such period of coverage for other similarly situated spouses and dependent children with respect to whom the marital relationship has not dissolved, without regard to whether such cost is paid by the employer or employee.

Sec. 10. Minnesota Statutes 1990, section 62D.101, subdivision 2a, is amended to read:

Subd. 2a. [CONTINUATION PRIVILEGE.] Every health maintenance contract as described in subdivision 1 shall contain a provision which permits continuation of coverage under the contract for the enrollee's former spouse and children upon entry of a valid decree of dissolution of marriage. The coverage shall be continued until the earlier of the following dates:

(a) the date the enrollee's former spouse becomes covered under another group plan or Medicare; or

(b) the date coverage would otherwise terminate under the health maintenance contract.

If coverage is provided under a group policy, any required premium contributions for the coverage shall be paid by the enrollee on a monthly basis to the group contract holder to be paid to the health maintenance organization. The contract must require the group contract holder to, upon request, provide the enrollee with written verification from the insurer of the cost of this coverage promptly at the time of eligibility for this coverage and at any time during the continuation period. In no event shall the fee charged exceed 102 percent of the cost to the plan for the period of coverage for other similarly situated spouses and dependent children when the marital relationship has not dissolved, regardless of whether the cost is paid by the employer or employee.

Sec. 11. Minnesota Statutes 1991 Supplement, section 62E.10, subdivision 9, is amended to read:

Subd. 9. [EXPERIMENTAL DELIVERY METHOD.] The association may petition the commissioner of commerce for a waiver to

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

This subdivision is effective until August 1, ~~1992~~ 1993.

Sec. 12. Minnesota Statutes 1991 Supplement, section 62E.12, is amended to read:

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

The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan, and a number two qualified plan, except that the maximum lifetime benefit on these plans shall be \$1,000,000, and basic and extended basic Medicare supplement plans. The requirement that a policy issued by the association must be a qualified plan is satisfied if the association contracts with a preferred provider network and the level of benefits for services provided within the network satisfies the requirements of a qualified plan. If the association uses a preferred provider network, payments to nonparticipating providers must meet the minimum requirements of section 72A.20, subdivision 15. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. Notwithstanding the provisions of section 62E.06 the state plan shall exclude coverage of services of a private duty nurse other than on an inpatient basis and any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner.

Sec. 13. Minnesota Statutes 1990, section 65A.29, subdivision 11, is amended to read:

Subd. 11. [NONRENEWAL PLAN.] Every insurer shall establish a plan that sets out the minimum number and amount of claims during an experience period that may result in a nonrenewal. A clear and concise written statement of this plan must be provided to the insured at the time claim forms and instructions are provided to the insured or a claimant under section 72A.201, subdivision 4 when any future losses may result in nonrenewal of the policy.

The plan must, at a minimum, comply with the requirements of subdivision 8 and the rules adopted by the commissioner.

Sec. 14. Minnesota Statutes 1990, section 72A.20, is amended by adding a subdivision to read:

Subd. 28. [CONVERSION FEES PROHIBITED.] An issuer providing health coverage through conversion policies, plans, or contracts shall not impose a fee or charge, other than the premium, for issuing these policies, plans, or contracts.

Sec. 15. Minnesota Statutes 1990, section 332.15, subdivision 4, is amended to read:

Subd. 4. [BOND.] Every applicant shall submit to the commissioner at the time of the application for a license, a surety bond ~~to be approved by the attorney general~~ in which the applicant shall be the obligor, in a sum to be determined by the commissioner but not less than \$5,000, and in which an insurance company, which is duly authorized by the state of Minnesota to transact the business of fidelity and surety insurance, shall be a surety; provided, however, the commissioner may accept a deposit in cash, or securities such as may legally be purchased by savings banks or for trust funds of an aggregate market value equal to the bond requirement, in lieu of the surety bond, such cash or securities to be deposited with the state treasurer. The commissioner may also require a fidelity bond in an appropriate amount covering employees of any applicant. Each branch office or additional place of business of an applicant shall be bonded as provided herein. In determining the bond amount necessary for the maintenance of any office be it surety, fidelity or both the commissioner shall consider the financial responsibility, experience, character and general fitness of the agency and its operators and owners; the volume of business handled or proposed to be handled; the location of the office and the geographical area served or proposed to be served; and such other information the commissioner may deem pertinent based upon past performance, previous examinations, annual reports and manner of business conducted in other states.

Sec. 16. Minnesota Statutes 1991 Supplement, section 332.55, is amended to read:

332.55 [BOND.]

A credit services organization must submit to the commissioner at the time of registration, a surety bond of \$10,000 ~~to be approved by the attorney general~~ and in which an insurance company, which is authorized by the state of Minnesota to transact the business of fidelity and surety insurance, is a surety. The credit services organization must be the obligor. The bond must benefit the state of Minnesota and any person who may have a cause of action against

the obligor arising out of the obligor's activities as a credit services organization. The commissioner may accept a deposit in cash, or securities that may be legally purchased by savings banks or for trust funds of an aggregate market value equal to the bond requirement, in lieu of the surety bond. The cash or securities must be deposited with the state treasurer.

Sec. 17. Minnesota Statutes 1991 Supplement, section 345.485, is amended to read:

345.485 [RECOVERY OF PROPERTY IN OTHER STATES BY OTHERS.]

The commissioner may request that the attorney general of another state or another person or entity in the other state make a demand or bring an action to recover unclaimed property in the name of the commissioner in the other state. The commissioner may request that another person or entity make a demand or bring an action to recover unclaimed property in this state in the name of the commissioner. This state shall pay all expenses including attorney fees incurred under this section. The commissioner may agree to pay fees to the person or entity making the demand or bringing the action based in whole or in part on a percentage of the value of any property recovered. Expenses paid under this section shall not reduce the amount to which the claimant is entitled.

Sec. 18. [MINIMUM LOSS RATIO STUDY.]

The commissioner of commerce shall study the effect of minimum loss ratios required under Minnesota Statutes, section 62A.135, and report to the legislature by January 31, 1993.

Sec. 19. [EFFECTIVE DATE.]

Section 8 is effective the day following final enactment.

ARTICLE 5

Section 1. Minnesota Statutes 1990, section 62B.07, is amended by adding a subdivision to read:

Subd. 8. [ANNUAL REPORT.] Each insurer that sold insurance regulated under this chapter in this state or to a Minnesota resident during the preceding calendar year shall file, as a supplement to its annual statement, a report covering that calendar year. The report must include the following data for coverage regulated by this chapter and sold in this state or to a Minnesota resident, all shown separately for each rate for each policy form or certificate form used for credit insurance regulated under chapter 62B:

(1) claims incurred;

(2) premiums earned;

(3) expenses other than claims;

(4) the data described in clauses (1), (2), and (3), shown separately for policies sold at each premium rate used by the insurer;

(5) a statement as to whether the insurer applies or has applied underwriting criteria to coverage sold under this chapter, a description of any such criteria and the specific policies or certificates to which the criteria are applied;

(6) information as to the compensation paid in regard to the sale of credit insurance regulated under chapter 62B as follows:

(i) the name and address of each person or company to whom compensation was paid;

(ii) the total compensation paid to each person or company; and

(iii) the total premiums written by each person or company for which the compensation in clause (2) was paid; and

(7) any other information requested by the commissioner.

For purposes of this section, "compensation" includes pecuniary or nonpecuniary remuneration of any kind relating to the sale or renewal of the policy or certificate, including but not limited to bonuses, gifts, prizes, awards, dividends, experience refunds, retrospective commissions, finder's fees, and increased or decreased prices for other transactions with the insurer.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for the annual report due after January 1, 1993."

Delete the title and insert:

"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; regulat-

ing 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; regulating annual reports on credit insurance; making various technical changes; amending Minnesota Statutes 1990, sections 45.012; 45.027, by adding subdivisions; 45.028, subdivision 1; 46.03; 48.185, subdivision 7; 59A.08, subdivisions 1 and 4; 59A.11, subdivision 4; 59A.12, subdivision 1; 60A.02, subdivision 7, and by adding a subdivision; 60A.03, subdivision 2; 60A.07, subdivisions 1 and 10; 60A.12, subdivision 4; 60A.1701, subdivisions 3 and 7; 60A.19, subdivision 4; 60A.201, subdivision 4; 60A.203; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.23, subdivision 8; 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.07, by adding a subdivision; 62C.142, subdivision 2a; 62C.17, subdivision 5; 62D.101, subdivision 2a; 62D.22, subdivision 8; 62E.02, subdivision 23; 62E.10, subdivision 1; 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; 65A.29, subdivision 11; 65B.133, subdivision 4; 71A.02, subdivision 3; 72A.07; 72A.125, subdivision 2; 72A.20, subdivisions 23, 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; 332.15, subdivision 4; and 543.08; Minnesota Statutes 1991 Supplement, sections 45.027, subdivisions 1, 2, 5, 6, and 7; 60A.13, subdivision 3a; 60D.15, subdivision 4; 60D.17, subdivision 4; 62E.10, subdivision 9; 62E.12; 72A.201, subdivision 8; 82B.15, subdivision 3; 332.55; and 345.485; Laws 1991, chapter 233, section 111; proposing coding for new law in Minnesota Statutes, chapters 45; 60A; 62A; 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.”

We request adoption of this report and repassage of the bill.

House Conferees: WESLEY J. “WES” SKOGLUND, TED WINTER AND JERRY KNICKERBOCKER.

Senate Conferees: SAM G. SOLON, ALLAN H. SPEAR AND WILLIAM V. BELANGER, JR.

Skoglund moved that the report of the Conference Committee on

H. F. No. 1681 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

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

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2884

A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; and 474A.091, subdivisions 2 and 3.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2884, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2884 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

BOND ALLOCATION

Section 1. Minnesota Statutes 1990, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$250,000,000~~ \$350,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 2. Minnesota Statutes 1991 Supplement, section 462A.073, subdivision 1, is amended to read:

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

(b) “Existing housing” means single-family housing that (i) has been previously occupied prior to the first day of the origination period; or (ii) has been available for occupancy for at least 12 months but has not been previously occupied.

(c) “Metropolitan area” means the metropolitan area as defined in section 473.121, subdivision 2.

(d) “New housing” means single-family housing that has not been previously occupied.

(e) “Origination period” means the period that loans financed with the proceeds of qualified mortgage revenue bonds are available for the purchase of single-family housing. The origination period begins when financing actually becomes available to the borrowers for loans.

(f) "Redevelopment area" means a compact and contiguous area within which the agency city finds by resolution that 70 percent of the parcels are occupied by buildings, streets, utilities, or other improvements and more than 25 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

(g) "Single-family housing" means dwelling units eligible to be financed from the proceeds of qualified mortgage revenue bonds under federal law.

(h) "Structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light, ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

Sec. 3. Minnesota Statutes 1991 Supplement, section 474A.03, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] Every entitlement issuer and other issuer shall pay to the commissioner a nonrefundable application fee to offset the state cost of program administration. The application fee is ~~\$100~~ \$20 for each ~~\$500,000~~ \$100,000 of entitlement or allocation requested, with the request rounded to the nearest ~~\$500,000~~ \$100,000. The minimum fee is ~~\$100~~ \$20. Fees received by the commissioner must be credited to the general fund.

Sec. 4. Minnesota Statutes 1991 Supplement, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. [ENTITLEMENT RESERVATIONS; CARRYFORWARD; DEDUCTION.] Except as provided in Laws 1987, chapter 268, article 16, section 41, subdivision 2, paragraph (a), any amount returned by an entitlement issuer before the last Monday in July shall be reallocated through the housing pool. Any amount returned on or after the last Monday in July shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota housing finance agency. ~~Beginning with entitlement allocations received in 1987 under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraphs (2) and (3), there shall be deducted from an entitlement issuer's allocation for the subsequent year an amount equal to the entitlement allocation under which bonds are not issued, returned on or before the last Monday in December, or carried forward under federal tax law. Except for the Minnesota housing finance agency, any amount of bonding authority that an entitlement issuer carries forward under federal tax law that is not permanently issued by the end of the succeeding calendar year shall be deducted from the entitlement allocation for that entitlement issuer for the next~~

succeeding calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be divided equally for allocation through the manufacturing pool and the housing pool.

Sec. 5. Minnesota Statutes 1991 Supplement, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] An issuer may only use the proceeds from residential rental bonds if the proposed project meets one of the following:

(a) The proposed project is a single room occupancy project and all the units of the project will be occupied by individuals whose incomes at the time of their initial residency in the project are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development; or

(b) The proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and ~~(1)~~ at least one-third of the 75 percent have three or more bedrooms; or ~~(2)~~

(c) The proposed project is a multifamily project that meets the following requirements:

(i) the proposed project is the rehabilitation of an existing multifamily building which meets the requirements for minimum rehabilitation expenditures in section 42(e)(2) of the Internal Revenue Code;

(ii) the developer of the proposed project includes a managing general partner which is a nonprofit organization under chapter 317A and meets the requirements for a qualified nonprofit organization in section 42(h)(5) of the Internal Revenue Code; and

(iii) the proposed project involves participation by a local unit of government in the financing of the acquisition or rehabilitation of the project. At least 75 percent of the units of the multifamily project must be occupied by individuals or families whose incomes at the time of their initial residency in the project are 60 percent or less of the greater of the: (1) statewide median income or (2) county or metropolitan statistical area median income, adjusted for household size as determined by the federal Department of Housing and Urban Development.

The maximum rent for a proposed single room occupancy unit under paragraph (a) is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of

Housing and Urban Development. The maximum rent for at least 75 percent of the units of a multifamily project under paragraph (b) is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with one person per bedroom.

Sec. 6. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in July, or in the amount of two percent of the requested allocation on or after the last Monday in July, and (5) a public purpose scoring worksheet for manufacturing project applications. The issuer must pay the application deposit by a check made payable to the department of finance. The Minnesota housing finance agency ~~and, the Minnesota rural finance authority, and the Minnesota higher education coordinating board~~ may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph does not apply to an application from the Minnesota housing finance agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Sec. 7. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an allocation under this section may retain any unused portion of

the allocation after the first Tuesday in August only if the issuer has submitted to the department before the first Tuesday in August a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained. Subdivision 4 applies to an allocation made under this section. The Minnesota housing finance agency and the Minnesota rural finance authority may retain an unused portion of an allocation after the first Tuesday in August without submitting an additional deposit.

Sec. 8. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Issuers ~~other than the Minnesota rural finance authority~~ may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for manufacturing applications. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in August. Notwithstanding the restrictions imposed on unified pool allocations after September 1 under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency may be awarded allocations for mortgage bonds from the unified pool after September 1. The Minnesota housing finance agency, the Minnesota higher education coordinating board, and the Minnesota rural finance authority may apply for and receive an allocation under this section without submitting an application deposit.

Sec. 9. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in

August through and on the last Monday in November. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) On or before September 1, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for small issue bonds;
- (2) applications for residential rental project bonds;
- (3) applications for public facility projects funded by public facility bonds;
- (4) applications for redevelopment bonds;
- (5) applications for mortgage bonds; and
- (6) applications for governmental bonds.

Allocations for residential rental projects may only be made during the first allocation in August. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first.

(c)(1) On the first Monday in August, \$5,000,000 of bonding authority is reserved within the unified pool for agricultural development bond loan projects of the Minnesota rural finance authority and \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in September, \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority

allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for ~~both small issue bonds manufacturing projects and public facility bonds agricultural development bond loan projects~~, ~~seven-eighths~~ of the remaining available bonding authority is ~~reserved for small issue bonds and one-eighth of the remaining available bonding authority is reserved for public facility bonds~~ must be distributed between the two reservations on a pro rata basis, based upon the amounts each would have received if sufficient authority was available.

(2) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

- (i) \$10,000,000 for any one city; or
- (ii) \$20,000,000 for any number of cities in any one county.

An allocation for mortgage bonds may be used for mortgage credit certificates.

After September 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds to finance publicly owned facility projects, and residential rental project bonds.

(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 10. [HIGHER EDUCATION COORDINATING BOARD.]

Subdivision 1. [1992 MANUFACTURING POOL RESERVATION.] On the first Monday in May of 1992, \$15,000,000 of bonding authority is reserved within the manufacturing pool and \$5,000,000 of bonding authority is reserved within the public facilities pool for student loan bonds issued by the higher education coordinating board. On the day after the last Monday in July of 1992, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the unified pool and must be reallocated as provided in Minnesota Statutes, section 474A.091. If a common pool is established as provided under section 11, any bonding authority

remaining unallocated from the student loan bond reservations is transferred to the common pool on June 1, 1992.

Subd. 2. [1992 CARRYFORWARD.] Notwithstanding Minnesota Statutes, section 474A.091, subdivision 4, the commissioner of finance may allocate a portion of remaining available bonding authority to the higher education coordinating board for student loan bonds on December 1 of 1992.

Subd. 3. [1993 UNIFIED POOL RESERVATION.] On the first Monday in August of 1993, up to \$10,000,000 of bonding authority is reserved within the unified pool for student loan bonds issued by the higher education coordinating board; provided that the total amount of the unified pool reservation authorized under this subdivision and the carryforward authorized under subdivision 2 may not exceed \$20,000,000 of bonding authority.

Sec. 11. [SUNSET OF QUALIFIED BONDS.]

Subdivision 1. [TRANSFER.] Notwithstanding Minnesota Statutes, sections 474A.061 and 474A.091, if federal tax law is not amended by May 31, 1992, to permit the issuance of tax exempt mortgage bonds or small issue bonds after June 30, 1992, any bonding authority remaining in the small issue, housing, and public facilities pools is transferred on June 1, 1992, to a common pool and is available for allocation as provided in this section. The commissioner of finance shall set aside \$30,000,000 of bonding authority from the common pool from June 1, 1992, to July 1, 1992. After July 1, the set-aside is available for allocation as provided under subdivision 2.

Subd. 2. [ALLOCATION.] For the period from June 1, 1992, through November 30, 1992, the commissioner of finance may allocate any available bonding authority in the common pool for any purpose authorized under federal tax law. The application and allocation procedures established in Minnesota Statutes, section 474A.091, and the limits on mortgage bonds established in Minnesota Statutes, section 474A.091, subdivision 3, paragraph (c)(2), apply to allocations from the common pool. The reserve and priority requirements established under Minnesota Statutes, section 474A.091, do not apply to allocations from the common pool.

Subd. 3. [CARRYFORWARD.] Notwithstanding Minnesota Statutes, section 474A.091, on December 1, 1992, the commissioner may allocate any bonding authority remaining in the common pool to any issuer authorized by federal law to carry forward bonding authority.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment.

ARTICLE 2

HOUSING PROGRAMS

Section 1. Minnesota Statutes 1990, section 462A.03, subdivision 7, is amended to read:

Subd. 7. "Residential housing" means a specific work or improvement within this state undertaken primarily to provide residential care facilities for mentally ill, mentally retarded, physically handicapped, and drug dependent persons licensed or potentially eligible for licensure under rules promulgated by the commissioner of human services, or to provide dwelling accommodations or manufactured home parks for persons and families of low and moderate income and for other persons and families when determined to be necessary in furtherance of the policy of economic integration stated in section 462A.02, subdivision 6, including land development and the acquisition, construction or rehabilitation of buildings and improvements thereto, for residential housing, and such other nonhousing facilities as may be incidental or appurtenant thereto.

Sec. 2. Minnesota Statutes 1990, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency of the dwelling. No loan for rehabilitation of owner occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) \$9,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments. No loan under this subdivision shall be denied solely on the basis of the inability of the applicant to make periodic loan payments. Loans made without interest or periodic payments need

not be repaid by the borrower if the property for which the loan is made has not been sold, transferred, or otherwise conveyed nor has it ceased to be the principal place of residence of the borrower, within ten years after the date of the loan.

Sec. 3. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 20a, is amended to read:

Subd. 20a. [SPECIAL NEEDS HOUSING FOR CHEMICALLY DEPENDENT ADULTS.] (a) The agency may make loans or grants to for-profit, limited-dividend, or nonprofit sponsors, as defined by the agency, for residential housing to be used to provide ~~temporary or transitional~~ housing to low- and moderate-income persons and families having an immediate need for temporary or transitional housing as a result of natural disaster, resettlement, condemnation, displacement, lack of habitable housing, or other cause defined by the agency who are chronic chemically dependent adults.

(b) ~~Loans or grants for housing for chronic chemically dependent adults may be made under this subdivision.~~ Housing for chronic chemically dependent adults must satisfy the following conditions:

(1) be certified by the department of health or the city as a board and lodging facility or single residence occupancy housing;

(2) meet all applicable health, building, fire safety, and zoning requirements;

(3) be located in an area significantly distant from the present location of county detoxification service sites;

(4) make available the services of trained personnel to appraise each client before or upon admission and to provide information about medical, job training, and chemical dependency services as necessary;

(5) provide on-site security designed to assure the health and safety of clients, staff, and neighborhood residents; and

(6) operate with the guidance of a neighborhood-based board.

Priority for loans and grants made under this paragraph must be given to proposals that address the needs of the Native American population and veterans of military services for this type of housing.

(c) Loans or grants pursuant to this subdivision must not be used for facilities that provide housing available for occupancy on less than a 24-hour continuous basis. To the extent possible, a sponsor shall combine the loan or grant with other funds obtained from public and private sources. In making loans or grants, the agency

shall determine the circumstances, terms, and conditions under which all or any portion of the loan or grant will be repaid and the appropriate security should repayment be required.

Sec. 4. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 36, is amended to read:

Subd. 36. [LEASE-PURCHASE HOUSING.] The agency may make grants or loans to nonprofit organizations, local government units, Indian tribes, and Indian tribal organizations to finance the acquisition, improvement, rehabilitation, and lease-purchase of existing housing for persons of low and moderate income. A person or family is eligible to participate in a lease-purchase agreement if the person's or family's income does not exceed 60 percent of the greater of (1) state median income, or (2) area or county median income. The lease agreement must provide for a portion of the lease payment to be escrowed as a down payment on the housing. A property containing two or fewer dwelling units is eligible for financing under the lease-purchase housing program. A loan made under this subdivision must be repaid to the agency upon sale of the housing. ~~The agency may only make grants or loans under this subdivision from funds specifically appropriated by the legislature for that purpose.~~

Sec. 5. Minnesota Statutes 1991 Supplement, section 462A.05, subdivision 37, is amended to read:

Subd. 37. [BLIGHTED RESIDENTIAL PROPERTY ACQUISITION AND REHABILITATION; NEIGHBORHOOD LAND TRUST.] The agency may make grants to cities for the purpose of acquisition and demolition of blighted residential property and gap financing for the rehabilitation of blighted residential property or construction of new housing on the property. Gap financing is financing for the difference between the cost of the improvement of the blighted property, including acquisition, demolition, rehabilitation, and construction, and the market value of the property upon sale. Grants under this section must be used for households with income less than or equal to the county or area median income as determined by the United States Department of Housing and Urban Development. Cities may use the grants to establish revolving loan funds and provide loans and grants to eligible mortgagors for the acquisition, demolition, redevelopment, and rehabilitation of blighted residential property located in a neighborhood designated by the city for neighborhood preservation. The city may determine the terms and conditions of the loans and grants. ~~The agency may make grants or loans to nonprofit organizations for the purpose of organizing or funding neighborhood land trust projects. The projects must assure the long-term affordability of neighborhood housing by maintaining ownership of the land through a neighborhood land trust.~~

Sec. 6. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 38. [NEIGHBORHOOD LAND TRUSTS.] The agency may make loans with or without interest for the purpose of funding neighborhood land trusts under sections 462A.30 and 462A.31 from money other than state general obligation bond proceeds. To assure the long-term affordability of housing provided by the neighborhood land trust, the neighborhood land trust must own the land acquired in whole or in part with a loan from the agency under this section under terms and conditions determined by the agency. The agency may convert the loan to a grant under circumstances approved by the agency.

Sec. 7. Minnesota Statutes 1990, section 462A.06, subdivision 11, is amended to read:

Subd. 11. It may make and publish rules pursuant to chapter 14 respecting its mortgage lending, construction lending, rehabilitation lending, grants, and temporary lending, and any such other rules as are necessary to effectuate its corporate purpose, and may adopt emergency rules to implement demonstration programs using bond proceeds for the financing of residential housing.

Sec. 8. Minnesota Statutes 1991 Supplement, section 462A.073, subdivision 2, is amended to read:

Subd. 2. [LIMITATION; ORIGINATION PERIOD.] During the first ten months of an origination period, the agency may make loans financed with proceeds of mortgage bonds for the purchase of existing housing. Loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area may be made during the first ten months of an origination period only if at least one of the following conditions is met:

- (1) the new housing is located in a redevelopment area;
- (2) the new housing is replacing a structurally substandard structure or structures; ~~or~~
- (3) the new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing; or
- (4) the new housing is accessible housing and the borrower or a member of the borrower's family is a person with a disability. For the purposes of this clause, "accessible housing" means a dwelling unit with the modifications necessary to enable a person with a disability

to function in a residential setting. "A person with a disability" means a person who has a permanent physical condition which is not correctable and which substantially reduces the person's ability to function in a residential setting. A person with a physical condition which does not require the use of a device to increase mobility must be deemed a person with a disability upon written certification of a licensed physician that the physical condition substantially limits the person's ability to function in a residential setting.

Upon expiration of the first ten-month period, the agency may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing.

Sec. 9. Minnesota Statutes 1990, section 462A.202, subdivision 1, is amended to read:

Subdivision 1. [ACCOUNT.] The local government unit housing account is established as a separate account in the housing development fund. Money in the account is appropriated to the agency for loans to cities for the purposes specified in this section. The agency must take steps to ensure distribution of the funds around the state.

Sec. 10. Minnesota Statutes 1990, section 462A.202, subdivision 2, is amended to read:

Subd. 2. [TRANSITIONAL HOUSING.] The agency may make loans or grants with or without interest to local government units cities to finance the acquisition, improvement, and rehabilitation of existing housing properties or the acquisition, site improvement, and development of new properties for the purposes of providing transitional housing, upon terms and conditions the agency determines. Preference must be given to local government units cities that propose to acquire properties being sold by the resolution trust corporation or the department of housing and urban development. The local government unit may contract with a nonprofit or for-profit organization to manage the property and to operate a transitional housing program on the property on behalf of the local government unit, on terms and conditions approved by the agency. The local government unit shall retain ownership of the property for at least 20 years. After 20 years, the sale of a property before the expiration of its useful life must be at its fair market value, and the net proceeds of sale must be used for the same purpose or repaid to the agency for deposit in the local government unit housing account. Loans under this subdivision are subject to the restrictions in section 12.

Sec. 11. Minnesota Statutes 1990, section 462A.202, is amended by adding a subdivision to read:

Subd. 6. [NEIGHBORHOOD LAND TRUSTS.] The agency may

make loans with or without interest to cities to finance the capital costs of a land trust project undertaken pursuant to sections 462A.30 and 462A.31. Loans under this subdivision are subject to the restrictions in section 12.

Sec. 12. Minnesota Statutes 1990, section 462A.202, is amended by adding a subdivision to read:

Subd. 7. [RESTRICTIONS.] (a) Except as provided in paragraphs (b), (c), and (d), the city must own the property financed with a loan under this section and use the property for the purposes specified in this section:

(1) the city may sell the property at its fair market value provided it repays the lesser of the net proceeds of the sale or the amount of the loan balance to the agency for deposit in the local government unit housing account; or

(2) the city may use the property for a different purpose provided that the city repays the amount of the original loan.

If the city owns and uses the property for the purposes specified in this section for a 20-year period, the agency shall forgive the loan.

(b) In cases where the property consists of land only, including land on which buildings acquired with a loan under this section are demolished by the city, the city may lease the property for a term not to exceed 99 years to a nonprofit corporation to use for the purposes specified in this section.

(c) In cases where the property consists of land and buildings, the city may do the following:

(1) demolish the buildings in whole or in part and use or lease the property under paragraph (b);

(2) sell the buildings to a nonprofit corporation to use for the purposes specified in this section. If sold, the city must sell the buildings for fair market value and repay the proceeds of the sale to the agency for deposit in the local government unit housing account;

(3) lease the buildings to a nonprofit corporation to use for the purposes specified in this section. If leased, except as provided in paragraph (d), the annual rental must equal the amount of the loan attributable to the cost of the buildings, divided by the number of years of useful life of the buildings as determined in accordance with generally accepted accounting principles. For purposes of determining the required rental, the purchase price of land and buildings must be allocated between them based on standard valuation procedures; or

(4) contract with a nonprofit organization to manage the property.

(d) A city may lease a building to a nonprofit organization for a nominal amount under the following conditions:

(1) the lease does not exceed ten years;

(2) the city must have the option to cancel the lease with or without cause at the end of any three-year period; and

(3) the city must determine annually that the property is being used for the purposes specified in this section and that the terms of the lease, including any income limits for residents, are being met.

Sec. 13. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 6, is amended to read:

Subd. 6. [LIMITED EQUITY FORMULA.] "Limited equity formula" means a method, ~~to be determined by rule adopted approved~~ by the agency, for calculation of the limited equity price, designed to maintain the affordability of the housing and the public subsidy.

Sec. 14. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 8, is amended to read:

Subd. 8. [NEIGHBORHOOD LAND TRUST.] "Neighborhood land trust" means a city or a nonprofit corporation organized under chapter 317A that complies with section 462A.31 and that qualifies for tax exempt status under United States Code, title 26, section 501(c)(3), ~~and that meets all other criteria for neighborhood land trust trusts~~ set by the agency.

Sec. 15. Minnesota Statutes 1991 Supplement, section 462A.30, subdivision 9, is amended to read:

Subd. 9. [PERSONS AND FAMILIES OF LOW AND MODERATE INCOME.] "Persons and families of low and moderate income" ~~has the meaning specified in section 462A.03, subdivision 10~~ means persons or families whose income does not exceed 80 percent of the greater of (1) state median income, or (2) area or county median income as determined by the department of housing and urban development.

Sec. 16. Minnesota Statutes 1991 Supplement, section 462A.31, is amended by adding a subdivision to read:

Subd. 6. [CITY LAND TRUST.] A city may by resolution determine to act as a neighborhood land trust with the powers and duties described in subdivisions 1 to 5.

Sec. 17. Minnesota Statutes 1991 Supplement, section 462A.31, is amended by adding a subdivision to read:

Subd. 7. [RECORDING OF GROUND LEASE.] Any ground lease held by a neighborhood land trust shall include the legal description of the real property subject to the ground lease and shall be recorded with the county recorder or filed with the registrar of titles in the county in which the real property subject to the ground lease is located.

Sec. 18. [EXEMPTION.]

Notwithstanding Minnesota Statutes, sections 462A.073, subdivision 2, and 462C.071, subdivision 2, the Minnesota housing finance agency and a city may make loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area after the first one-third of an origination period if all of the other conditions specified under Minnesota Statutes, sections 462A.073, subdivision 2, and 462C.071, subdivision 2, are met. For the purposes of this section, "city" has the meaning given in Minnesota Statutes, section 462C.02, subdivision 6. This section expires June 30, 1992.

Sec. 19. [REPEALER.]

Minnesota Statutes 1990, sections 462A.057, subdivisions 2, 3, 4, 5, 6, 7, 8, 9, and 10; and 462A.202, subdivisions 3, 4, and 5; and Laws 1991, chapter 292, article 9, section 35, are repealed.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective the day following final enactment. Section 18 applies to bonds with an origination period that began on or after October 1, 1991.

ARTICLE 3

PUBLIC FINANCE

Section 1. Minnesota Statutes 1990, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.]

(1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner

pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. An employer may establish financial ability to pay compensation by: (1) providing financial statements of the employer to the commissioner of commerce; or (2) filing a surety bond or bank letter of credit with the commissioner of commerce in an amount equal to the anticipated annual compensation costs of the employer, but in no event less than \$100,000. Upon ten days' written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter, consistent with subdivision 2b. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require the treasurer to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietor-

ship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines consistent with subdivision 2b to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration, and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 2. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 2b. [ACCEPTABLE SECURITIES.] The following are acceptable securities and surety bonds for the purpose of funding self-insurance plans and group self-insurance plans:

(1) direct obligations of the United States government except mortgage-backed securities of the Government National Mortgage Association;

(2) bonds, notes, debentures, and other instruments which are obligations of agencies and instrumentalities of the United States including, but not limited to, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, the Student Loan Marketing Association, and the Farm Credit System, and their successors, but not including collateralized mortgage obligations or mortgage pass-through instruments;

(3) bonds or securities that are issued by the state of Minnesota and that are secured by the full faith and credit of the state;

(4) certificates of deposit which are insured by the Federal Deposit Insurance Corporation and are issued by a Minnesota depository institution;

(5) obligations of, or instruments unconditionally guaranteed by, Minnesota depository institutions whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies;

(6) surety bonds issued by a corporate surety authorized by the commissioner of commerce to transact such business in the state;

(7) obligations of or instruments unconditionally guaranteed by Minnesota insurance companies, whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies and whose rating is A+ by A. M. Best, Inc.; and

(8) any guarantee from the United States government whereby the payment of the workers' compensation liability of a self-insurer is guaranteed; and bonds which are the general obligation of the Minnesota housing finance agency.

Sec. 3. [RULE CHANGE.]

The commissioner of commerce shall amend Minnesota Rules, part 2780.0400, so that it is consistent with the changes in section 2.

Sec. 4. Minnesota Statutes 1990, section 429.091, subdivision 2, is amended to read:

Subd. 2. [TYPES OF OBLIGATIONS PERMITTED.] The council may by resolution adopted prior to the sale of obligations pledge the full faith, credit, and taxing power of the municipality for the payment of the principal and interest. Such obligations shall be called improvement bonds and the council shall pay the principal and interest out of any fund of the municipality when the amount credited to the specified fund is insufficient for the purpose and shall each year levy a sufficient amount to take care of accumulated or anticipated deficiencies, which levy shall not be subject to any statutory or charter tax limitation. Obligations for the payment of which the full faith and credit of the municipality is not pledged shall be called ~~improvement warrants~~ assessment revenue notes or, in the case of bonds for fire protection, revenue bonds and shall contain a promise to pay solely out of the proper special fund or funds pledged to their payment. It shall be the duty of the municipal treasurer to pay maturing principal and interest on warrants or revenue bonds out of funds on hand in the proper funds and not otherwise.

Sec. 5. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land ~~not that is either owned by the authority for redevelopment purposes or not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes, and but the contract~~ provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034 or from nongovernmental sources;

(ii) the project is either located on land that is not owned or is being acquired by the authority at the time the contract is entered into, or is owned by the authority only for development purposes, and or is not owned by the authority at the time the contract is entered into but the contract provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond in the case of a contract described in paragraph (a), clause (1).

Sec. 6. Minnesota Statutes 1991 Supplement, section 469.155, subdivision 12, is amended to read:

Subd. 12. [REFUNDING.] It may issue revenue bonds to refund, in whole or in part, bonds previously issued by the municipality or redevelopment agency under authority of sections 469.152 to 469.165, and interest on them. The municipality or redevelopment agency may issue revenue bonds to refund, in whole or in part, bonds previously issued by any other municipality or redevelopment agency on behalf of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, under authority of sections 469.152 to 469.155, and interest on them, but only with the consent of the original issuer of such bonds. The municipality or redevelopment agency may issue and sell warrants which give to their holders the right to purchase refunding bonds issuable under this subdivision prior to a stipulated date. The warrants are not required to be sold at public sale and all or any agreed portion of the proceeds of the warrants may be paid to the contracting party under the revenue agreement required by subdivision 5 or to its designee under the conditions the municipality or redevelopment agency shall agree upon. Warrants shall not be issued which obligate a municipality or redevelopment agency to issue refunding bonds that are or will be subject to federal tax law as defined in section 474A.02, subdivision 8. The warrants may provide a stipulated exercise price or a price that depends on the tax exempt status of interest on the refunding bonds at the time of issuance. The average interest rate on refunding bonds issued upon the exercise of the warrants to refund fixed rate bonds shall not exceed the average interest rate on fixed rate bonds to be refunded. The municipality or redevelopment agency may appoint a bank or trust company to serve

as agent for the warrant holders and enter into agreements deemed necessary or incidental to the issuance of the warrants.

Sec. 7. Minnesota Statutes 1991 Supplement, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, or in certificates of deposit secured by letters of credit issued by federal home loan banks,

(b) in shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose only investments are in (i) securities described in the preceding clause, (ii) general obligation tax-exempt securities rated A or better by a national bond rating service, and (iii) repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks,

(c) in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities, or (2) a general obligation of another state or local government with taxing powers which is rated A or better by a national bond rating service, or ~~(2)~~ (3) a general obligation of the Minnesota housing finance agency, or ~~(3)~~ (4) a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, or ~~(4)~~ (5) a general or revenue obligation of any agency or authority of the state of Minnesota other than a general obligation of the Minnesota housing finance agency, provided that. Investments under clauses ~~(2) (3) and (3) (4) must be in obligations that are rated A or better by a national bond rating service and provided that investments under clause~~ (4) (5) must be in obligations that are rated AA or better by a national bond rating service,

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System,

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less, or

(f) in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with the senior unsecured debt obligations of the issuer or guarantor and, (1) in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis or a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 3 are effective March 1, 1993. Sections 4 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to economic development and housing; changing procedures for allocating bonding authority; modifying provisions of rehabilitation loans, lease-purchase housing, urban and rural homesteading, publicly owned transitional housing program, and neighborhood land trusts; modifying limitations on the use of bond proceeds; limiting the use of emergency rules; defining acceptable securities for use by self-insurers for workers' compensa-

tion; providing an exemption from competitive bidding for certain HRA projects; correcting and clarifying provisions relating to public obligations; amending Minnesota Statutes 1990, sections 136A.29, subdivision 9; 176.181, subdivision 2, and by adding a subdivision; 429.091, subdivision 2; 462A.03, subdivision 7; 462A.05, subdivision 14a, and by adding a subdivision; 462A.06, subdivision 11; 462A.202, subdivisions 1, 2, and by adding subdivisions; and 469.015, subdivision 4; Minnesota Statutes 1991 Supplement, sections 462A.05, subdivisions 20a, 36, and 37; 462A.073, subdivisions 1 and 2; 462A.30, subdivisions 6, 8, and 9; 462A.31, by adding subdivisions; 469.155, subdivision 12; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.047, subdivision 1; 474A.061, subdivisions 1 and 3; 474A.091, subdivisions 2 and 3; and 475.66, subdivision 3; repealing Minnesota Statutes 1990, sections 462A.057, subdivisions 2 to 10; 462A.202, subdivisions 3 to 5; Laws 1991, chapter 292, article 9, section 35."

We request adoption of this report and repassage of the bill.

House Conferees: ANN H. REST, JOHN J. SARNA AND JERRY J. BAUERLY.

Senate Conferees: LAWRENCE J. POGEMILLER, EMBER D. REICHGOTT AND LEROY A. STUMPF.

Rest moved that the report of the Conference Committee on H. F. No. 2884 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2884, A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; and 474A.091, subdivisions 2 and 3.

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 129 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Carruthers	Farrell	Hanson
Anderson, I.	Bettermann	Clark	Frederick	Hartle
Anderson, R.	Bishop	Cooper	Garcia	Hasskamp
Anderson, R. H.	Blatz	Dauner	Girard	Haukoos
Battaglia	Bodahl	Dawkins	Goodno	Hausman
Bauerly	Boo	Dille	Greenfield	Heir
Beard	Brown	Dorn	Gruenes	Henry
Begich	Carlson	Erhardt	Gutknecht	Hufnagle

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

Those who voted in the negative were:

Daids	Dempsey	Frerichs	Krinkie	Welker
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The bill was repassed, as amended by Conference, and its title agreed to.

SPECIAL ORDERS, Continued

S. F. No. 735, A bill for an act relating to state government; increasing the amount of vacation time that certain state employees can donate to bargaining representatives; amending Minnesota Statutes 1990, section 43A.04, subdivision 8.

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	Clark	Hartle	Kelso	McGuire
Anderson, I.	Cooper	Hasskamp	Kinkel	Milbert
Anderson, R.	Dauner	Hausman	Knickerbocker	Morrison
Battaglia	Dawkins	Heir	Koppendrayner	Munger
Bauerly	Dempsey	Henry	Krambeer	Murphy
Beard	Dille	Jacobs	Krueger	Nelson, K.
Begich	Dorn	Janezich	Lasley	Nelson, S.
Bertram	Erhardt	Jaros	Leppik	Newinski
Bishop	Farrell	Jefferson	Lieder	O'Connor
Blatz	Frederick	Jennings	Limmer	Ogren
Bodahl	Garcia	Johnson, A.	Lourey	Olsen, S.
Boo	Goodno	Johnson, R.	Lynch	Olson, E.
Brown	Greenfield	Johnson, V.	Mariani	Olson, K.
Carlson	Gruenes	Kahn	Marsh	Omann
Carruthers	Hanson	Kalis	McEachern	Onnen

Orenstein	Pugh	Schreiber	Steensma	Wagenius
Orfield	Reding	Seaberg	Swenson	Waltman
Osthoff	Rest	Segal	Thompson	Wejzman
Ostrom	Rice	Simoneau	Trimble	Welle
Ozment	Rodosovich	Skoglund	Tunheim	Wenzel
Pauly	Rukavina	Smith	Uphus	Winter
Pellow	Runbeck	Solberg	Valento	Spk. Long
Pelowski	Sarna	Sparby	Vanasek	
Peterson	Schafer	Stanis	Vellenga	

Those who voted in the negative were:

Anderson, R. H.	Frerichs	Haukoos	Krinkie	Weaver
Bettermann	Girard	Hufnagle	McPherson	Welker
Davids	Gutknecht	Hugoson	Vigugum	

The bill was passed and its title agreed to.

H. F. No. 2734 was reported to the House.

Bauerly and Wenzel moved to amend H. F. No. 2734, the second engrossment, as follows:

Page 7, after line 35, insert:

“Sec. 3. [32A.071] [CLASS I MILK PRICE.]

Subdivision 1. [PURPOSE.] It is the intent of the legislature that establishing an over-order premium milk price will benefit the incomes of all Minnesota dairy farmers and improve the economies in rural communities.

Subd. 2. [MINIMUM CLASS I MILK PRICE.] The minimum price for class I milk as defined by the upper midwest federal milk marketing order, Code of Federal Regulations, title 7, part 1068, for milk purchased in Minnesota for class I use shall be not less than \$13.20 per hundredweight. Any amount by which this price exceeds the class I price specified in the applicable milk marketing order shall be paid by processors of class I milk directly to their suppliers of grade A milk or to the agents of the suppliers. Suppliers or agents shall pass the entire over-order premium payment on to the dairy producers.

Subd. 3. [RULES.] The commissioner of agriculture shall adopt emergency and permanent rules to implement subdivision 2 in a manner that minimizes disruption to existing trade practices and commercial transactions, including pooling of over-order premium payments among grade A milk producers.

Subd. 4. [REPORT.] Not later than March 1 of 1993 and each year thereafter, the commissioner of agriculture shall report to the chairs

of the senate agriculture and rural development committee and the house of representatives agriculture committee on the impacts and benefits to dairy farmers of the minimum class I milk price established under subdivision 2. The report must also include a summary of processor and distributor information the commissioner has analyzed to determine compliance with sections 32A.01 to 32A.09."

Page 9, after line 31, insert:

"Sec. 7. [REPEALER.]

Laws 1992, chapter 489, is repealed."

Page 9, after line 34, insert:

"Sec. 9. [EFFECTIVE DATE.]

Section 3 is effective August 1, 1992, except that the rulemaking authority granted to the commissioner of agriculture is effective the day following final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Peterson moved to amend H. F. No. 2734, the second engrossment, as amended, as follows:

Page 1, after line 14, insert:

"Section 1. Minnesota Statutes 1990, section 116J.9673, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS.] The governor shall appoint ~~six~~ seven members to the authority's board of directors. ~~The Six~~ members shall be knowledgeable in international finance, exporting, or international law and one member shall represent a company specializing in agricultural trade. The commissioner of the department of trade and economic development shall be chair of the board. Membership, terms, compensation and removals are governed by section 15.0575. Board members shall perform their duties in a non-self-serving manner and in compliance with section 10A.07.

Sec. 2. Minnesota Statutes 1990, section 116J.9673, subdivision 7, is amended to read:

Subd. 7. [INSURANCE AND GUARANTEES.] The finance authority may provide insurance and guarantees to the following extent:

(1) The finance authority may ~~not~~ provide to any one person insurance or guarantees ~~in excess of \$250,000 for preexport transactions and \$250,000 or for postexport transactions.~~ When insuring, coinsuring, or guaranteeing the postexport portion of transactions, the finance authority shall retain not more than ten percent of the commercial risk, or alternatively, the normal and standard deductible of the insurance policy.

(2) The policy of the finance authority is to provide insurance and guarantees for export credits that would otherwise not be made and that the chair and the board deem to represent a reasonable risk and have a sufficient likelihood of repayment.

(3) The finance authority shall contract with, among others, the Foreign Credit Insurance Association, the United States Export-Import Bank, and private insurers to secure insurance or reinsurance for country and commercial risks for the finance authority's insurance program. The finance authority may purchase insurance policies using money from the finance authority's appropriations.

(4) Losses incurred by the finance authority that relate to its insurance or guarantee activities shall be solely borne by the finance authority to the extent of its capital and reserves."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Bauerly and Brown moved to amend H. F. No. 2734, the second engrossment, as amended, as follows:

Page 9, line 16, delete "\$5,000,000" and insert "\$4,940,000"

Page 9, after line 18, insert:

"Subd. 2. [APPROPRIATION.] \$60,000 is appropriated to the

commissioner of agriculture to fund Minnesota's portion of the Interstate Agricultural Grain Marketing Commission."

Page 9, line 19, delete "2" and insert "3"

The motion prevailed and the amendment was adopted.

Girard moved to amend H. F. No. 2734, the second engrossment, as amended, as follows:

Page 3, after line 21, insert:

"Sec. 2. Minnesota Statutes 1990, section 28A.15, subdivision 7, is amended to read:

Subd. 7. Persons whose principal business is not food handling but who sell only ice manufactured and prepackaged by another or such nonperishable items as bottled or canned soft drinks ~~and~~, prepackaged confections or nuts at retail, or persons who for their own convenience or the convenience of their employees have available for rehydration and consumption on the premises such nonperishable items as dehydrated coffee, soup, hot chocolate or other dehydrated food or beverage."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sparby; Bauerly; Nelson, S.; Waltman; Bertram; Schafer; Dauner; Steensma; Johnson, V.; Tunheim; Kahn; Wenzel; Krueger; Peterson; Johnson, R.; Omann; Olson, E.; Jennings and Cooper moved to amend H. F. No. 2734, the second engrossment, as amended, as follows:

Page 7, after line 35, insert:

"Sec. 3. Minnesota Statutes 1990, section 41.56, subdivision 3, is amended to read:

Subd. 3. [DEFAULT FILING CLAIM.] Within 90 days of a default on a guaranteed family farm security loan, the lender shall send notice to the participant stating that the commissioner must be notified if the default continues for 180 days, and the consequences

of that default. The lender and the participant may agree to take any steps reasonable to assure the fulfillment of the loan obligation.

If a participant cannot meet scheduled loan payments because of unique or temporary circumstances and the participant proves sufficiently to the commissioner that the necessary cash flow can be generated in the future, the commissioner may use money in the special account in section 41.61, subdivision 1, to meet the participant's loan obligation for up to two consecutive years. This money must be paid back within eight years with interest at an annual percentage rate four percent below the prevailing Federal Land Bank rate. If the loan is not repaid within eight years, the commissioner and participant may agree to new terms of repayment that are mutually satisfactory. The commissioner may add any unpaid principal and interest payments on special assistance loans to the payment adjustment obligation balance provided for in section 41.57, subdivision 2.

A contract for deed participant may enter into an agreement with the commissioner whereby the outstanding principal balance of the loan is reduced by a minimum of ten percent, the loan is reamortized for the years remaining, and the commissioner agrees that the state shall pay the lender 100 percent of the sum due and payable if a default occurs during the remaining term of the reamortized loan.

After 180 days from the initial default, if the participant has not made arrangements to meet the obligation, the lender shall file a claim with the commissioner, identifying the loan and the nature of the default, and assigning to the state all of the lender's security and interest in the loan in exchange for payment according to the terms of the family farm security loan guarantee. In the case of a seller-sponsored loan, the seller may elect to pay the commissioner all sums owed the commissioner by the participant and retain title to the property in lieu of payment by the commissioner under the terms of the loan guarantee. If the commissioner determines that the terms of the family farm security loan guarantee have been met, the commissioner shall authorize payment of state funds to the lender, and shall notify the defaulting party. The state of Minnesota shall then succeed to the interest of the mortgagee or the vendor of the contract for deed. Taxes shall be levied and paid on the land as though the owner were a natural person and not a political subdivision of the state. The commissioner may, on behalf of the state, commence foreclosure or termination proceedings in the manner provided by law.

Sec. 4. Minnesota Statutes 1990, section 41.57, is amended by adding a subdivision to read:

Subd. 2a. [SETTLEMENTS BEFORE DUE DATE.] The commissioner may settle payment adjustment accounts of participants before the contractual due date. These settlements may include

receiving discounted payments for outstanding obligations discounted under subdivision 2b if the participant and cooperating lender agree to voluntarily withdraw from the program.

Sec. 5. Minnesota Statutes 1990, section 41.57, is amended by adding a subdivision to read:

Subd. 2b. [DISCOUNTING USING PRESENT VALUE.] The commissioner may settle payment adjustment accounts by discounting the obligation using a present value calculation. The interest rate used in this calculation must be three percent above the current Farm Credit Bank of St. Paul wholesale loan rate to the agricultural credit associations as certified each month by the commissioner."

Page 9, line 33, delete "5" and insert "8"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2734, A bill for an act relating to agriculture; providing for establishment of an agricultural improvement loan program for grade B dairy producers; appropriating money and authorizing the issuance of state bonds to fund the program; changing provisions concerning adulterated dairy products; exempting persons who sell nuts from certain licensing requirements; adding a member to a board; changing family farm security loan payment provisions; establishing an over-order premium milk price; requiring rules and a report; appropriating money for agricultural information centers; amending Minnesota Statutes 1990, sections 28A.15, subdivisions 7 and 8; 32.21; 41.56, subdivision 3; 41.57, by adding subdivisions; 41B.02, by adding a subdivision; 116J.9673, subdivisions 2 and 7; proposing coding for new law in Minnesota Statutes, chapters 32A; and 41B; repealing 1992 S. F. No. 2728, if enacted.

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

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Anderson, I. Battaglia
Anderson, R. Bauerly
Anderson, R. H. Beard

Begich
Bertram
Bettermann

Bishop
Bodahl
Brown

Carlson
Carruthers
Clark

Cooper	Heir	Lourey	Orfield	Solberg
Dauner	Hufnagle	Macklin	Osthoff	Sparby
Davids	Hugoson	Mariani	Ostrom	Steensma
Dawkins	Jacobs	Marsh	Ozment	Svigum
Dempsey	Janezich	McEachern	Pellow	Thompson
Dille	Jaros	McGuire	Pelowski	Tompkins
Dorn	Jefferson	McPherson	Peterson	Trimble
Farrell	Jennings	Milbert	Pugh	Tunheim
Frederick	Johnson, A.	Morrison	Reding	Uphus
Frerichs	Johnson, R.	Munger	Rest	Valento
Garcia	Johnson, V.	Murphy	Rice	Vanasek
Girard	Kahn	Nelson, K.	Rodosovich	Vellenga
Goodno	Kalis	Nelson, S.	Rukavina	Wagenius
Greenfield	Kelso	Newinski	Runbeck	Waltman
Gruenes	Kinkel	O'Connor	Sarna	Weaver
Gutknecht	Koppendrayner	Ogren	Schafer	Wejeman
Hanson	Krambeer	Olson, E.	Seaberg	Welker
Hartle	Krinkie	Olson, K.	Segal	Welle
Hasskamp	Krueger	Omann	Simoneau	Wenzel
Haukoos	Lasley	Onnen	Skoglund	Winter
Hausman	Lieder	Orenstein	Smith	Spk. Long

Those who voted in the negative were:

Abrams	Erhardt	Leppik	Olsen, S.	Stanisus
Blatz	Henry	Limmer	Pauly	Swenson
Boo	Knickerbocker	Lynch	Schreiber	

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

H. F. No. 3042 was reported to the House.

Milbert moved that H. F. No. 3042 be continued on Special Orders. The motion prevailed.

S. F. No. 2750, A bill for an act relating to retirement; St. Paul fire department and police relief associations; increasing service pension amounts; limiting future benefit reductions; amending Laws 1955, chapters 151, section 9, subdivisions 5, as amended, and 6, as amended; and 375, sections 21, as amended, and 22, 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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

S. F. No. 1638 was reported to the House.

Bauerly, Wenzel and McEachern moved to amend S. F. No. 1638, as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 375.025, subdivision 4, is amended to read:

Subd. 4. [REDISTRICTING PLAN; ELECTION FOLLOWING REDISTRICTING.] A redistricting plan whether prepared by the county board or the redistricting commission shall be filed in the office of the county auditor. A redistricting plan shall be effective on the 31st day after filing unless a later effective date is specified but no plan shall be effective for the next election of county commissioners unless the plan is filed with the county auditor not less than 30 days before the first date candidates may file for the office of county commissioner. One commissioner shall be elected in each district who, at the time of the election, is a resident of the district. A person elected may hold the office only while remaining a resident of the commissioner district or, after June 15 during a year ending in "2", while remaining a resident of the county. The county board or the redistricting commission shall determine the number of members of the county board who shall be elected for two-year terms and for four-year terms to provide staggered terms on the county board. Thereafter, all commissioners shall be elected for four years. When a county is redistricted, there shall be a new election of commissioners in all the districts at the next general election except that if the change made in the boundaries of a district is less than five percent of the average of all districts of the county, the commissioner in office

at the time of the redistricting shall serve for the full period for which elected.”

Page 2, after line 16, insert:

“Sec. 4. [EFFECTIVE DATE.]

Section 1 takes effect the day after final enactment.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Runbeck, Swenson, Hufnagle, Seaberg and Pellow moved to amend S. F. No. 1638, as amended, as follows:

Page 1, after line 6, insert:

“Sec. 1. Minnesota Statutes 1990, section 375.07, is amended to read:

375.07 [MEETINGS; QUORUM.]

The board shall meet at the county seat for the transaction of business on the first Tuesday after the first Monday in January, and on other days it prescribes as necessary for the interests of the county. A majority shall constitute a quorum, and no business shall be done unless voted for by a majority of the whole board, but less than a majority may adjourn. Sessions shall be called by a majority of the board and the clerk shall give at least ten days’ notice of them to each of the commissioners. The boards of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties must each hold at least one meeting per month after 5:00 p.m.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Osthoff raised a point of order pursuant to rule 3.09 that the Runbeck et al amendment was not in order. Speaker pro tempore Rodosovich ruled the point of order not well taken and the amendment in order.

Osthoff moved to amend the Runbeck et al amendment to S. F. No. 1638, as amended, as follows:

Page 1, line 14, after "commissioners." delete the balance of the line

Page 1, line 15, delete "Ramsey, Scott and Washington counties" and insert "County boards"

Page 1, line 15, after "must" delete "each"

Page 1, line 16, delete "5:00 p.m." and insert "7:00 p.m."

A roll call was requested and properly seconded.

Wenzel moved that S. F. No. 1638, as amended, be continued on Special Orders. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

S. F. No. 2137, A bill for an act relating to nursing homes; defining a residential hospice facility; modifying hospice program conditions; limiting the number of residential hospice facilities; requiring a report; amending Minnesota Statutes 1990, section 144A.48, subdivision 1, and by adding a subdivision.

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

Messrs. Hottinger, Neuville and Samuelson.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Greenfield moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2137. The motion prevailed.

Madam Speaker:

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

S. F. No. 1959, A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 383B.

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

Messrs. Luther, Morse and Renneke.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1959. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1959:

Skoglund, Kinkel and Abrams.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2137:

Greenfield, Clark and Gutknecht.

SPECIAL ORDERS

S. F. No. 2432 was reported to the House.

Sparby moved to amend S. F. No. 2432, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [17.4981] [GENERAL CONDITIONS FOR REGULATION OF AQUATIC FARMS.]

Aquatic farms are licensed to culture private aquatic life. Cultured aquatic life is not wildlife. Aquatic farms must be licensed and given classifications to prevent or minimize impacts on natural resources. The purpose of sections 1 to 15 is to:

- (1) prevent public aquatic life from entering an aquatic farm;
- (2) prevent release of nonindigenous or exotic species into public waters without approval of the commissioner;
- (3) protect against release of disease pathogens to public waters;
- (4) protect existing natural aquatic habitats and the wildlife dependent on them; and
- (5) protect private aquatic life from unauthorized taking or harvest.

Private aquatic life that is legally acquired and possessed is an article of interstate commerce and may be restricted only as necessary to protect state fish and water resources.

Sec. 2. [17.4982] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 15.

Subd. 2. [APPROVED LABORATORY METHODS.] "Approved laboratory methods" means methods described in the latest edition of the "Procedures for the Detection and Identification of Certain Fish Pathogens" published by the American Fisheries Society Fish Health Section known as the Fish Health Blue Book.

Subd. 3. [AQUARIUM FACILITIES.] "Aquarium facilities" means facilities that rear or hold private aquatic life for sale for aquarium or display purposes.

Subd. 4. [AQUATIC FARM.] "Aquatic farm" means a licensed facility used for hatching, raising, rearing, and culturing private aquatic life in waters and preparing aquatic life for sale, including, but not limited to, ponds, vats, tanks, raceways, and other indoor or outdoor facilities that an aquatic farmer owns or waters of which an aquatic farmer has the use.

Subd. 5. [AQUATIC LIFE.] "Aquatic life" has the meaning given to "private aquatic life" in section 17.47, subdivision 7, and for purposes of commercial transactions, aquatic life is livestock.

Subd. 6. [CERTIFIABLE DISEASES.] "Certifiable diseases" include channel catfish virus, bacterial kidney disease, bacterial furunculosis, enteric redmouth disease, enteric septicemia of catfish, infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, whirling disease, proliferative kidney disease, viral hemorrhagic septicemia virus, epizootic epitheliotropic virus, ceratomyxosis, and any emergency disease.

Subd. 7. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 8. [CONTAINMENT FACILITY.] "Containment facility" means a licensed facility for salmonids or catfish that complies with clauses (1), (3), and (4), or clauses (2), (3), and (4):

(1) disinfects its effluent to the standards in section 9 before the effluent is discharged to public waters, if the facility contains catfish and discharges into or upstream of waters containing catfish or if the facility contains salmonids and discharges into or upstream of waters containing salmonids;

(2) does not discharge to public waters or to waters of the state directly connected to public waters;

(3) raises aquatic life for food consumption only;

(4) contains aquatic life requiring a fish health inspection prior to transportation.

Subd. 9. [EMERGENCY FISH DISEASE.] "Emergency fish disease" means designated fish diseases not already present in this state that could impact populations of aquatic life if inadvertently released by infected aquatic life, including channel catfish virus, viral hemorrhagic septicemia virus, infectious hematopoietic necrosis virus, infectious pancreatic necrosis virus, whirling disease, ceratomyxosis, proliferative kidney disease, and epizootic epitheliotropic virus disease or any other disease listed in a rule or published by the commissioner in the State Register on an emergency basis to be effective for not more than 240 days.

Subd. 10. [ENZOOTIC.] "Enzootic" means a disease that is known to occur within well-defined geographic boundaries.

Subd. 11. [FISH HEALTH BLUE BOOK.] "Fish Health Blue Book" means the standardized set of procedures and guidelines established and published by the American Fisheries Society Fish Health Section for the detection and isolation of fish pathogens.

Subd. 12. [FISH HEALTH INSPECTION.] "Fish health inspection" means an on-site, statistically based sampling in accordance with processes in the Fish Health Blue Book for all lots of fish in a facility. The inspection must include at least viral testing of ovarian fluids at the 95 percent confidence level of detecting two percent incidence of disease (ovarian fluids must be sampled for certification of viral hemorrhagic septicemia and infectious hematopoietic necrosis). Bacterial diseases must be sampled at the 95 percent confidence level with a five percent incidence of disease. The inspection must be performed by a fish health inspector in cooperation with the producer with subsequent examination of the collected tissues and fluids for the detection of certifiable diseases.

Subd. 13. [FISH HEALTH INSPECTOR.] "Fish health inspector" means an individual certified as a fish health inspector by the American Fisheries Society or state, federal, or provincial resource management agency, except that a certification may not be made by an inspector who has a conflict of interest in connection with the outcome of the certification.

Subd. 14. [GAME FISH.] "Game fish" has the meaning given in section 97A.015, subdivision 25, except that green or orange spotted sunfish are not game fish for purposes of determining fish of significant public value.

Subd. 15. [INTENSIVE CULTURE.] "Intensive culture" means the rearing of fish at densities greater than can be supported in the natural environment.

Subd. 16. [LICENSED FACILITY.] "Licensed facility" means a licensed aquatic farm, including all licensed waters.

Subd. 17. [LOT.] "Lot" means a group of fish of the same species and age that originated from the same discrete spawning population and that always have shared a common water supply. Various age groups of adult brood stock of the same species may comprise the same lot if they have shared the same containers for one brood cycle.

Subd. 18. [MINNOWS.] "Minnows" has the meaning given in section 97A.015, subdivision 29, except the 12-inch restriction on sucker minnows does not apply.

Subd. 19. [PUBLIC WATERS.] "Public waters" has the meaning given in section 103G.005, subdivision 15.

Subd. 20. [QUARANTINE FACILITY.] "Quarantine facility" means a culture system that is enclosed in a building and is separated from other fish culture facilities where fish can be isolated and maintained while preventing their introduction and pathogen introduction into the environment.

Subd. 21. [STANDARD FACILITY.] "Standard facility" means a licensed facility with a continual or intermittent discharge of effluent to public waters.

Subd. 22. [WATERS OF THE STATE.] "Waters of the state" has the meaning given in section 103G.005, subdivision 17.

Sec. 3. [17.4983] [AQUATIC FARM OPERATIONS.]

Subdivision 1. [ACQUISITION AND SALE OF PRIVATE AQUATIC LIFE.] Aquatic life legally possessed may be bought, acquired, and sold by licensed facilities as provided in sections 1 to 15.

Subd. 2. [ACQUISITION FROM STATE.] (a) The commissioner may sell aquatic life to licensed facilities at fair market value. Fair market value must be determined by the average market price charged in this state and contiguous states and provinces for similar quantities.

(b) The commissioner shall establish procedures to make aquatic life available to licensed facilities if state aquatic life would otherwise die or go to waste, such as in cases of winterkill lakes, waters where piscicides will be applied, and waters subject to extreme draw-down. The public must be given angling opportunities if public access is available.

(c) The commissioner shall attempt to provide opportunities to

make brood stock available to licensed facilities to reduce reliance on out-of-state sources without causing adverse impacts to game fish populations.

(d) If the commissioner denies approval to obtain aquatic life outside the state, a written notice must be submitted to the applicant stating the reasons for denial, and the commissioner shall:

(1) designate approved sources if available to obtain the desired aquatic life; or

(2) sell the aquatic life from state hatcheries at fair market value if there is a surplus from state operations.

Subd. 3. [METHODS TO HARVEST AQUATIC LIFE.] Licensed facilities may use all reasonable methods to operate and harvest aquatic life from licensed facilities, including available nets.

Subd. 4. [DISCHARGE MAY REQUIRE PERMIT.] The discharge from an aquatic farm must comply with discharge permits required by the Minnesota pollution control agency.

Subd. 5. [OWNERSHIP OF AQUATIC LIFE.] (a) Notwithstanding other provisions of law, aquatic life lawfully acquired and possessed by a licensed facility is private aquatic life and property of the owner of the licensed facility.

(b) The state may not seize or otherwise confiscate private aquatic life without due process of law, except that private aquatic life in public waters may become property of the state if the waters are not part of a licensed facility. The commissioner shall notify the licensee that the aquatic life in a facility that is no longer licensed will become property of the state if the aquatic life is not removed. If the licensee does not respond in writing within 30 days after receiving the notice and make alternative arrangements, or does not remove the aquatic life by 60 ice-free days after receiving the notice, the private aquatic life becomes property of the state.

(c) Private aquatic life that is transferred to the state or released into public waters that are not part of a licensed facility is owned by the state and may be considered wildlife.

Subd. 6. [CONTROL OF LICENSED WATERS.] (a) If the public cannot legally access waters of the state that are part of a licensed aquatic farm except by permission of the licensee, the use of the waters by the public is subject to restriction by the licensee.

(b) Waters of the state may not be licensed for aquaculture use to more than one licensee.

Subd. 7. [ANGLING IN LICENSED WATERS.] A person may not take fish by angling from waters subject to subdivision 6 unless the person has written permission from the licensee and:

(1) has an invoice when in possession of fish; or

(2) takes fish under an angling license, subject to the limits and conditions in the game and fish laws.

Sec. 4. [17.4984] [AQUATIC FARM LICENSE.]

Subdivision 1. [LICENSE REQUIRED.] (a) A person or entity may not operate an aquatic farm without first obtaining an aquatic farm license from the commissioner.

(b) Applications for an aquatic farm license must be made on forms provided by the commissioner.

(c) Licenses are valid for five years and are transferable upon notification to the commissioner.

(d) The commissioner shall issue an aquatic farm license on payment of the required license fee under section 8.

(e) A license issued by the commissioner is not a determination of private property rights, but is only based on a determination that the licensee does not have a significant detrimental impact on the public resource.

Subd. 2. [LISTED WATERS.] (a) An aquatic farm license must list:

(1) the specific waters of the state that may be used in connection with the licensed aquatic farm and the species approved for each licensed water;

(2) whether aeration requiring a permit is approved; and

(3) whether piscicide use is approved.

Additional waters may not be used until they are approved by the commissioner.

(b) The right to use waters licensed for private fish hatchery or aquatic farm purposes may be transferred between licensees with prior approval by the commissioner if requirements for species to be raised are met. Waters that are continually connected by a permanent watercourse to other waters must not be approved for aquatic farm use, except that connected waters that are isolated from other waters may be licensed as a single water body. Waters that are intermittently connected or may become connected with other

waters may be denied, or screening or other measures may be required to prevent passage of aquatic life. Listed waters may be changed on approval by the area fisheries supervisor or the commissioner.

(c) The commissioner shall conduct an inspection of waters to be licensed prior to approving or denying initial licensing of the waters.

(d) Waters containing game fish of significant public value may be denied licensing unless the applicant can demonstrate exclusive riparian control.

(e) Waters containing game fish of significant public value may be denied licensing unless the game fish of significant public value are sold to the licensee, removed for other state use by the department of natural resources, or disposed of as provided in writing by the commissioner.

(f) Waters licensed under an aquatic farm license may be aerated during open water periods without a separate aeration permit.

Subd. 3. [LISTED SPECIES.] (a) An aquatic farm license must list the species of aquatic life appropriate for the classification of the waters. Listed species of aquatic life may be changed on written request to and approval by the area fisheries supervisor. Species of aquatic life regulated under chapter 97A, 97B, or 97C may not be cultured unless listed on the license.

(b) All waters licensed before July 1, 1992, under a private fish farm or fish hatchery license must be approved for species listed under current licenses if other conditions for licensing are met.

(c) If licensed waters are located within a 25-year floodplain and are not enclosed within a building, species of aquatic life may be licensed at the discretion of the commissioner.

(d) Licensed waters located outside of a 25-year floodplain or enclosed within a building may be licensed for any species, except that the commissioner may deny licensing for species not present in the state.

Subd. 4. [SINGLE LICENSE FOR AQUATIC FARMING OPERATION.] The commissioner shall issue a single license for aquatic farming, with the following information and endorsements:

(1) waters covered by the license;

(2) classification of each of the licensed waters;

(3) aeration endorsement for each licensed water where the licensee has exclusive control of riparian access or where the conditions for an aeration permit have been met; and

(4) endorsements requested by the licensee.

Subd. 5. [STATE LIST OF WATERS.] If the state uses waters of the state for aquatic farming, the state shall acquire legal access to the waters and make documentation of the access available to the public.

Subd. 6. [INSPECTIONS AND ENFORCEMENT.] (a) The premises, property, vehicles, private aquatic life, and equipment where private aquatic farm operations are being conducted are subject to an annual operations inspection and other reasonable and necessary inspections at reasonable times by conservation officers. The reason for the inspection must be provided in writing upon request. The owner, operator, or designee may be present when inspections are conducted.

(b) Conservation officers may enforce sections 1 to 15 under section 97A.205.

Subd. 7. [NONPUBLIC RECORDS.] (a) Licensees must keep complete, up-to-date, nonpublic records of the operation of the aquatic farm. The records must be kept for at least three years.

(b) The records must be in English and include the following information:

(1) for each species acquired, the number and pounds of fish or eggs acquired, names and addresses of the sources from which acquired, and the dates of receipt;

(2) for each species sold or disposed of, the number and pounds of fish sold or disposed of, the names and addresses of the purchasers or persons to whom the conveyances are made, and the dates of sale; and

(3) for fish sperm or viable eggs, the amount acquired or sold, the names and addresses of the sources from which acquired, the purchasers to whom conveyed, and the dates of purchase or sale;

(c) On or before March 1 of each year, the licensee shall submit a complete annual report on a form furnished by the commissioner, covering the quantity of all species sold or purchased in the preceding licensed year.

(d) An aquatic farmer shall maintain records for reasonable

inspection by the commissioner. Information on aquatic life production, harvest, and sales is nonpublic information.

Sec. 5. [17.4985] [TRANSPORTATION OF AQUATIC LIFE.]

Subdivision 1. [REQUIREMENTS FOR IMPORTATION, TRANSPORTATION WITHIN THE STATE, OR STOCKING OF FISH.] Except as provided in subdivision 3, a licensee may not import aquatic life into the state, transport aquatic life within the state, or stock waters of the state with aquatic life without first obtaining a bill of lading or transportation permit from the commissioner, with disease certification, if applicable.

Subd. 2. [BILL OF LADING.] (a) A person may transport aquatic life except salmonids or catfish with a completed bill of lading for:

(1) intrastate transportation of aquatic life between licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the same species and of the proper classification for the aquatic life; and

(2) stocking of waters other than public waters.

(b) When aquatic life is transported between licensed private fish hatcheries, aquatic farms, or aquarium facilities, a copy of the bill of lading must be submitted to the regional fisheries manager:

(1) at least 72 hours before the transportation if species transported into a watershed are not found in it, or have their original source outside Minnesota and contiguous states; or

(2) within 30 days in cases not covered by clause (1).

(c) A bill of lading is also required at least 72 hours before any transportation between licensed waters of the same licensee if species transported into a watershed are not found in it, or have their original source outside Minnesota and contiguous states.

(d) For transportation and stocking of waters that are not public waters:

(1) a bill of lading must be submitted to the regional fisheries manager 72 hours before transporting fish for stocking;

(2) a bill of lading must be submitted to the regional fisheries manager within five days after stocking if the waters to be stocked are confirmed by telecopy or telephone prior to stocking by the regional fisheries office not to be public waters; or

(3) a completed bill of lading may be submitted to the regional fisheries office by telecopy prior to transporting fish for stocking. Confirmation that the waters to be stocked are not public waters may be made by returning the bill of lading by telecopy or in writing, in which cases additional copies need not be submitted to the department of natural resources.

(e) Bill of lading forms may only be issued by the department of natural resources in St. Paul, and new bill of lading forms may not be issued until all previously issued forms have been returned.

Subd. 3. [EXEMPTIONS FOR TRANSPORTATION PERMITS AND BILLS OF LADING.] (a) A bill of lading or transportation permit is not required by an aquatic farm licensee for importation, transportation, or export for the following:

(1) minnows taken under an aquatic farm license in this state and transported intrastate;

(2) aquarium or ornamental fish including tropical, subtropical, and saltwater species that cannot survive in the waters of the state, which may be imported or transported if accompanied by shipping documents;

(3) fish or fish eggs that have been processed for use as food, bait, or other purposes unrelated to fish propagation;

(4) live fish, except salmonids and catfish, from a licensed aquatic farm, which may be transported directly to an outlet for processing or for other food purposes if accompanied by shipping documents;

(5) fish being exported if accompanied by shipping documents;

(6) sucker eggs, sucker fry, or fathead minnows transported intrastate for bait propagation or feeding of cultural aquatic life;

(7) species of fish that are found within the state used in connection with public shows, exhibits, demonstrations, or fishing pools for periods not exceeding 14 days; or

(8) transfer of aquatic life between licensed waters of the same licensee, except where required in subdivision 2.

(b) Shipping documents required under paragraph (a) must show the place of origin, owner or consignee, destination, number, and species.

Subd. 4. [TRANSPORTATION PERMIT REQUIREMENTS.] A transportation permit is required for all importation, transportation, or stocking of private aquatic life not covered by subdivision 2

or exempted in subdivision 3. A transportation permit may be used for multiple shipments within the 30-day term for the permit if the source and the destination remains the same. Transportation permits, which may authorize importation or stocking of public waters, may be issued through department of natural resources regional offices or the St. Paul office, and must be obtained prior to shipment.

Subd. 5. [PERMIT APPLICATION.] An application for a transportation permit must be made on forms provided by the commissioner. An incomplete application must be rejected. An application for a transportation permit for salmonids and catfish, their eggs, or sperm must be accompanied by certification that the source of the eggs or sperm are free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported, transported, or stocked following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported, transported, or stocked into areas where the disease has been previously introduced. A copy of the transportation permit showing the date of certification inspection must accompany the shipment of fish while in transit and must be available for inspection by the commissioner. By 14 days after a completed application is received, the commissioner must approve or deny the importation permits as provided in this section.

Subd. 6. [VEHICLE IDENTIFICATION.] (a) A vehicle used by a licensee for transporting aquatic life must be identified with the licensee's name and town of residence as it appears on the license and the license number.

(b) A vehicle used by a licensee must have identification displayed so that it is readily visible from either side of the vehicle in letters and numbers not less than 2-1/2 inches high and with a three-eighths inch wide stroke. Identification may be permanently affixed to vehicles or displayed on removable plates or placards placed on opposite doors of the vehicle or on the tanks carried on the vehicle.

(c) An application to license a vehicle for minnow transport or export or for use as a fish vendor that is received by the commissioner is a temporary license until it is approved or denied.

Sec. 6. [17.4986] [IMPORTATION OF AQUATIC LIFE.]

Subdivision 1. [IMPORTATION AND STOCKING RESTRICTIONS.] A person may not import fish into or stock fish in the state without first obtaining a transportation permit with a disease certification when required or a bill of lading from the commissioner, unless the person is exempted.

Subd. 2. [LICENSED FACILITIES.] (a) The commissioner shall issue transportation permits to import:

(1) indigenous and naturalized species except trout, salmon, and catfish from any source to a standard facility;

(2) trout, salmon, and catfish from a nonemergency disease area to a containment facility if the fish are certified within the previous year to be free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced; and

(3) trout, salmon, and catfish from a facility in a nonemergency disease area with a disease-free history of three years or more to a standard facility, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced.

(b) If a source facility in an emergency disease area cannot demonstrate a history free from disease, aquatic life may only be imported into a quarantine facility.

Subd. 3. [ENZOOTIC DISEASE AREA.] (a) Except as otherwise provided and except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced, fish may be imported from emergency disease enzootic areas only as fertilized eggs under the following conditions:

(1) to be imported into a standard facility, fertilized eggs must have a disease-free history for at least five years;

(2) to be imported into a containment facility, fertilized eggs must have a disease-free history for at least three years; or

(3) to be imported into a quarantine facility, fertilized eggs may have a disease-free history of less than three years.

(b) A hatchery inspection must occur at least once a year and fish must have been tested for all certifiable diseases. Fish health inspections under this subdivision must comply with section 2, subdivision 12.

Sec. 7. [17.4987] [STOCKING PRIVATE AQUATIC LIFE.]

(a) A person may not release private aquatic life into public waters that are not licensed as part of an aquatic farm without first obtaining a transportation permit from the commissioner. The

commissioner may deny issuance of a permit if releasing the private aquatic life is not consistent with the management plan for the public waters. The commissioner shall make management plans available to the public.

(b) If a permit is denied, the commissioner must provide reasons for the denial in writing.

Sec. 8. [17.4988] [LICENSE AND INSPECTION FEES.]

Subdivision 1. [REQUIREMENTS FOR ISSUANCE.] A permit or license must be issued by the commissioner if the requirements of law are met and the license and permit fees specified in this section are paid.

Subd. 2. [AQUATIC FARMING LICENSE.] (a) The annual fee for an aquatic farming license is \$275.

(b) The aquatic farming license must contain endorsements for the rights and privileges of the following licenses under the game and fish laws. The endorsement must be made upon payment of the license fee prescribed in section 97A.475 for the following licenses:

(1) minnow dealer license;

(2) minnow retailer license for sale of minnows as bait;

(3) minnow exporting license;

(4) minnow dealer helper license;

(5) aquatic farm vehicle endorsement, which includes a minnow dealer vehicle license, a minnow retailer vehicle license, an exporting minnow hauler vehicle license, and a fish vendor vehicle license;

(6) sucker egg taking license; and

(7) game fish packers license.

Subd. 3. [INSPECTION FEES.] The fees for the following inspections are:

(1) initial inspection of each water to be licensed, \$50;

(2) fish health inspection and certification, \$20 plus \$80 per lot thereafter; and

(3) initial inspection for containment and quarantine facility inspections, \$50.

Subd. 4. [AQUARIUM FACILITY.] (a) A person may not operate an aquarium facility without an aquarium facility license issued by the commissioner. The fee for an aquarium facility license is \$15.

(b) Game fish transferred by an aquarium facility must be accompanied by a receipt containing the information required on a shipping document by section 5, subdivision 3, paragraph (b).

Sec. 9. [17.4991] [DISEASE TRANSMISSION.]

Subdivision 1. [FACILITY DESIGNATION.] (a) The licensee may apply to the commissioner for designation of all or a portion of a facility as a standard, containment, or quarantine facility on forms prescribed by the commissioner as part of the license application or separately.

(b) By 15 business days after an application is submitted, the commissioner must notify the applicant if there are any deficiencies in the application. By 30 business days after a complete application is submitted, the commissioner shall approve or deny the designation requested. A denial must include an assessment of the actual risk to wildlife populations at the particular site. A containment designation must be approved if the facility meets the disinfection requirements of subdivision 2 and complies with section 2, subdivision 8.

Subd. 2. [DISINFECTION.] (a) Containment facilities must disinfect effluent prior to discharge to public waters. The effluent required to be disinfected includes water used by a containment facility in the production of the aquatic life of concern, waste or mortalities from the aquatic life of concern, and live forage or commercial feed discarded from the containment facility. Runoff from precipitation and excess water from natural springs, wells, or other sources that is not used in the production of aquatic life is not effluent to be disinfected.

(b) The disinfection must minimize the potential release of disease pathogens to wildlife susceptible to the pathogens based on a reasonable risk assessment. Disinfection treatment processes may include chlorination or other processes. If chlorine disinfection is utilized, a measurable residual level of 1.0 parts per million of active chlorine in the effluent must be maintained for one hour of retention time. The effluent must be sufficiently dechlorinated to prevent toxic adverse impacts to wildlife after discharge to public waters.

(c) A disinfection treatment process must ensure uninterrupted effluent treatment in the event of electrical power failure, a primary system failure, or other similar events that would cause treatment interruptions.

(d) The effluent disinfection process must be sited, designed, and operated in a manner that allows inspection by the commissioner at all times to determine whether adequate effluent disinfection is maintained.

(e) The commissioner may prescribe reasonable documentation of daily monitoring of treatment system performance to be included in the licensee's annual report. The records must be available for daily inspection by the commissioner during normal business hours and maintained for three years.

Subd. 3. [FISH HEALTH INSPECTION.] (a) An aquatic farm propagating trout, salmon, or catfish and having an effluent discharge from the aquatic farm into public waters must have an annual fish health inspection conducted by a certified fish health inspector. Testing must be conducted according to approved laboratory methods.

(b) A health inspection fee must be charged based on each lot of fish sampled. The fee by check or money order payable to the department of natural resources must be prepaid or paid at the time a bill or notice is received from the commissioner that the inspection and processing of samples is completed.

(c) Upon receipt of payment and completion of inspection, the commissioner shall notify the operator and issue a fish health certificate. The certification must be made according to the Fish Health Blue Book by a person certified as a fish health inspector.

(d) All aquatic life in transit or held at transfer stations within the state may be inspected by the commissioner. This inspection may include the collection of stock for purposes of pathological analysis. Sample size necessary for analysis will follow guidelines listed in the Fish Health Blue Book.

Subd. 4. [EMERGENCY DISEASE DETERMINATION.] If emergency diseases exist, the commissioner may order the fish in the facility to be impounded, confiscated, sold, or destroyed and the facility disinfected. The commissioner shall make every effort to allow disposed fish to be sold for market if there is no imminent danger of a significant adverse impact on natural fish populations or human health or of escape of the pathogen to public waters.

Sec. 10. [17.4992] [GAME FISH.]

Subdivision 1. [ACQUISITION AND PURCHASE.] Game fish sperm, viable game fish eggs, or live game fish may not be taken from public waters for aquaculture purposes, but may be purchased from the state or acquired from aquatic farms.

Subd. 2. [RESTRICTION ON THE SALE OF GAME FISH.] Species of the family salmonidae or ictaluridae, except bullheads, must be free of certifiable diseases if sold for stocking or transfer to another aquatic farm, except that eggs with enteric redmouth, whirling disease, or furunculosis may be transferred or stocked following treatment approved by the commissioner, and fish with bacterial kidney disease may be transferred or stocked to areas where the disease has been previously introduced.

Subd. 3. [ACQUISITION OF FISH FOR BROOD STOCK.] Game fish brood stock may be sold to private fish hatcheries or aquatic farms by the state at fair market value. As a one-time purchase for brood stock development, up to 20 pair of adults may be provided, if available, by the state through normal operations.

Subd. 4. [SALE OF EGGS BY THE STATE.] The commissioner may offer for sale as eggs or fry up to two percent of the department's annual game fish egg harvest. Additional eggs or fry may be sold if they are surplus to this state's program needs.

Subd. 5. [PURCHASE OF EGGS DEPENDENT UPON FACILITY.] Licensees may purchase game fish eggs or fry from the state at a rate based on the capacity of their facility to hatch and rear fish. Licensees may purchase walleye at a rate of no more than one-half quart of eggs or 5,000 fry for each acre or fraction of licensed surface water. This limitation may be waived if an aquatic farm is an intensive culture facility. The allowable purchase of trout or salmon eggs must be based on the capacity of rearing tanks and flow of water through the aquatic farm facility.

Subd. 6. [STOCKING WALLEYES NORTH OF MARKED STATE HIGHWAY NO. 210.] Walleyes from outside of the area of the state north of marked state highway No. 210 may not be stocked in waters of the state north of marked state highway No. 210 without approval by the commissioner.

Sec. 11. [17.4993] [MINNOWS.]

Subdivision 1. [TAKING FROM PUBLIC WATERS.] A licensee may take minnow sperm, minnow eggs, and live minnows from public waters for aquatic farm purposes under an aquatic farm license.

Subd. 2. [IMPORTATION OF LIVE MINNOWS.] Minnows from outside the state may not be imported live by a licensee for purposes other than processing or feeding aquatic farm fish.

Sec. 12. [17.4994] [SUCKER EGGS.]

Sucker eggs may be taken from public waters with a sucker egg

license endorsement, which authorizes sucker eggs to be taken at a rate of one quart of eggs for each 1-1/2 acres of licensed surface waters except that for intensive culture systems, sucker eggs may be taken at a rate of two quarts per 1,000 muskellunge fry being reared. The taking of sucker eggs from public waters is subject to chapter 97C and may be supervised by the commissioner.

Sec. 13. [17.4995] [RECEIPTS TO THE GAME AND FISH FUND.]

Money received by the state under sections 1 to 15 must be deposited in the state treasury and credited to the game and fish fund.

Sec. 14. [17.4996] [WHITE EARTH INDIAN RESERVATION.]

Until the commissioner reaches an agreement with the White Earth Indian Reservation regarding the acquisition and sale of aquatic life from public waters, an aquatic farm licensee may acquire and transport rough fish, as defined in section 97A.015, subdivision 43, and yellow perch lawfully acquired and possessed by a tribal member for sale under tribal laws and regulations on the White Earth Reservation. Transportation of yellow perch off the reservation must be accompanied by documentation showing the source and number of the yellow perch.

Sec. 15. [17.4997] [RULES.]

The commissioner may adopt rules that are consistent with sections 1 to 14. The commissioner must notify the Minnesota aquaculture commission and the commissioner of agriculture prior to publication of the proposed rules.

Sec. 16. Minnesota Statutes 1990, section 97C.203, is amended to read:

97C.203 [DISPOSAL OF STATE HATCHERY EGGS OR FRY.]

(a) The commissioner shall dispose of game fish eggs and fry according to the following order of priorities:

(1) distribution of fish eggs and fry to state hatcheries to hatch fry or raise fingerlings for stocking waters of the state for recreational fishing;

(2) sale of fish eggs and fry to private fish hatcheries or licensed aquatic farms to hatch fry or raise fingerlings to stock waters of this state with fingerlings for recreational fishing at a price not less than the fair market value, established as the average price charged at

the state's private hatcheries and contiguous states per volume rates; and

(3) sale at a price not less than the fair market value, established as the average price charged at the state's private hatcheries sources and contiguous states per volume rates of fish eggs and fry to private fish hatcheries and fish aquatic farms to hatch fry or raise fingerlings for sale.

(b) Until July 1, 1990, the commissioner must make at least two percent of the game fish eggs collected available to private hatcheries.

Sec. 17. Minnesota Statutes 1990, section 97C.301, is amended by adding a subdivision to read:

Subd. 5. [AQUATIC FARMS.] An aquatic farm licensee may take aquatic life under the aquatic farm license and its endorsements as authorized without additional licenses under the game and fish laws.

Sec. 18. Minnesota Statutes 1990, section 97C.345, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] This section does not apply to:

(1) nets used to take rainbow smelt during the open season;

(2) nets used to land game fish taken by angling;

(3) seines or traps used for the taking of minnows for bait; and

(4) nets, seines, or traps possessed and used under an aquatic farm license; and

(5) angling equipment.

Sec. 19. Minnesota Statutes 1990, section 97C.391, is amended to read:

97C.391 [BUYING AND SELLING FISH.]

Subdivision 1. [GENERAL RESTRICTIONS.] A person may not buy or sell fish taken from the waters of this state, except:

(1) minnows;

(2) rough fish excluding ciscoes;

- (3) fish taken under licensed commercial fishing operations;
- (4) fish raised in a fish farm that are identified as prescribed by the commissioner that are private aquatic life; and
- (5) fish raised in a private hatchery that are tagged or labeled or otherwise identified as prescribed by the commissioner; and
- (6) fish lawfully taken and subject to sale from other states and countries.

Subd. 2. [RESTRICTIONS ON CERTAIN GAME FISH.] Large-mouth bass, smallmouth bass, rock bass, muskellunge, and sunfish may not be bought or sold, unless bought or sold by a private hatchery or fish aquatic farm to stock waters for recreational fishing, or as prescribed by the commissioner.

Sec. 20. Minnesota Statutes 1990, section 97C.505, subdivision 6, is amended to read:

Subd. 6. [APPROVED EQUIPMENT REQUIRED.] A person must use equipment approved by the commissioner to possess or transport minnows for sale. This subdivision does not apply to licensed aquatic farms.

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, sections 97A.475, subdivision 29a; and 97C.209, are repealed.

Sec. 22. [1992 TRANSITION.]

A 1992 private fish hatchery or fish farm licensee may obtain an aquatic farm license by applying to the commissioner and paying the difference between the aquatic farm license with endorsements and the private fish hatchery or fish farm license and corresponding licenses under the game and fish laws.

Sec. 23. [EFFECTIVE DATE.]

This act is effective the day after final enactment, except section 21 is effective February 28, 1993."

The motion prevailed and the amendment was adopted.

Sparby moved to amend S. F. No. 2432, as amended, as follows:
the name of a person making a report under section 97C.505
Page 20, after line 5, insert:

"Sec. 16. Minnesota Statutes 1990, section 86A.05, is amended by adding a subdivision to read:

Subd. 14. [AQUATIC MANAGEMENT AREAS.] (a) Aquatic management areas may be established to protect, develop, and manage lakes, rivers, streams, and adjacent wetlands and lands that are critical for fish and other aquatic life, for water quality, and for their intrinsic biological value, public fishing, or other compatible outdoor recreational uses.

(b) No unit may be authorized unless it meets one or more of the following criteria:

- (1) provides angler or management access;
- (2) protects fish spawning, rearing, or other unique habitat;
- (3) protects aquatic wildlife feeding and nesting areas;
- (4) protects critical shoreline habitat; or
- (5) provides a site for research on natural history.

(c) Aquatic management areas must be administered by the commissioner of natural resources in a manner consistent with the purposes of this subdivision to perpetuate and, if necessary, reestablish high quality aquatic habitat for production of fish, wildlife, and other aquatic species. Public fishing and other uses shall be consistent with the limitations of the resource, including the need to preserve adequate populations and prevent long-term habitat injury or excessive fish population reduction or increase. Public access to aquatic management areas may be closed during certain time periods.

Sec. 17. Minnesota Statutes 1990, section 86A.09, subdivision 1, is amended to read:

Subdivision 1. [MASTER PLAN REQUIRED.] No construction of new facilities or other development of an authorized unit, other than repairs and maintenance, shall commence until the managing agency has prepared and submitted to the commissioner of trade and economic development and the commissioner of trade and economic development has reviewed, pursuant to this section, a master plan for administration of the unit in conformity with this section. No master plan is required for wildlife management areas that do not have resident managers, for water access sites, for aquatic management areas, or for rest areas."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sparby moved to amend S. F. No. 2432, as amended, as follows:

Page 3, line 19, delete "or any"

Page 3, delete lines 20 and 21

Page 3, line 22, delete everything before the period

The motion prevailed and the amendment was adopted.

S. F. No. 2432, A bill for an act relating to agriculture; regulating aquatic farming; protecting certain wildlife populations; amending Minnesota Statutes 1990, sections 97C.203; 97C.301, by adding a subdivision; 97C.345, subdivision 4; 97C.391; and 97C.505, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, sections 97A.475, subdivision 29a; and 97C.209.

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

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

Those who voted in the affirmative were:

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

Pauly	Rukavina	Smith	Trimble	Wejcman
Pellow	Runbeck	Solberg	Tunheim	Welker
Pelowski	Sarna	Sparby	Uphus	Welle
Peterson	Schäfer	Stanius	Valento	Wenzel
Pugh	Schreiber	Steensma	Nanasek	Winter
Reding	Seaberg	Sviggum	Vellenga	Spk Long
Rest	Segal	Swenson	Wagenius	
Rice	Simoneau	Thompson	Waltman	
Rodosovich	Skoglund	Tompkins	Weaver	

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

S. F. No. 1644 was reported to the House.

Farrell moved to amend S. F. No. 1644, as follows:

Page 61, after line 5, insert:

"Sec. 71. Minnesota Statutes 1990, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to pari-mutuel wagering conducted under a license issued pursuant to chapters 240 and 349 or purchase of tickets in the state lottery under chapter 349A, or to gaming activities conducted pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Bauerly and Farrell moved to amend S. F. No. 1644, as amended, as follows:

Page 96, delete lines 11 to 35

(d) Until June 1, 1994, paragraph (a) does not prohibit the release of health records to qualified personnel solely for purposes of medical or scientific research, if the patient has not objected to a release for research purposes and the provider who releases the records makes a reasonable effort to determine that:

Amend the title accordingly is not violate any limitations under which the record was collected.

The motion prevailed and the amendment was adopted.

S. F. No. 1644, A bill for an act relating to commerce; regulating negotiable instruments; adopting the revised article 3 of the Uniform Commercial Code with conforming amendments to articles 1 and 4 approved by the American Law Institute and the National Conference of Commissioners on Uniform State Laws, prohibiting certain methods of authorizing electronic fund transfers from consumer accounts; amending Minnesota Statutes 1990, sections 336.1-201, 336.1-207, 336.4-101, 336.4-102, 336.4-103, 336.4-104, 336.4-105, 336.4-106, 336.4-107, 336.4-108, 336.4-201, 336.4-202, 336.4-203, 336.4-204, 336.4-205, 336.4-206, 336.4-207, 336.4-208, 336.4-209, 336.4-210, 336.4-211, 336.4-212, 336.4-213, 336.4-214, 336.4-301, 336.4-302, 336.4-303, 336.4-401, 336.4-402, 336.4-403, 336.4-404, 336.4-405, 336.4-406, 336.4-407, 336.4-501, 336.4-502, 336.4-503, and 336.4-504; proposing coding for new law in Minnesota Statutes, chapters 325G; and 336; repealing Minnesota Statutes 1990, sections 336.3-101 to 336.3-805; and 336.4-109.

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

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

Those who voted in the affirmative were:

Abrams	Boo	Erhardt	Hasskamp	Johnson, A.
Anderson, I.	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	Janezich	Krambeier
Blatz	Dille	Hanson	Jefferson	Krinkie
Bodahl	Dorn	Hartle	Jennings	Krueger

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

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

S. F. No. 2233 was reported to the House.

Rukavina moved to amend S. F. No. 2233, as follows:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1990, section 84.83, is amended by adding a subdivision to read:

Subd. 4. [PROVISIONS APPLICABLE TO FUNDING RECIPIENTS.] Recipients of Minnesota trail assistance program funds must be held to the same standard of liability as a political subdivision under chapter 466 for activities associated with the administration, design, construction, maintenance, and grooming of snowmobile trails."

Renumber remaining sections in sequence

Page 2, line 26, after "installed" insert "or factory specified replacement"

Page 3, line 9, delete "1 and 3" and insert "2 and 4"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2233, as amended, was read for the third time.

Rukavina moved that S. F. No. 2233, as amended, be continued on Special Orders. The motion prevailed.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2848

A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; amending Minnesota Statutes 1990, section 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, section 349A.02, subdivision 4.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2848, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2848 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [RATIFICATIONS.]

Subdivision 1. [COUNCIL 6.] The labor agreement between the state of Minnesota and state bargaining units 2, 3, 4, 6, and 7, represented by the American Federation of State, County, and Municipal Employees, Council 6, approved by the legislative commission on employee relations on July 30, 1991, is ratified.

Subd. 2. [COUNCIL 6.] The labor agreement between the state of Minnesota and state bargaining unit 8, represented by the American Federation of State, County, and Municipal Employees, Council 6, approved by the legislative commission on employee relations on September 12, 1991, is ratified.

Subd. 3. [PROFESSIONAL EMPLOYEES.] The labor agreement between the state of Minnesota and the Minnesota Association of Professional Employees, approved by the legislative commission on employee relations on September 12, 1991, is ratified.

Subd. 4. [SUPERVISORS.] The labor agreement between the state

of Minnesota and the Middle Management Association, approved by the legislative commission on employee relations on September 12, 1991, is ratified.

Subd. 5. [ENGINEERS.] The labor agreement between the state of Minnesota and the Minnesota Government Engineers Council, approved by the legislative commission on employee relations on September 12, 1991, is ratified.

Subd. 6. [MANAGERIAL PLAN.] The commissioner of employee relations' plan for managerial employees, approved by the legislative commission on employee relations on September 12, 1991, is ratified.

Subd. 7. [COMMISSIONER'S PLAN.] The commissioner of employee relations' plan for unrepresented employees, approved by the legislative commission on employee relations on September 12, 1991, is ratified.

Subd. 8. [SPECIAL TEACHERS.] The labor agreement between the state of Minnesota and the State Residential Schools Education Association, approved by the legislative commission on employee relations on November 19, 1991, is ratified.

Subd. 9. [UNCLASSIFIED EMPLOYEES; HIGHER EDUCATION COORDINATING BOARD.] The plan for unclassified employees of the higher education coordinating board, as approved by the department of employee relations on November 14, 1991, and by the legislative commission on employee relations on November 19, 1991, is ratified.

Subd. 10. [NURSES.] The labor agreement between the state of Minnesota and the Minnesota Nurses Association, approved by the legislative commission on employee relations on January 6, 1992, is ratified.

Subd. 11. [COMMUNITY COLLEGE FACULTY.] The labor agreement between the state of Minnesota and the Minnesota Community College Faculty Association, approved by the legislative commission on employee relations on January 6, 1992, is ratified.

Subd. 12. [UNCLASSIFIED EMPLOYEES, COMMUNITY COLLEGE SYSTEM.] The plan for unclassified employees of the community college system, as approved by the department of employee relations on December 27, 1991, and by the legislative commission on employee relations on January 6, 1992, is ratified.

Subd. 13. [UNCLASSIFIED EMPLOYEES; TECHNICAL COLLEGE BOARD.] The plan for unclassified employees of the technical college board, as approved by the department of employee relations

on November 14, 1991, and by the legislative commission on employee relations on January 16, 1992, is ratified.

Subd. 14. [ADMINISTRATIVE LAW JUDGES; OFFICE OF ADMINISTRATIVE HEARINGS.] The plan for administrative law judges of the office of administrative hearings, as approved by the department of employee relations on December 27, 1991, and by the legislative commission on employee relations on January 16, 1992, is ratified.

Subd. 15. [CHANCELLOR; TECHNICAL COLLEGE SYSTEM.] The salary for the chancellor of the technical college system, approved by the legislative commission on employee relations on January 16, 1992, is ratified.

Subd. 16. [CHANCELLOR; COMMUNITY COLLEGE SYSTEM.] The salary for the chancellor of the community college system, approved by the legislative commission on employee relations on January 16, 1992, is ratified.

Subd. 17. [DIRECTOR; HIGHER EDUCATION COORDINATING BOARD.] The salary for the director of the higher education coordinating board, approved by the legislative commission on employee relations on January 16, 1992, is ratified.

Subd. 18. [CHANCELLOR; HIGHER EDUCATION BOARD.] The salary for the chancellor of the higher education board, approved by the legislative commission on employee relations on January 16, 1992, is ratified.

Subd. 19. [STATE UNIVERSITY FACULTY.] The labor agreement between the state of Minnesota and the inter-faculty organization, approved by the legislative commission on employee relations on March 9, 1992, is ratified.

Subd. 20. [STATE UNIVERSITY ADMINISTRATIVE UNION.] The labor agreement between the state of Minnesota and the Minnesota state university association of administrative and service faculty, approved by the legislative commission on employee relations on March 9, 1992, is ratified.

Subd. 21. [STATE UNIVERSITY UNREPRESENTED EMPLOYEES PLAN.] The plan for unrepresented employees of the state university system, as approved by the department of employee relations on March 9, 1992, and by the legislative commission on employee relations on March 9, 1992, is ratified.

Sections 18 to 22 may be cited as the "Minnesota child protection Sec. 2. [INTERIM APPROVAL.]

After adjournment of the 1992 session, but before the 1993 session

of the legislature, the legislative commission on employee relations may give interim approval to any negotiated agreement, arbitration award, salary, or compensation plan submitted to it under other law. The commission shall submit the agreement, award, salary, or plan to the entire legislature for ratification in the same manner and with the same effect as provided for agreements, awards, salaries, and plans submitted after adjournment of the legislature in an odd-numbered year.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 2

Section 1. [REPORT ON QUASI-STATE AGENCY HEADS.]

The commissioner of employee relations shall evaluate and submit a report to the chair of the legislative commission on employee relations and the chairs of the house and senate governmental operations committees on the appropriate salary ranges for the director of the state high school league. The report must include an analysis of the policy implications and appropriateness of establishing salary ranges for agency heads and employees of quasi-state agencies. This report must be submitted by December 15, 1992.

ARTICLE 3

Section 1. Minnesota Statutes 1990, section 15A.083, subdivision 4, is amended to read:

Subd. 4. [RANGES FOR OTHER JUDICIAL POSITIONS.] Salaries or salary ranges are provided for the following positions in the judicial branch of government. The appointing authority of any position for which a salary range has been provided shall fix the individual salary within the prescribed range, considering the qualifications and overall performance of the employee. The supreme court shall set the salary of the state court administrator and the salaries of district court administrators. The salary of the state court administrator or a district court administrator may not exceed the salary of a district court judge. If district court administrators die, the amounts of their unpaid salaries for the months in which their deaths occur must be paid to their estates. The salaries of the district administrators of the second, fourth, and sixth judicial districts may be supplemented by the appropriate county board in an amount not to exceed \$10,000 per year. The salary supplement may be made effective only until January 1, 1988. The salary of the state public defender shall be 95 percent of the salary of the attorney general.

	Salary or Range Effective July 1, 1987 1992
Board on judicial standards executive director	\$34,000-\$48,000 <u>\$44,000-\$60,000</u>

Sec. 2. Minnesota Statutes 1990, section 21.85, subdivision 2, is amended to read:

Subd. 2. [SEED LABORATORY.] The commissioner shall establish and maintain a seed laboratory for seed testing, employing necessary agents and assistants to administer and enforce sections 21.80 to 21.92, ~~none of whom, except those who are employed on a regular full-time basis, shall come within or be governed by chapter 43A. The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the commissioner's plan of the department of employee relations or the appropriate bargaining unit contract.~~

Sec. 3. Minnesota Statutes 1991 Supplement, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

- (1) chosen by election or appointed to fill an elective office;
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the office of strategic and long-range planning;
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;
- (7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service; specified in section 19, subdivision 2 or 4.

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

information contained in the report or record pursuant to section 18

(10) officers and enlisted persons in the national guard;

(11) attorneys, legal assistants, examiners, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization; children's service provider who continue as an employee, volunteer, or owner, has been denied, because of the superintendent's response; and

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;

(13) members of the state patrol; provided that selection and appointment of state patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) chaplains employed by the state;

(15) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;

(16) student workers;

(17) one position in the hazardous substance notification and response activity in the department of public safety executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

(18) employees unclassified pursuant to other statutory authority;

(19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation; and

Sec. 5. Minnesota Statutes 1991 Supplement, section 349A.02, subdivision 4, is amended to read:

Subd. 4. [EMPLOYEES.] The director may appoint other personnel as necessary to operate the state lottery. All professional employees as defined in section 179A.03, subdivision 13, whose primary responsibilities are in marketing are in the unclassified service. All other employees of the division are in the classified service in accordance with chapter 43A. At least one position in the division must be an attorney position and the director shall employ in that position an attorney to perform legal services for the division.

Sec. 6. [CLASSIFICATION OF CERTAIN POSITIONS.]

Notwithstanding Laws 1987, chapter 404, section 26, subdivision 6, professional positions associated with the outdoor recreation program in the department of trade and economic development that do not meet the criteria established in Minnesota Statutes, section 43A.08, subdivision 1a or 2a, are in the classified service.

Sec. 7. [TRANSFER OF INCUMBENT EMPLOYEES.]

Employees who, on the effective date of this section, hold or are on leave from positions that are transferred to the classified service are appointed to the classified civil service without competitive or qualifying examination. The commissioner of employee relations shall place the employees in the proper classifications in the classified service. Each employee is appointed at no loss in salary or accrued leave benefits. An employee so appointed shall begin on the effective date of this act to serve a probationary period appropriate to the class of their position.

Sec. 8. [RETIREMENT PLANS.]

A person who on the day before the effective date of this section is a participant in the state unclassified employees retirement program and whose position is placed in the classified service under this article or as a result of a plan required by Laws 1991, chapter 238, article 1, section 20 or 21, may elect to maintain membership in the unclassified program as long as the person holds the position or a position in a higher class in the same agency. When an unclassified position that entitles a person to participate in the unclassified retirement program is placed in the classified service, the commissioner of employee relations shall send written notice to the incumbent of the position, and to the director of the Minnesota state retirement system. The notice must state the incumbent's option under this section. A person eligible to maintain membership in the unclassified plan must notify the executive director of the state retirement system of the person's election to maintain membership in the unclassified plan within 60 days of the date on which the

commissioner sends the notice stating that the position has been placed in the classified service. A person who does not send notice is deemed to have waived the right to remain in the unclassified plan.

Sec. 9. [APPROPRIATION.]

\$10,000 is appropriated from the general fund to the board of judicial standards, to be added to the appropriation in Laws 1991, chapter 345, article 1, section 6, for fiscal year 1993."

Delete the title and insert:

"A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; requiring a report to the legislature; raising the salary range for the executive director of the board on judicial standards; appropriating money; amending Minnesota Statutes 1990, sections 15A.083, subdivision 4; 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, sections 43A.08, subdivisions 1 and 1a; and 349A.02, subdivision 4."

We request adoption of this report and repassage of the bill.

House Conferees: LEO J. REDING, JERRY KNICKERBOCKER AND PHYLLIS KAHN.

Senate Conferees: GENE WALDORF, CAROL FLYNN AND NANCY BRATAAS.

Reding moved that the report of the Conference Committee on H. F. No. 2848 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2848, A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; amending Minnesota Statutes 1990, section 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, section 349A.02, subdivision 4.

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 120 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bettermann	Frerichs	Heir	Pellow	Welker
Davids	Girard	Krinkie	Tompkins	

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

Subd. 1. Any person convicted of a criminal offense under this statute who has been

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2030

A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2030, report that we have agreed upon the items in dispute and recommend as follows:

~~That the Senate recede from its amendment and that H.F. No. 2030 be further amended as follows:~~

~~Delete everything after the enacting clause and insert:~~

~~"Section 1. Minnesota Statutes 1991 Supplement, section 221.025, is amended to read:~~

221.025 [EXEMPTIONS.]

~~Except as provided in sections 221.031 and 221.033, and 221.141, subdivision 5, the provisions of this chapter do not apply to the intrastate transportation described below:~~

(a) the transportation of students to or from school or school activities in a school bus inspected and certified under section 169.451;

(b) the transportation of rubbish as defined in section 443.27;

(c) a commuter van as defined in section 221.011, subdivision 27;

(d) authorized emergency vehicles as defined in section 169.01, subdivision 5, including ambulances, and tow trucks when picking up and transporting disabled or wrecked motor vehicles and when carrying proper and legal warning devices;

(e) the transportation of grain samples under conditions prescribed by the board;

(f) the delivery of agricultural lime;

(g) the transportation of dirt and sod within an area having a 50-mile radius from the home post office of the person performing the transportation;

(h) a person while exclusively engaged in the transportation of sand, gravel, bituminous asphalt mix, concrete ready mix, concrete blocks or tile and the mortar mix to be used with the concrete blocks or tile, or crushed rock to or from the point of loading or a place of gathering within an area having a 50-mile radius from that person's home post office or a 50-mile radius from the site of construction or maintenance of public roads and streets;

(i) the transportation of pulpwood, cordwood, mining timber, poles, posts, decorator evergreens, wood chips, sawdust, shavings, and bark from the place where the products are produced to the point where they are to be used or shipped;

(j) a person while engaged exclusively in transporting fresh vegetables from farms to canneries or viner stations, from viner stations to canneries, or from canneries to canneries during the harvesting, canning, or packing season, or transporting potatoes, sugar beets, wild rice, or rutabagas from the field of production to the first place of delivery or unloading, including a processing plant, warehouse, or railroad siding;

(k) a person engaged in transporting property or freight, other than household goods and petroleum products in bulk, entirely within the corporate limits of a city or between contiguous cities except as provided in section 221.296;

(l) the transportation of unprocessed dairy products in bulk within an area having a 100-mile radius from the home post office of the person providing the transportation;

(m) a person engaged in transporting agricultural, horticultural, dairy, livestock, or other farm products within an area having a 25-mile radius from the person's home post office and the carrier may transport other commodities within the 25-mile radius if the destination of each haul is a farm;

(n) passenger transportation service that is not charter service and that is under contract to and with operating assistance from the department or the regional transit board.

Sec. 2. Minnesota Statutes 1990, section 221.031, is amended by adding a subdivision to read:

Subd. 3b. [PASSENGER TRANSPORTATION.] (a) A person who transports passengers for hire in intrastate commerce, who is not made subject to the commissioner's rules by any other provision of this section, must comply with the commissioner's rules on maximum hours of service for drivers while transporting employees of an employer who is directly or indirectly paying the cost of the transportation.

(b) This subdivision does not apply to:

(1) a local transit commission;

(2) a transit authority created by law; or

(3) persons providing transportation:

(i) in a school bus as defined in section 169.01, subdivision 6;

(ii) in a commuter van;

(iii) in an authorized emergency vehicle as defined in section 169.01, subdivision 5;

(iv) in special transportation service certified by the commissioner under section 174.30;

(v) that is special transportation service as defined in section 174.29, subdivision 1, when provided by a volunteer driver operating a private passenger vehicle as defined in section 169.01, subdivision 3a;

(vi) in a limousine the service of which is licensed by the commissioner under section 221.84; or

(vii) in a taxicab, if the fare for the transportation is determined by a meter inside the taxicab that measures the distance traveled and displays the fare accumulated.

Sec. 3. Minnesota Statutes 1990, section 221.141, is amended by adding a subdivision to read:

Subd. 5. [PASSENGER TRANSPORTATION.] For purposes of this section, "motor carrier" includes any person who transports passengers for hire in intrastate commerce. This section does not apply to an entity or person included in section 221.031, subdivision 3b, paragraph (b)."

Delete the title and insert:

"A bill for an act relating to transportation; making certain persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025."

We request adoption of this report and repassage of the bill.

House Conferees: JAMES I. RICE, BERNARD L. "BERNIE" LIEDER AND CHUCK BROWN.

Senate Conferees: FLORIAN CHMIELEWSKI, CARL W. KROENING AND JIM GUSTAFSON.

Rice moved that the report of the Conference Committee on H. F. No. 2030 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2030, A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2181

A bill for an act relating to data practices; classifying government data; providing for access to and charges for patient's medical records; providing for the treatment of records of certain criminal convictions; altering the procedures of the pardon board and treatment of its records; providing criminal background checks of professional and volunteer child care providers; providing for subpoena powers of county attorneys; changing the time when an arrest warrant may be served; amending Minnesota Statutes 1990, sections 13.08, subdivision 1; 13.46, subdivision 7; 144.335, by adding

subdivisions; 147.161, subdivision 3; 152.18, subdivision 1; 242.31, 270B.14, by adding a subdivision; 299C.11, 299C.13, 363.03, subdivision 1; 388.23, subdivision 1; 609.168, 626.14, and 638.02, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 13.46, subdivision 2; 144.0525, 144.335, subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.04, 638.05, and 638.06; proposing coding for new law in Minnesota Statutes, chapters 13, 144, 299C, 357, and 638; proposing coding for new law as Minnesota Statutes, chapter 13C, the pardon application procedure;

quelling certain reports; appropriating money; amending Minnesota Statutes 1990, sections 13.05, by adding a subdivision; 72A.20, by adding a subdivision; 114.335, by adding a subdivision; 147.161, subdivision 1; 242.31; 270B.14, by adding a

The Honorable Dee Long
Speaker of the House of Representatives, subdivision 1; 609.168; 611A.20, subdivision 2; 626.14; 638.02, subdivisions 2 and 4; Min-

The Honorable Jerome M. Hughes
President of the Senate, sections 13.03, subdivision 3; subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.05, and 638.06; Laws 1990, chapter 566,

section 9; proposing coding for new law in Minnesota Statutes, chapters 13, 144, 299C, 357, and 638; proposing coding for new law as Minnesota Statutes, chapter 13C.

That the Senate recede from its amendments and that H. F. No. 2181 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 13.03, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR ACCESS TO DATA.] Upon request to a responsible authority or designee, a person shall be permitted to inspect and copy public government data at reasonable times and places, and, upon request, shall be informed of the data's meaning. If a person requests access for the purpose of inspection, the responsible authority may not assess a charge or require the requesting person to pay a fee to inspect data. The responsible authority or designee shall provide copies of public data upon request. If a person requests copies or electronic transmittal of the data to the person, the responsible authority may require the requesting person to pay the actual costs of searching for and retrieving government data, including the cost of employee time, and for making, certifying, compiling, and electronically transmitting the copies of the data or the data, but may not charge for separating public from not public data. If the responsible authority is a state agency, the amount received is appropriated to the agency and added to the appropriations from which the costs were paid. If the responsible authority or designee is not able to provide copies at the time a request is made, copies shall be supplied as soon as reasonably possible.

When a request under this subdivision involves any person's

receipt of copies of public government data that has commercial value and is a substantial and discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, data base, or system developed with a significant expenditure of public funds by the agency, the responsible authority may charge a reasonable fee for the information in addition to the costs of making, certifying, and compiling the copies. Any fee charged must be clearly demonstrated by the agency to relate to the actual development costs of the information. The responsible authority, upon the request of any person, shall provide sufficient documentation to explain and justify the fee being charged.

If the responsible authority or designee determines that the requested data is classified so as to deny the requesting person access, the responsible authority or designee shall inform the requesting person of the determination either orally at the time of the request, or in writing as soon after that time as possible, and shall cite the specific statutory section, temporary classification, or specific provision of federal law on which the determination is based. Upon the request of any person denied access to data, the responsible authority or designee shall certify in writing that the request has been denied and cite the specific statutory section, temporary classification, or specific provision of federal law upon which the denial was based.

Sec. 2. Minnesota Statutes 1990, section 13.03, is amended by adding a subdivision to read:

Subd. 10. [COSTS FOR PROVIDING COPIES OF DATA.] Money collected by a responsible authority in a state agency for the actual cost to the agency of providing copies or electronic transmittal of government data is appropriated to the agency and added to the appropriations from which the costs were paid.

Sec. 3. Minnesota Statutes 1990, section 13.05, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON COLLECTION AND USE OF DATA.] Private or confidential data on an individual shall not be collected, stored, used, or disseminated by political subdivisions, statewide systems, or state agencies for any purposes other than those stated to the individual at the time of collection in accordance with section 13.04, except as provided in this subdivision.

(a) Data collected prior to August 1, 1975, and which have not been treated as public data, may be used, stored, and disseminated for the purposes for which the data was originally collected or for purposes which are specifically approved by the commissioner as necessary to public health, safety, or welfare.

(b) Private or confidential data may be used and disseminated to

individuals or agencies specifically authorized access to that data by state, local, or federal law enacted or promulgated after the collection of the data.

(c) Private or confidential data may be used and disseminated to individuals or agencies subsequent to the collection of the data when the responsible authority maintaining the data has requested approval for a new or different use or dissemination of the data and that request has been specifically approved by the commissioner as necessary to carry out a function assigned by law.

(d) Private data may be used by and disseminated to any person or agency if the individual subject or subjects of the data have given their informed consent. Whether a data subject has given informed consent shall be determined by rules of the commissioner. Informed consent shall not be deemed to have been given by an individual subject of the data by the signing of any statement authorizing any person or agency to disclose information about the individual to an insurer or its authorized representative, unless the statement is:

- (1) in plain language;
- (2) dated;
- (3) specific in designating the particular persons or agencies the data subject is authorizing to disclose information about the data subject;
- (4) specific as to the nature of the information the subject is authorizing to be disclosed;
- (5) specific as to the persons or agencies to whom the subject is authorizing information to be disclosed;
- (6) specific as to the purpose or purposes for which the information may be used by any of the parties named in clause (5), both at the time of the disclosure and at any time in the future;
- (7) specific as to its expiration date which should be within a reasonable period of time, not to exceed one year except in the case of authorizations given in connection with applications for life insurance or noncancelable or guaranteed renewable health insurance and identified as such, two years the date of the policy.

The responsible authority may require a person requesting copies of data under this paragraph to pay the actual costs of making, certifying, and compiling the copies.

Subdivision 1. [PROVISIONS CODED IN OTHER CHAPTERS.] The laws enumerated in this section are codified outside of chapter 13 and classify government data as other than public or place restrictions on access to government data. The remedies and penalties provided in sections 13.08 and 13.09 also apply to data and records listed in this section and to other provisions of statute that provide access to government data and records or rights regarding government data similar to those established by section 13.04.

Subd. 2. [DATA PROVIDED TO THE TAX STUDY COMMISSION.] The commissioner of revenue shall provide data to the tax study commission under section 3.861, subdivision 6.

Subd. 3. [LEGISLATIVE AUDIT DATA.] Data relating to an audit performed under section 3.97 are classified under section 3.97, subdivision 11.

Subd. 4. [ETHICAL PRACTICES BOARD INFORMATION.] Disclosure by the ethical practices board of information about a complaint or investigation is governed by section 10A.02, subdivision 11.

Subd. 5. [ETHICAL PRACTICES INVESTIGATION DATA.] The record of certain investigations conducted under chapter 10A is classified, and disposition of certain information is governed, by section 10A.02, subdivision 11a.

Subd. 6. [REGISTER OF OWNERSHIP OF BONDS OR CERTIFICATES.] Information in a register of ownership of state bonds or certificates is classified under section 16A.672, subdivision 11.

Subd. 7. [PESTICIDE DEALER RECORDS.] Records of pesticide dealers inspected or copied by the commissioner of agriculture are classified under section 18B.37, subdivision 5.

Subd. 8. [DAIRY REPORTS TO COMMISSIONER OF AGRICULTURE.] Disclosure of information in reports about dairy production required to be filed with the commissioner of agriculture under section 32.19 is governed by that section.

Subd. 9. [FAMILY FARM SECURITY.] Data received or prepared by the commissioner of agriculture regarding family farm security loans are classified in section 41.63.

Subd. 10. [RURAL FINANCE AUTHORITY.] Certain data received or prepared by the rural finance authority are classified pursuant to section 41B.211.

Subd. 11. [WORLD TRADE CENTER.] Certain data received or developed by the governing board of the Minnesota world trade center corporation are classified in section 44A.08.

Subd. 12. [COMMERCE DEPARTMENT DATA ON FINANCIAL INSTITUTIONS.] The disclosure by the commissioner of commerce of facts and information obtained in the course of examining financial institutions is governed by section 46.07, subdivision 2.

Subd. 13. [COMMUNITY REINVESTMENT RATING.] The contents and disclosure of the confidential section of the community reinvestment rating prepared by the commissioner of commerce are governed by section 47.84.

Subd. 14. [EXAMINATION OF INSURANCE COMPANIES.] Information obtained by the commissioner of commerce in the course of supervising or examining insurance companies is classified under section 60A.03, subdivision 9. An examination report of a domestic or foreign insurance company prepared by the commissioner is classified pursuant to section 60A.031, subdivision 4.

Subd. 15. [INSURANCE COMPANY INFORMATION.] Data received by the department of commerce under section 60A.93 are classified as provided by that section.

Subd. 16. [PROCEEDING AND RECORDS IN SUMMARY PROCEEDINGS AGAINST INSURERS.] Access to proceedings and records of summary proceedings by the commissioner of commerce against insurers and judicial review of such proceedings is governed by section 60B.14, subdivisions 1, 2, and 3.

Subd. 17. [INSURANCE GUARANTY ASSOCIATION.] The commissioner may share data with the board of the Minnesota Insurance Guaranty Association as provided by section 60C.14, subdivision 2.

Subd. 18. [VARIOUS INSURANCE DATA.] Disclosure of information obtained by the commissioner of commerce under section 60D.18, 60D.19, or 60D.20 is governed by section 60D.22.

Subd. 19. [HMO EXAMINATIONS.] Data obtained by the commissioner of health in the course of an examination of the affairs of a health maintenance organization are classified under section 62D.14, subdivisions 1 and 4.

Subd. 20. [AUTO THEFT DATA.] The sharing of data on auto thefts between law enforcement and prosecutors and insurers is governed by section 65B.81.

Subd. 21. [SELF-INSURERS' SECURITY FUND.] Disclosure of certain data received by the self-insurers' security is governed by section 79A.09, subdivision 4.

Subd. 22. [ENVIRONMENTAL RESPONSE.] Certain data ob-

tained by the pollution control agency from a person who may be responsible for a release are classified in section 115B.17, subdivision 5.

Subd. 23. [HAZARDOUS WASTE GENERATORS.] Data exchanged between the pollution control agency and the department of revenue under sections 115B.24 and 116.075, subdivision 2, are classified under section 115B.24, subdivision 5.

Subd. 24. [SOLID WASTE FACILITY RECORDS.] Records of solid waste facilities received, inspected, or copied by a county pursuant to section 115A.882 are classified pursuant to section 115A.882, subdivision 3.

Subd. 25. [HAZARDOUS WASTE GENERATORS.] Information provided by hazardous waste generators under section 473.151 and for which confidentiality is claimed is governed by section 116.075, subdivision 2.

Subd. 26. [POLLUTION CONTROL AGENCY TESTS.] Trade secret information made available by applicants for certain projects of the pollution control agency are classified under section 116.54.

Subd. 27. [LOW-LEVEL RADIOACTIVE WASTE.] Certain data given to the pollution control agency by persons who generate, transport, or dispose of low-level radioactive waste are classified under section 116C.840.

Subd. 28. [STUDENT FINANCIAL AID.] Data collected and used by the higher education coordinating board on applicants for financial assistance are classified under section 136A.162.

Subd. 29. [RESTRICTIONS ON ACCESS TO ARCHIVES RECORDS.] Limitations on access to records transferred to the state archives are provided in section 138.17, subdivision 1c.

Subd. 30. [FOUNDLING REGISTRATION.] The report of the finding of an infant of unknown parentage is classified under section 144.216, subdivision 2.

Subd. 31. [NEW CERTIFICATE OF BIRTH.] In circumstances in which a new certificate of birth may be issued under section 144.218, the original certificate of birth is classified as provided in that section.

Subd. 32. [BIRTH CERTIFICATE OF CHILD OF UNMARRIED PARENTS.] Access to the birth certificate of a child whose parents were not married to each other when the child was conceived or born is governed by sections 144.225, subdivision 2, and 257.73.

Subd. 33. [HUMAN LEUKOCYTE ANTIGEN TYPE REGISTRY.] Data identifying a person and the person's human leukocyte antigen type which is maintained by a government entity are classified under section 144.336, subdivision 1.

Subd. 34. [HEALTH THREAT PROCEDURES.] Data in a health directive issued by the commissioner of health or a board of health are classified in section 144.4186.

Subd. 35. [CERTAIN HEALTH INSPECTIONS.] Disclosure of certain data received by the commissioner of health under sections 144.50 to 144.56 is governed by section 144.58.

Subd. 36. [CANCER SURVEILLANCE SYSTEM.] Data on individuals collected by the cancer surveillance system are classified pursuant to section 144.69.

Subd. 37. [MEDICAL MALPRACTICE CLAIMS REPORTS.] Reports of medical malpractice claims submitted by an insurer to the commissioner of health under section 144.693 are classified as provided in section 144.693, subdivision 1.

Subd. 38. [HEALTH TEST RESULTS.] Health test results obtained under chapter 144 are classified under section 144.768.

Subd. 39. [HOME CARE SERVICES.] Certain data from providers of home care services given to the commissioner of health are classified under section 144A.47.

Subd. 40. [TERMINATED PREGNANCIES.] Disclosure of reports of terminated pregnancies made to the commissioner of health is governed by section 145.413, subdivision 1.

Subd. 41. [REVIEW ORGANIZATION DATA.] Disclosure of data and information acquired by a review organization as defined in section 145.61, subdivision 5, is governed by section 145.64.

Subd. 42. [FAMILY PLANNING GRANTS.] Information gathered under section 145.925 is classified under section 145.925, subdivision 6.

Subd. 43. [PHYSICIAN INVESTIGATION RECORDS.] Patient medical records provided to the board of medical examiners under section 147.131 are classified under that section.

Subd. 44. [RECORD OF PHYSICIAN DISCIPLINARY ACTION.] The administrative record of any disciplinary action taken by the board of medical examiners under sections 147.01 to 147.22 is sealed upon judicial review as provided in section 147.151.

Subd. 45. [CHIROPRACTIC REVIEW RECORDS.] Data of the board of chiropractic examiners and the peer review committee are classified under section 148.106, subdivision 10.

Subd. 46. [DISCIPLINARY ACTION AGAINST NURSES.] Data obtained under section 148.261, subdivision 5, by the board of nursing are classified under that subdivision.

Subd. 47. [MEDICAL RECORDS OBTAINED BY BOARD OF NURSING.] Medical records of a patient cared for by a nurse who is under review by the board of nursing are classified under sections 148.191, subdivision 2, and 148.265.

Subd. 48. [RECORDS OF NURSE DISCIPLINARY ACTION.] The administrative records of any disciplinary action taken by the board of nursing under sections 148.171 to 148.285 are sealed upon judicial review as provided in section 148.266.

Subd. 49. [CLIENT RECORDS OBTAINED BY BOARDS ON MENTAL HEALTH AND SOCIAL WORK.] Client records obtained by a board conducting an investigation under chapter 148B are classified by section 148B.09.

Subd. 50. [RECORDS OF MENTAL HEALTH AND SOCIAL WORK DISCIPLINARY ACTION.] The administrative records of disciplinary action taken by a board under chapter 148B are sealed upon judicial review as provided in section 148B.10.

Subd. 51. [SOCIAL WORK AND MENTAL HEALTH BOARDS.] Certain data obtained by licensing boards under chapter 148B are classified under section 148B.175, subdivisions 2 and 5.

Subd. 52. [RECORDS OF UNLICENSED MENTAL HEALTH PRACTITIONER DISCIPLINARY ACTIONS.] The administrative records of disciplinary action taken by the commissioner of health pursuant to sections 148B.60 to 148B.71 are sealed upon judicial review as provided in section 148B.65.

Subd. 53. [BOARD OF DENTISTRY.] Data obtained by the board of dentistry under section 150A.08, subdivision 6, are classified as provided in that subdivision.

Subd. 54. [MOTOR VEHICLE REGISTRATION.] The residence address of certain individuals provided to the commissioner of public safety for motor vehicle registrations is classified under section 168.346.

Subd. 55. [DRIVERS' LICENSE PHOTOGRAPHS.] Photographs taken by the commissioner of public safety for drivers' licenses are classified under section 171.07, subdivision 1a.

Subd. 56. [DRIVERS' LICENSE ADDRESS.] The residence address of certain individuals provided to the commissioner of public safety in drivers' license applications is classified under section 171.12, subdivision 7.

Subd. 57. [ACCIDENT REPORTS.] Release of accident reports provided to the department of public safety under section 169.09 is governed by section 169.09, subdivision 13.

Subd. 58. [REPORTERS TO LABOR AND INDUSTRY.] Disclosure of the names of certain persons supplying information to the department of labor and industry is prohibited by sections 175.24 and 175.27.

Subd. 59. [REPORT OF DEATH OR INJURY TO LABOR AND INDUSTRY.] Access to a report of worker injury or death during the course of employment filed by an employer under section 176.231 is governed by sections 176.231, subdivisions 8 and 9, and 176.234.

Subd. 60. [OCCUPATIONAL SAFETY AND HEALTH.] Certain data gathered or prepared by the commissioner of labor and industry as part of occupational safety and health inspections are classified under section 182.659, subdivision 8.

Subd. 61. [EMPLOYEE DRUG AND ALCOHOL TEST RESULTS.] Test results and other information acquired in the drug and alcohol testing process, with respect to public sector employees and applicants, are classified by section 181.954, subdivision 2, and access to them is governed by section 181.954, subdivision 3.

Subd. 62. [CERTAIN VETERANS BENEFITS.] Access to files pertaining to claims for certain veterans benefits is governed by section 196.08.

Subd. 63. [VETERANS SERVICE OFFICERS.] Data maintained by veterans service officers are classified under section 197.603.

Subd. 64. [HEALTH LICENSING BOARDS.] Data received by health licensing boards from the commissioner of human services are classified under section 214.10, subdivision 8.

Subd. 65. [COMMISSIONER OF PUBLIC SERVICE.] Certain energy data maintained by the commissioner of public service are classified under section 216C.17, subdivision 4.

Subd. 66. [MENTAL HEALTH RECORDS.] Disclosure of the names and addresses of persons receiving mental health services is governed by section 245.467, subdivision 6.

Subd. 67. [CHILDREN RECEIVING MENTAL HEALTH SER-

VICES.] Disclosure of identities of children receiving mental health services under sections 245.487 to 245.4887, and the identities of their families, is governed by section 245.4876, subdivision 7.

Subd. 68. [MENTAL HEALTH CLINICS AND CENTERS.] Data collected by mental health clinics and centers approved by the commissioner of human services are classified under section 245.69, subdivision 2.

Subd. 69. [STATE HOSPITAL PATIENTS.] Contents of, and access to, records of state hospital patients required to be kept by the commissioner of human services are governed by section 246.13.

Subd. 70. [CHEMICAL DEPENDENCY SERVICE AGREEMENTS.] Certain data received by the commissioner of human services from chemical dependency programs are classified under section 246.64, subdivision 4.

Subd. 71. [RAMSEY HEALTH CARE.] Data maintained by Ramsey Health Care, Inc., are classified under section 246A.17.

Subd. 72. [PREPETITION SCREENING.] Prepetition screening investigations for judicial commitments are classified as private under section 253B.07, subdivision 1, paragraph (b).

Subd. 73. [SUBJECT OF RESEARCH; RECIPIENTS OF ALCOHOL OR DRUG ABUSE TREATMENT.] Access to records of individuals who are the subject of research or who receive information, assessment, or treatment concerning alcohol or drug abuse is governed by section 254A.09.

Subd. 74. [CHILD MORTALITY REVIEW PANEL.] Data practices of the commissioner of human services as part of the child mortality review panel are governed by section 256.01, subdivision 12.

Subd. 75. [RECORDS OF ARTIFICIAL INSEMINATION.] Access to records held by a court or other agency concerning artificial insemination performed on a married woman with her husband's consent is governed by section 257.56, subdivision 1.

Subd. 76. [PARENTAGE ACTION RECORDS.] Inspection of records in parentage actions held by the court, the commissioner of human services, or elsewhere is governed by section 257.70.

Subd. 77. [COMMISSIONER'S RECORDS OF ADOPTION.] Records of adoption held by the commissioner of human services are classified, and access to them is governed by section 259.46, subdivisions 1 and 3.

Subd. 78. [ADOPTEE'S ORIGINAL BIRTH CERTIFICATE.] Access to the original birth certificate of a person who has been adopted is governed by section 259.49.

Subd. 79. [PEACE OFFICERS AND CORRECTIONS RECORDS OF JUVENILES.] Inspection and maintenance of juvenile records held by police and the commissioner of corrections are governed by section 260.161, subdivision 3.

Subd. 80. [COMMISSIONER OF JOBS AND TRAINING.] Data maintained by the commissioner of jobs and training are classified under section 268.12, subdivision 12.

Subd. 81. [TRANSITIONAL HOUSING DATA.] Certain data collected, used, or maintained by the recipient of a grant to provide transitional housing are classified under section 268.38, subdivision 9.

Subd. 82. [EMERGENCY JOBS PROGRAM.] Data maintained by the commissioner of public safety for the emergency jobs program are classified under section 268.673, subdivision 5.

Subd. 83. [VOCATIONAL REHABILITATION DATA.] Disclosure of data obtained by the commissioner of jobs and training regarding the vocational rehabilitation of an injured or disabled employee is governed by section 268A.05.

Subd. 84. [REVENUE RECAPTURE ACT.] Data maintained by the commissioner of revenue under the revenue recapture act are classified under section 270A.11.

Subd. 85. [TAX DATA; CLASSIFICATION AND DISCLOSURE.] Classification and disclosure of tax data created, collected, or maintained by the department of revenue under chapter 290, 290A, 291, or 297A are governed by chapter 270B.

Subd. 86. [HOMESTEAD APPLICATIONS.] The classification and disclosure of certain information collected to determine homestead classification is governed by section 273.124, subdivision 13.

Subd. 87. [MOTOR VEHICLE REGISTRARS.] Disclosure of certain information obtained by motor vehicle registrars is governed by section 297B.12.

Subd. 88. [MARIJUANA AND CONTROLLED SUBSTANCE TAX INFORMATION.] Disclosure of information obtained under chapter 297D is governed by section 297D.13, subdivisions 1 to 3.

Subd. 89. [MINERAL RIGHTS FILINGS.] Data filed pursuant to section 298.48 with the commissioner of revenue by owners or

lessees of mineral rights are classified under section 298.48, subdivision 4.

Subd. 90. [UNDERCOVER BUY FUND.] Records relating to applications for grants under section 299C.065 are classified under section 299C.065, subdivision 4.

Subd. 91. [ARSON INVESTIGATIONS.] Data maintained as part of arson investigations are governed by sections 299F.055 and 299F.056.

Subd. 92. [OFFICE OF PIPELINE SAFETY.] Data obtained by the director of the office of pipeline safety are classified under section 299J.13.

Subd. 93. [HUMAN RIGHTS CONCILIATION EFFORTS.] Disclosure of information concerning efforts in a particular case to resolve a charge through education conference, conciliation, and persuasion is governed by section 363.06, subdivision 6.

Subd. 94. [HUMAN RIGHTS DEPARTMENT INVESTIGATIVE DATA.] Access to human rights department investigative data by persons other than department employees is governed by section 363.061.

Subd. 95. [RECORDS OF CLOSED COUNTY BOARD MEETINGS.] Records of Hennepin county board meetings permitted to be closed under section 383B.217, subdivision 7, are classified under that subdivision.

Subd. 96. [INQUEST DATA.] Certain data collected or created in the course of a coroner's or medical examiner's inquest are classified under sections 390.11, subdivision 7, and 390.32, subdivision 6.

Subd. 97. [RURAL DEVELOPMENT FINANCING AUTHORITY.] Treatment of preliminary information provided by the commissioner of trade and economic development to an authority contemplating the exercise of powers under sections 469.142 to 469.151 is governed by section 469.150.

Subd. 98. [MUNICIPAL SELF-INSURER CLAIMS.] Disclosure of information about individual claims filed by the employees of a municipality which is a self-insurer is governed by section 471.617, subdivision 5.

Subd. 99. [METROPOLITAN SOLID WASTE LANDFILL FEE.] Information obtained from the operator of a mixed municipal solid waste disposal facility under section 473.843 is classified under section 473.843, subdivision 4.

Subd. 100. [MUNICIPAL OBLIGATION REGISTER DATA.] Information contained in a register with respect to the ownership of certain municipal obligations is classified under section 475.55, subdivision 6.

Subd. 101. [CHILD CUSTODY PROCEEDINGS.] Court records of child custody proceedings may be sealed as provided in section 518.168.

Subd. 102. [FARMER-LENDER MEDIATION.] Data on debtors and creditors under the farmer-lender mediation act are classified under section 583.29.

Subd. 103. [SOURCES OF PRESENTENCE INVESTIGATION REPORTS.] Disclosure of confidential sources in presentence investigation reports is governed by section 609.115, subdivision 4.

Subd. 104. [USE OF MOTOR VEHICLE TO PATRONIZE PROSTITUTES.] Use of a motor vehicle in the commission of an offense under section 609.324 is noted on the offender's driving records and the notation is classified pursuant to section 609.324, subdivision 5.

Subd. 105. [SEXUAL ASSAULT CRIME VICTIMS.] Data on sexual assault victims are governed by section 609.3471.

Subd. 106. [FINANCIAL DISCLOSURE FOR PUBLIC DEFENDER SERVICES.] Disclosure of financial information provided by a defendant seeking public defender services is governed by section 611.17.

Subd. 107. [CRIME VICTIM NOTICE OF RELEASE.] Data on crime victims who request notice of an offender's release are classified under section 611A.06.

Subd. 108. [BATTERED WOMEN.] Data on battered women maintained by grantees for emergency shelter and support services for battered women are governed by section 611A.32, subdivision 5.

Subd. 109. [CRIME VICTIM CLAIMS FOR REPARATIONS.] Claims and supporting documents filed by crime victims seeking reparations are classified under section 611A.57, subdivision 6.

Subd. 110. [CRIME VICTIM OMBUDSMAN.] Data maintained by the crime victim ombudsman are classified under section 611A.74, subdivision 2.

Subd. 111. [REPORTS OF GUNSHOT WOUNDS.] Disclosure of the name of a person making a report under section 626.52, subdivision 2, is governed by section 626.53.

Subd. 112. [CHILD ABUSE REPORT RECORDS.] Data contained in child abuse report records are classified under section 626.556, subdivisions 11 and 11b.

Subd. 113. [VULNERABLE ADULT REPORT RECORDS.] Data contained in vulnerable adult report records are classified under section 626.557, subdivision 12.

Subd. 114. [PEACE OFFICER DISCIPLINE PROCEDURES.] Access by an officer under investigation to the investigating agency's investigative report on the officer is governed by section 626.89, subdivision 6.

Sec. 5. [13C.01] [ACCESS TO CONSUMER REPORTS PREPARED BY CONSUMER REPORTING AGENCIES.]

Subdivision 1. [FEE FOR REPORT.] (a) A consumer who is the subject of a credit report maintained by a credit reporting agency is entitled to request and receive by mail, for a charge not to exceed \$8, a copy of the credit report once in any 12-month period. The mailing must contain a statement of the consumer's right to dispute and correct any errors and of the procedures set forth in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et. seq., for that purpose. The credit reporting agency shall respond to a request under this subdivision within 30 days.

(b) A consumer who exercises the right to dispute and correct errors is entitled, after doing so, to request and receive by mail, without charge, a copy of the credit report in order to confirm that the credit report was corrected.

(c) For purposes of this section, the terms "consumer," "credit report," and "credit reporting agency" have the meanings given them in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et. seq.

Subd. 2. [ENFORCEMENT.] This section may be enforced by the attorney general pursuant to section 8.31.

Sec. 6. Minnesota Statutes 1990, section 72A.20, is amended by adding a subdivision to read:

Subd. 28. [HIV TESTS; CRIME VICTIMS.] No insurer regulated under chapter 61A or 62B, or providing health, medical, hospitalization, or accident and sickness insurance regulated under chapter 62A, or nonprofit health services corporation regulated under chapter 62C, health maintenance organization regulated under chapter 62D, or fraternal beneficiary association regulated under chapter 64B, may:

(1) obtain or use the performance of or the results of a test to determine the presence of the human immune deficiency virus (HIV) antibody performed on an offender under section 19 or performed on a crime victim who was exposed to or had contact with an offender's bodily fluids during commission of a crime that was reported to law enforcement officials, in order to make an underwriting decision, cancel, fail to renew, or take any other action with respect to a policy, plan, certificate, or contract; or

(2) ask an applicant for coverage or a person already covered whether the person has had a test performed for the reason set forth in clause (1).

A question that purports to require an answer that would provide information regarding a test performed for the reason set forth in clause (1) may be interpreted as excluding this test. An answer that does not mention the test is considered to be a truthful answer for all purposes. An authorization for the release of medical records for insurance purposes must specifically exclude any test performed for the purpose set forth in clause (1) and must be read as providing this exclusion regardless of whether the exclusion is expressly stated. This subdivision does not affect tests conducted for purposes other than those described in clause (1).

Sec. 7. Minnesota Statutes 1991 Supplement, section 144.0525, is amended to read:

144.0525 [DATA FROM LABOR AND INDUSTRY AND JOBS AND TRAINING; EPIDEMIOLOGIC STUDIES.]

All data collected by the commissioner of health under sections 176.234 and, 268.12, and 270B.14, subdivision 11, shall be used only for the purposes of epidemiologic investigations, notification of persons exposed to health hazards as a result of employment, and surveillance of occupational health and safety.

Sec. 8. Minnesota Statutes 1991 Supplement, section 144.335, subdivision 1, is amended to read:

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

(a) "Patient" means a natural person who has received health care services from a provider for treatment or examination of a medical, psychiatric, or mental condition, the surviving spouse and parents of a deceased patient, or a person the patient designates in writing as a representative. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, patient includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is licensed to furnish the services pursuant to chapter 147, 148, 148B, 150A, 151, or 153; (2) a home care provider licensed under section 144A.46; (3) a health care facility licensed pursuant to this chapter or chapter 144A; and (4) an unlicensed mental health practitioner regulated pursuant to sections 148B.60 to 148B.71.

(c) "Individually identifiable form" means a form in which the patient is or can be identified as the subject of the health records.

Sec. 9. Minnesota Statutes 1991 Supplement, section 144.335, subdivision 3a, is amended to read:

Subd. 3a. [PATIENT CONSENT TO RELEASE OF RECORDS; LIABILITY.] (a) A provider, or a person who receives health records from a provider, may not release a patient's health records to a person without a signed and dated consent from the patient or the patient's legally authorized representative authorizing the release, unless the release is specifically authorized by law. Except as provided in paragraph (c), a consent is valid for one year or for a lesser period specified in the consent or for a different period provided by law.

(b) This subdivision does not prohibit the release of health records for a medical emergency when the provider is unable to obtain the patient's consent due to the patient's condition or the nature of the medical emergency.

(c) Notwithstanding paragraph (a), if a patient explicitly gives informed consent to the release of health records for the purposes and pursuant to the restrictions in clauses (1) and (2), the consent does not expire after one year for:

(1) the release of health records to a provider who is being advised or consulted with in connection with the current treatment of the patient;

(2) the release of health records to an accident and health insurer, health service plan corporation, health maintenance organization, or third-party administrator for purposes of payment of claims, fraud investigation, or quality of care review and studies, provided that:

(i) the use or release of the records complies with sections 72A.49 to 72A.505;

(ii) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited; and

(iii) the recipient establishes adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient.

(d) Until June 1, 1994, paragraph (a) does not prohibit the release of health records to qualified personnel solely for purposes of medical or scientific research, if the patient has not objected to a release for research purposes and the provider who releases the records makes a reasonable effort to determine that:

(i) the use or disclosure does not violate any limitations under which the record was collected;

(ii) the use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which the use or disclosure is to be made;

(iii) the recipient has established and maintains adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient; and

(iv) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited.

(e) A person who negligently or intentionally releases a health record in violation of this subdivision, or who forges a signature on a consent form, or who obtains under false pretenses the consent form or health records of another person, or who, without the person's consent, alters a consent form, is liable to the patient for compensatory damages caused by an unauthorized release, plus costs and reasonable attorney's fees.

~~(d) A patient's consent to the release of data on the date and type of immunizations administered to the patient is effective until the patient directs otherwise, if the consent was executed before August 1, 1991.~~

Sec. 10. Minnesota Statutes 1990, section 144.335, is amended by adding a subdivision to read:

Subd. 5. [COSTS.] When a patient requests a copy of the patient's record for purposes of reviewing current medical care, the provider must not charge a fee. When a provider or its representative makes copies of patient records upon a patient's request under this section, the provider or its representative may charge the patient or the patient's representative no more than 75 cents per page, plus \$10 for time spent retrieving and copying the records, unless other law or a rule or contract provide for a lower maximum charge. This limita-

tion does not apply to X-rays. The provider may charge a patient no more than the actual cost of reproducing X-rays, plus no more than \$10 for the time spent retrieving and copying the X-rays.

The respective maximum charges of 75 cents per page and \$10 for time provided in this subdivision are in effect for calendar year 1992 and may be adjusted annually each calendar year as provided in this subdivision. The permissible maximum charges shall change each year by an amount that reflects the change, as compared to the previous year, in the consumer price index for all urban consumers, Minneapolis-St. Paul (CPI-U), published by the department of labor.

Sec. 11. Minnesota Statutes 1990, section 144.335, is amended by adding a subdivision to read:

Subd. 6. [VIOLATION.] A violation of this section may be grounds for disciplinary action against a provider by the appropriate licensing board or agency.

Sec. 12. [144.3351] [IMMUNIZATION DATA.]

Providers as defined in section 144.335, subdivision 1, elementary or secondary schools or child care facilities as defined in section 123.70, subdivision 9, public or private post-secondary educational institutions as defined in section 135A.14, subdivision 1, paragraph (b), a board of health as defined in section 145A.02, subdivision 2, community action agencies as defined in section 268.53, subdivision 1, and the commissioner of health may exchange data with one another, without the patient's consent, on the date and type of immunizations administered to a patient, regardless of the date of immunization, if the person requesting access provides services on behalf of the patient.

Sec. 13. Minnesota Statutes 1990, section 152.18, subdivision 1, is amended to read:

Subdivision 1. If any person is found guilty of a violation of section 152.024, 152.025, or 152.027 for possession of a controlled substance, after trial or upon a plea of guilty, the court may, without entering a judgment of guilty and with the consent of ~~such~~ the person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum term of imprisonment provided for ~~such~~ the violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against ~~such~~ the person and discharge the person from probation before the expiration of the maximum period prescribed for ~~such~~ the

person's probation. If during the period of probation ~~such~~ the person does not violate any of the conditions of the probation, then upon expiration of ~~such~~ the period the court shall discharge ~~such~~ the person and dismiss the proceedings against that person. Discharge and dismissal ~~hereunder~~ under this subdivision shall be without court adjudication of guilt, but a ~~nonpublic~~ not public record thereof of it shall be retained by the department of public safety solely for the purpose of use by the courts in determining the merits of subsequent proceedings against ~~such~~ the person. The not public record may also be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the department shall notify the requesting party of the existence of the not public record and the right to seek a court order to open it pursuant to this section. The court shall forward a record of any discharge and dismissal ~~hereunder~~ under this subdivision to the department of public safety who shall make and maintain the ~~nonpublic~~ not public record thereof of it as ~~hereinbefore~~ provided under this subdivision. ~~Such~~ The discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

For purposes of this subdivision, "not public" has the meaning given in section 13.02, subdivision 8a.

Sec. 14. Minnesota Statutes 1990, section 242.31, is amended to read:

242.31 [RESTORATION OF CIVIL RIGHTS.]

Subdivision 1. Whenever a person who has been committed to the custody of the commissioner of corrections upon conviction of a crime following reference for prosecution under the provisions of section 260.125 is finally discharged by order of the commissioner, that discharge shall restore the person to all civil rights and, if so ordered by the commissioner of corrections, also shall have the effect of setting aside the conviction, nullifying ~~the same~~ it and of purging ~~that the person thereof of it.~~ The commissioner shall file a copy of the order with the district court of the county in which the conviction occurred; upon receipt, the court shall order the conviction set aside.

Subd. 2. Whenever a person described in subdivision 1 has been placed on probation by the court pursuant to section 609.135 and, after satisfactory fulfillment thereof of it, is discharged from probation, the court shall issue an order of discharge pursuant to section 609.165. On application of the defendant or on its own motion and after notice to the county attorney, the court in its discretion may also order that the defendant's conviction be set aside with the same effect as ~~such~~ an a court order under subdivision 1.

These orders restore the defendant to civil rights and purge and

free the defendant from all penalties and disabilities arising from the defendant's conviction and ~~it~~ the conviction shall not thereafter be used against the defendant, except in a criminal prosecution for a subsequent offense if otherwise admissible therein. In addition, the record of the defendant's conviction shall be sealed and may be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the court or the department of public safety shall notify the requesting party of the existence of the sealed record and the right to seek a court order to open it pursuant to this section.

Subd. 3. The commissioner of corrections shall file a copy of the order with the district court of the county in which the conviction occurred; upon receipt, the court shall order the conviction set aside and all records pertinent to the conviction sealed. These records shall only be reopened in the case of a judicial criminal proceeding instituted at a later date or upon court order, for purposes of a criminal investigation, prosecution, or sentencing, in the manner provided in subdivision 2.

The term "records" includes, but is not limited to, all matters, files, documents and papers incident to the arrest, indictment, information, complaint, trial, appeal, dismissal and discharge, which relate to the conviction for which the order was issued.

Sec. 15. Minnesota Statutes 1990, section 270B.14, is amended by adding a subdivision to read:

Subd. 11. [DISCLOSURE TO COMMISSIONER OF HEALTH.] (a) On the request of the commissioner of health, the commissioner may disclose return information to the extent provided in paragraph (b) and for the purposes provided in paragraph (c).

(b) Data that may be disclosed are limited to the taxpayer's identity, as defined in section 270B.01, subdivision 5.

(c) The commissioner of health may request data only for the purposes of carrying out epidemiologic investigations, which includes conducting occupational health and safety surveillance, and locating and notifying individuals exposed to health hazards as a result of employment. Requests for data by the commissioner of health must be in writing and state the purpose of the request. Data received may be used only for the purposes of section 144.0525.

Sec. 16. Minnesota Statutes 1990, section 299C.11, is amended to read:

299C.11 [PRINTS, FURNISHED TO BUREAU BY SHERIFFS AND CHIEFS OF POLICE.]

The sheriff of each county and the chief of police of each city of the first, second, and third classes shall furnish the bureau, upon such form as the superintendent shall prescribe, with such finger and thumb prints, photographs, and other identification data as may be requested or required by the superintendent of the bureau, which may be taken under the provisions of section 299C.10, of persons who shall be convicted of a felony, gross misdemeanor, or who shall be found to have been convicted of a felony or gross misdemeanor, within ten years next preceding their arrest. Upon the determination of all pending criminal actions or proceedings in favor of the arrested person, the arrested person shall, upon demand, have all such finger and thumb prints, photographs, and other identification data, and all copies and duplicates thereof, returned, provided it is not established that the arrested person has been convicted of any felony, either within or without the state, within the period of ten years immediately preceding such determination.

For purposes of this section, "determination of all pending criminal actions or proceedings in favor of the arrested person" does not include the sealing of a criminal record pursuant to sections 152.18, subdivision 1, 242.31, or 609.168.

Sec. 17. Minnesota Statutes 1990, section 299C.13, is amended to read:

299C.13 [INFORMATION AS TO CRIMINALS TO BE FURNISHED BY BUREAU TO PEACE OFFICERS.]

Upon receipt of information data as to any arrested person, the bureau shall immediately ascertain whether the person arrested has a criminal record or is a fugitive from justice, and shall at once inform the arresting officer of the facts ascertained. Upon application by any sheriff, chief of police, or other peace officer in the state, or by an officer of the United States or by an officer of another state, territory, or government duly authorized to receive the same and effecting reciprocal interchange of similar information with the division, it shall be the duty of the bureau to furnish all information in its possession pertaining to the identification of any person. If the bureau has a sealed record on the arrested person, it shall notify the requesting peace officer of that fact and of the right to seek a court order to open the record for purposes of law enforcement.

Sec. 18. [299C.60] [CITATION.]

Sections 18 to 22 may be cited as the "Minnesota child protection background check act."

Sec. 19. [299C.61] [DEFINITIONS.]

Subdivision 1. [TERMS.] The definitions in this section apply to sections 18 to 22.

Subd. 2. [BACKGROUND CHECK CRIME.] "Background check crime" includes child abuse crimes, murder, manslaughter, felony level assault or any assault crime committed against a minor, kidnapping, arson, criminal sexual conduct, and prostitution-related crimes.

Subd. 3. [CHILD.] "Child" means an individual under the age of 18.

Subd. 4. [CHILD ABUSE CRIME.] "Child abuse crime" means:

(1) an act committed against a minor victim that constitutes a violation of section 609.185, clause (5); 609.221; 609.222; 609.223; 609.224; 609.322; 609.323; 609.324; 609.342; 609.343; 609.344; 609.345; 609.352; 609.377; or 609.378; or

(2) a violation of section 152.021, subdivision 1, clause (4); 152.022, subdivision 1, clause (5) or (6); 152.023, subdivision 1, clause (3) or (4); 152.023, subdivision 2, clause (5) or (7); or 152.024, subdivision 1, clause (2), (3), or (4).

Subd. 5. [CHILDREN'S SERVICE PROVIDER.] "Children's service provider" means a business or organization, whether public, private, for profit, nonprofit, or voluntary, that provides children's services, including a business or organization that licenses or certifies others to provide children's services.

Subd. 6. [CHILDREN'S SERVICE WORKER.] "Children's service worker" means a person who has, may have, or seeks to have access to a child to whom the children's service provider provides children's services, and who:

(1) is employed by, volunteers with, or seeks to be employed by or volunteer with a children's service provider; or

(2) owns, operates, or seeks to own or operate a children's service provider.

Subd. 7. [CHILDREN'S SERVICES.] "Children's services" means the provision of care, treatment, education, training, instruction, or recreation to children.

Subd. 8. [CJIS.] "CJIS" means the Minnesota criminal justice information system.

Subd. 9. [SUPERINTENDENT.] "Superintendent" means the superintendent of the bureau of criminal apprehension.

Sec. 20. [299C.62] [BACKGROUND CHECKS.]

Subdivision 1. [GENERALLY.] The superintendent shall develop procedures to enable a children's service provider to request a background check to determine whether a children's service worker is the subject of any reported conviction for a background check crime. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes maintained in the CJIS computers. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of a criminal history check. The superintendent shall recover the cost of a background check through a fee charged the children's service provider.

Subd. 2. [BACKGROUND CHECKS; REQUIREMENTS.] The superintendent may not perform a background check under this section unless the children's service provider submits a written document, signed by the children's service worker on whom the background check is to be performed, containing the following:

(1) a question asking whether the children's service worker has ever been convicted of a background check crime and if so, requiring a description of the crime and the particulars of the conviction;

(2) a notification to the children's service worker that the children's service provider will request the superintendent to perform a background check under this section; and

(3) a notification to the children's service worker of the children's service worker's rights under subdivision 3.

Background checks performed under this section may only be requested by and provided to authorized representatives of a children's service provider who have a need to know the information and may be used only for the purposes of sections 18 to 22. Background checks may be performed pursuant to this section not later than one year after the document is submitted under this section.

Subd. 3. [CHILDREN'S SERVICE WORKER RIGHTS.] (a) The children's service provider shall notify the children's service worker of the children's service worker's rights under paragraph (b).

(b) A children's service worker who is the subject of a background check request has the following rights:

(1) the right to be informed that a children's service provider will request a background check on the children's service worker:

(i) for purposes of the children's service worker's application to be employed by, volunteer with, or be an owner of a children's service

provider or for purposes of continuing as an employee, volunteer, or owner; and

(ii) to determine whether the children's service worker has been convicted of any crime specified in section 19, subdivision 2 or 4;

(2) the right to be informed by the children's service provider of the superintendent's response to the background check and to obtain from the children's service provider a copy of the background check report;

(3) the right to obtain from the superintendent any record that forms the basis for the report;

(4) the right to challenge the accuracy and completeness of any information contained in the report or record pursuant to section 13.04, subdivision 4;

(5) the right to be informed by the children's service provider if the children's service worker's application to be employed with, volunteer with, or be an owner of a children's service provider, or to continue as an employee, volunteer, or owner, has been denied because of the superintendent's response; and

(6) the right not to be required directly or indirectly to pay the cost of the background check.

Subd. 4. [RESPONSE OF BUREAU.] The superintendent shall respond to a background check request within a reasonable time after receiving the signed, written document described in subdivision 2. The superintendent's response shall be limited to a statement that the background check crime information contained in the document is or is not complete and accurate.

Subd. 5. [NO DUTY.] Sections 18 to 22 do not create a duty to perform a background check.

Subd. 6. [ADMISSIBILITY OF EVIDENCE.] Evidence or proof that a background check of a volunteer was not requested under sections 18 to 22 by a children's service provider is not admissible in evidence in any litigation against a nonprofit or charitable organization.

Sec. 21. [299C.63] [EXCEPTION; OTHER LAWS.]

The superintendent is not required to respond to a background check request concerning a children's service worker who, as a condition of occupational licensure or employment, is subject to the background study requirements imposed by any statute or rule other than sections 18 to 22. A background check performed on a licensee,

license applicant, or employment applicant under this section does not satisfy the requirements of any statute or rule other than sections 18 to 22, that provides for background study of members of an individual's particular occupation.

Sec. 22. [299C.64] [BCA IMMUNITY.]

The bureau of criminal apprehension is immune from any civil or criminal liability that might otherwise arise under sections 18 to 21, based on the accuracy or completeness of any records it receives from the Federal Bureau of Investigation, if the bureau acts in good faith.

Sec. 23. [357.315] [COST OF EXHIBITS AND MEDICAL RECORDS.]

The cost of obtaining medical records used to prepare a claim, whether or not offered at trial, and the reasonable cost of exhibits shall be allowed in the taxation of costs.

Sec. 24. Minnesota Statutes 1990, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority ~~in that county~~ to subpoena and require the production of any records of telephone companies, cellular phone companies, paging companies, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, and records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation.

Sec. 25. Minnesota Statutes 1990, section 609.168, is amended to read:

609.168 [EFFECT OF ORDER.]

Except as otherwise provided in this section, where an order is entered by the court setting aside the conviction the person shall be deemed not to have been previously convicted. An order setting aside a conviction for a crime of violence, as defined in section 624.712, subdivision 5, must provide that the person is not entitled to ship, transport, possess, or receive a firearm until ten years have elapsed since the order was entered and during that time the person was not convicted of any other crime of violence. Any person who has

received an order setting aside a conviction and who thereafter has received a relief of disability under United States Code, title 18, section 925, shall not be subject to the restrictions of this subdivision.

The record of a conviction set aside under this section shall not be destroyed, but shall be sealed and may be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing.

Sec. 26. Minnesota Statutes 1991 Supplement, section 609.535, subdivision 6, is amended to read:

Subd. 6. [RELEASE OF ACCOUNT INFORMATION TO LAW ENFORCEMENT AUTHORITIES.] A drawee shall release the information specified below to any state, county, or local law enforcement or prosecuting authority which certifies in writing that it is investigating or prosecuting a complaint against the drawer under this section or section 609.52, subdivision 2, clause (3)(a), and that 15 days have elapsed since the mailing of the notice of dishonor required by subdivisions 3 and 8. This subdivision applies to the following information relating to the drawer's account:

(1) Documents relating to the opening of the account by the drawer and to the closing of the account;

(2) Notices regarding nonsufficient funds, overdrafts, and the dishonor of any check drawn on the account within a period of six months of the date of request;

(3) Periodic statements mailed to the drawer by the drawee for the periods immediately prior to, during, and subsequent to the issuance of any check which is the subject of the investigation or prosecution; or

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

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

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

Sec. 27. [611A.19] [TESTING OF SEX OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) The sentencing court may issue an order requiring a person convicted of violating section 609.342, 609.343, 609.344, or 609.345, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

(1) the prosecutor moves for the test order in camera;

(2) the victim requests the test; and

(3) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during commission of the crime.

(b) If the court grants the prosecutor's motion, the court shall order that the test be performed by an appropriate health professional and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of any test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. The results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results shall be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.763. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.42 or 144.335 and destroyed.

Sec. 28. Minnesota Statutes 1990, section 611A.20, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF NOTICE.] The commissioners of public safety and corrections, in consultation with sexual assault victim advocates and health care professionals, shall develop the notice required by subdivision 1. The notice must inform the victim of:

(1) the risk of contracting sexually transmitted diseases as a result of a sexual assault;

(2) the symptoms of sexually transmitted diseases;

(3) recommendations for periodic testing for the diseases, where appropriate;

(4) locations where confidential testing is done and the extent of the confidentiality provided; ~~and~~

(5) information necessary to make an informed decision whether to request a test of the offender under section 27; and

(6) other medically relevant information.

Sec. 29. Minnesota Statutes 1990, section 626.14, is amended to read:

626.14 [TIME OF SERVICE.]

A search warrant may be served only ~~in the daytime between the hours of 7:00 a.m. and 8:00 p.m. unless the court determines on the basis of facts stated in the affidavits that a nighttime search outside those hours is necessary to prevent the loss, destruction, or removal of the objects of the search or to protect the searchers or the public.~~ The search warrant shall state that it may be served only ~~in the daytime between the hours of 7:00 a.m. and 8:00 p.m. unless a nighttime search outside those hours is authorized.~~

Sec. 30. Minnesota Statutes 1990, section 638.02, subdivision 2, is amended to read:

Subd. 2. Any person, convicted of a crime in any court of this state, who has served the sentence imposed by the court and has been discharged of the sentence either by order of court or by operation of law, may petition the board of pardons for the granting of a pardon extraordinary. Unless the board of pardons expressly provides otherwise in writing by unanimous vote, the application for a pardon extraordinary may not be filed until the applicable time period in clause (1) or (2) has elapsed:

(1) if the person was convicted of a crime of violence as defined in section 624.712, subdivision 5, ten years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime; and

(2) if the person was convicted of any crime not included within the definition of crime of violence under section 624.712, subdivision 5, five years must have elapsed since the sentence was discharged and during that time the person must not have been convicted of any other crime.

If the board of pardons ~~shall determine~~ determines that ~~such the~~ person has been convicted of ~~no criminal acts other than the act~~

~~upon which such conviction was founded and~~ is of good character and reputation, the board may, in its discretion, grant ~~to such the~~ person a pardon extraordinary. ~~Such~~ The pardon extraordinary, when granted, ~~shall have~~ has the effect of restoring such person to all civil rights, ~~and shall have the effect of setting aside and nullifying the conviction and nullifying the same and of purging such the person thereof of it, and such the person shall never thereafter after that be required to disclose the conviction at any time or place other than in a judicial proceeding thereafter instituted.~~

The application for ~~such a~~ pardon extraordinary ~~and, the proceedings thereunder to review an application, and the notice thereof shall be requirements are~~ governed by the statutes and the rules of the board in respect to other proceedings before the board ~~and. The application shall contain such any further information as that the board may require.~~

Unless the board of pardons expressly provides otherwise in writing by unanimous vote, if the person was convicted of a crime of violence, as defined in section 624.712, subdivision 5, the pardon extraordinary must expressly provide that the pardon does not entitle the person to ship, transport, possess, or receive a firearm until ten years have elapsed since the sentence was discharged and during that time the person was not convicted of any other crime of violence.

Sec. 31. Minnesota Statutes 1991 Supplement, section 638.02, subdivision 3, is amended to read:

Subd. 3. Upon granting a pardon extraordinary the board of pardons shall file a copy ~~thereof of it~~ with the district court of the county in which the conviction occurred, and the court shall order the conviction set aside and include a copy of the pardon in the court file. The court shall send a copy of its order and the pardon to the bureau of criminal apprehension.

Sec. 32. Minnesota Statutes 1990, section 638.02, subdivision 4, is amended to read:

Subd. 4. Any person granted a pardon extraordinary by the board of pardons prior to April 12, 1974 may apply to the district court of the county in which the conviction occurred for an order setting aside the conviction ~~and sealing all such records as set forth in subdivision 3.~~

Sec. 33. Minnesota Statutes 1991 Supplement, section 638.05, is amended to read:

638.05 [APPLICATION FOR PARDON.]

Every application for a relief by the pardon or commutation of sentence board shall be in writing, addressed to the board of pardons, signed under oath by the convict or someone in the convict's behalf, shall state concisely the grounds upon which the pardon or commutation relief is sought, and in addition shall contain the following facts:

(1) The name under which the convict was indicted, and every alias by which the convict is or was known;

(2) The date and terms of sentence, and the names of the offense for which it was imposed;

(3) The name of the trial judge and the county attorney who participated in the trial of the convict, together with that of the county of trial;

(4) A succinct statement of the evidence adduced at the trial, with the endorsement of the judge or county attorney who tried the case that the same statement is substantially correct; If such this statement and endorsement are not furnished, the reason thereof for failing to furnish them shall be stated;

(5) The age, birthplace, and occupation and residence of the convict during five years immediately preceding conviction;

(6) A statement of other arrests, indictments, and convictions, if any, of the convict.

Every application for a relief by the pardon or commutation of sentence board shall contain a statement by the applicant consenting to the disclosure to the board of any private data concerning the applicant contained in the application or in any other record relating to the grounds on which the pardon or commutation relief is sought. In addition, if the applicant resided in another state after the sentence was discharged, the application for relief by the pardon board shall contain a statement by the applicant consenting to the disclosure to the board of any data concerning the applicant that was collected or maintained by the foreign state relating to the grounds on which the relief is sought, including disclosure of criminal arrest and conviction records.

Sec. 34. Minnesota Statutes 1991 Supplement, section 638.06, is amended to read:

638.06 [ACTION ON APPLICATION.]

Every such application for relief by the pardon board shall be filed with the clerk secretary of the board of pardons not less than 60 days before the meeting of the board at which consideration of the

application is desired. If an application for a pardon or commutation has been once heard and denied on the merits, no subsequent application shall be filed without the consent of two members of the board endorsed thereon on the application. ~~The clerk shall,~~ Immediately on receipt of any application, the secretary to the board shall mail notice ~~thereof~~ of the application, and of the time and place of hearing ~~thereon on it,~~ to the judge of the court ~~wherein where~~ the applicant was tried and sentenced, and to the prosecuting attorney who prosecuted the applicant, or a successor in office. Additionally, the secretary shall publish notice of an application for a pardon extraordinary in the local newspaper of the county where the crime occurred. ~~The clerk secretary~~ shall also make all reasonable efforts to locate any victim of the applicant's crime. ~~The clerk secretary~~ shall mail notice of the application and the time and place of the hearing to any victim who is located. This notice shall specifically inform the victim of the victim's right to be present at the hearing and to submit an oral or written statement to the board as provided in section 638.04.

Sec. 35. [638.075] [ANNUAL REPORTS TO LEGISLATURE.]

By February 15 of each year, the board of pardons shall file a written report with the legislature containing the following information:

(1) the number of applications received by the board during the preceding calendar year for pardons, pardons extraordinary, and commutations of sentence;

(2) the number of applications granted by the board for each category; and

(3) the crimes for which the applications were granted by the board, the year of each conviction, and the age of the offender at the time of the offense.

Sec. 36. Laws 1990, chapter 566, section 9, is amended to read:

Sec. 9. [REPEALER.]

Section 2 is repealed effective July 31, ~~1992~~ 1994.

Sec. 37. [CRIMINAL BACKGROUND CHECK STUDY.]

The department of administration, with the technical assistance of the bureau of criminal apprehension, shall conduct a study to determine the feasibility, cost, and impact of conducting background checks of (1) criminal arrest data and (2) criminal history data from the federal bureau of investigation on children's service workers

pursuant to sections 18 to 22. The department shall report its recommendations to the legislature by January 15, 1993.

Sec. 38. [SUPREME COURT; UNIFORM ORDER TO SET ASIDE CONVICTION.]

The supreme court shall, by rule, develop a standardized form to be used by district courts in entering orders to set aside a conviction under Minnesota Statutes, section 638.02, subdivision 3.

Sec. 39. [PARDON BOARD; REVIEW OF STAFFING AND WORKLOAD.]

No later than one year after the effective date of sections 30 to 34, the board of pardons may assess whether it has adequate staff, resources, and procedures to perform the duties imposed on the board by Minnesota Statutes, chapter 638.

Sec. 40. [TELEPHONE ASSISTANCE PLAN.]

Notwithstanding Minnesota Statutes, section 13.46, subdivision 2, until August 1, 1993, welfare data collected by the telephone assistance plan may be disclosed to the department of revenue to conduct an electronic data match to the extent necessary to determine eligibility under Minnesota Statutes, section 237.70, subdivision 4a.

Sec. 41. [APPROPRIATION.]

\$10,000 is appropriated from the general fund to the commissioner of corrections, for the fiscal year ending June 30, 1993, to be used to computerize the records maintained by the board of pardons and to permit the board to provide statistical analysis of the board's records, as necessary.

Sec. 42. [EFFECTIVE DATE.]

Section 12 is effective the day following final enactment and applies to immunizations administered before, on, or after the effective date. Sections 13, 14, 16, 17, and 25 are effective October 1, 1992. Sections 27 and 28 are effective January 1, 1993, and apply to crimes committed on or after that date. Sections 30, 31, 32, 33, and 34 are effective June 1, 1992."

Delete the title and insert:

"A bill for an act relating to data practices; providing for the collection, classification, and dissemination of data; modifying provisions concerning patient consent to release of medical records;

providing for charges for patient medical records; expanding the administrative subpoena power of the county attorney; making information on closed bank accounts available to authorities investigating worthless check cases; specifying when certain search warrants may be served; imposing a waiting period on persons who seek a pardon extraordinary from the board of pardons; requiring that a pardon extraordinary be made a part of the pardoned offender's court record and that a copy be sent to the bureau of criminal apprehension; improving the pardon application procedure; requiring certain reports; appropriating money; amending Minnesota Statutes 1990, sections 13.03, by adding a subdivision; 13.05, subdivision 4; 72A.20, by adding a subdivision; 144.335, by adding subdivisions; 152.18, subdivision 1; 242.31; 270B.14, by adding a subdivision; 299C.11; 299C.13; 388.23, subdivision 1; 609.168; 611A.20, subdivision 2; 626.14; 638.02, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 13.03, subdivision 3; 144.0525; 144.335, subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.05; and 638.06; Laws 1990, chapter 566, section 9; proposing coding for new law in Minnesota Statutes, chapter 13; 144; 299C; 357; 611A; and 638; proposing coding for new law as Minnesota Statutes, chapter 13C."

We request adoption of this report and repassage of the bill.

House Conferees: PHIL CARRUTHERS, DOUG SWENSON AND THOMAS W. PUGH.

Senate Conferees: JANE B. RANUM, THOMAS M. NEUVILLE AND GENE MERRIAM.

Carruthers moved that the report of the Conference Committee on H. F. No. 2181 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2181, A bill for an act relating to data practices; classifying government data; providing for access to and charges for patient's medical records; providing for the treatment of records of certain criminal convictions; altering the procedures of the pardon board and treatment of its records; providing criminal background checks of professional and volunteer child care providers; providing for subpoena powers of county attorneys; changing the time when an arrest warrant may be served; amending Minnesota Statutes 1990, sections 13.08, subdivision 1; 13.46, subdivision 7; 144.335, by adding subdivisions; 147.161, subdivision 3; 152.18, subdivision 1; 242.31; 270B.14, by adding a subdivision; 299C.11; 299C.13; 363.03, subdivision 1; 388.23, subdivision 1; 609.168; 626.14; and 638.02, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections

13.46, subdivision 2; 144.0525; 144.335, subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.04; 638.05; and 638.06; proposing coding for new law in Minnesota Statutes, chapters 13; 144; 299C; 357; and 638; proposing coding for new law as Minnesota Statutes, chapter 13C.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

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

S. F. No. 897.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 897, A bill for an act relating to driving while intoxicated; making it a crime to refuse to submit to testing under the implied consent law; expanding the scope of the administrative plate impoundment law; authorizing the forfeiture of vehicles used to commit certain repeat DWI offenses; increasing certain license revocation periods; revising the implied consent advisory; imposing waiting periods on the issuance of limited licenses; increasing certain fees; updating laws relating to operating a snowmobile, all-terrain vehicle, motorboat, or aircraft, and to hunting, while intoxicated; imposing penalties for hunting while intoxicated; appropriating money; amending Minnesota Statutes 1990, sections 84.91; 84.911; 86B.331; 86B.335, subdivisions 1, 2, 4, 5, and 6; 97A.421, subdivision 4; 97B.065; 168.042, subdivisions 1, 2, 4, 10, and 11; 169.121, subdivisions 1a, 3, 3a, 3b, 3c, 4, and 5; 169.123, subdivision 4; 169.126, subdivision 1; 169.129; 360.0752, subdivision 6, and by adding a subdivision; and 360.0753, subdivisions 2, 7, and 9; Minnesota Statutes 1991 Supplement, sections 169.121, subdivision 5a; 169.123, subdivision 2; 169.126, subdivision 2; 169.1265, subdivision 3; 171.30, subdivision 2a; and 171.305, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97B; and 169; repealing Minnesota Statutes 1990, section 169.126, subdivision 4c.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Carruthers moved that the rule therein be suspended and an urgency be declared so that S. F. No. 897 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Carruthers moved that the Rules of the House be so far suspended that S. F. No. 897 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 897 was read for the second time.

Carruthers, Pugh, Swenson, Farrell, Brown, Vellenga, McGuire, Skoglund, Greenfield, Solberg and Bishop moved to amend S. F. No. 897, as follows:

Page 2, line 18, reinstate "~~third~~" and delete "second"

Page 2, line 19, reinstate "~~fourth~~" and delete "third"

Page 7, line 24, after the period, insert "Provided, that if a person is convicted of violating this section, section 169.129, or an ordinance in conformity with either of them two or more times within five years after the first conviction, or within five years after the first of two or more license revocations, as defined in section 169.121, subdivision 3, clause (2), the person must be sentenced to a minimum of 30 days imprisonment and the sentence may not be waived under paragraph (b) or (c)."

Page 8, after line 5, insert:

"(d) The court may sentence the defendant without regard to the mandatory minimum term of imprisonment established by this subdivision if the defendant is sentenced to probation and ordered to participate in a program established under section 169.1265."

Page 8, line 6, strike "(d)" and insert "(e)"

Page 11, line 17, delete "\$50" and insert "\$25"

Page 11, line 18, reinstate the stricken language

Page 12, line 5, delete "both" and after "vehicle" insert ", proof of valid Minnesota driving privileges,"

Page 12, line 6, delete "or"

Page 12, line 8, after "lessee" insert "with valid Minnesota driving privileges"

Page 12, line 10, before the period, insert "; or

(3) to an agent of a towing company authorized by a registered owner if the owner provides proof of ownership of the vehicle and proof of insurance required by law to cover the vehicle"

Page 12, delete lines 28 and 29 and insert:

"(b) "Designated offense" includes a violation of section 169.121, an ordinance in conformity with it, or 169.129;

(1) within five years of three prior driving under the influence convictions or three prior license revocations based on separate incidents;

(2) within 15 years of the first of four or more prior driving under the influence convictions or the first of four or more prior license revocations based on separate incidents;

(3) by a person whose driver's license or driving privileges have been canceled under section 171.04, clause (8); or

(4) by a person who is subject to a restriction on the person's driver's license under section 171.09 which provides that the person may not use or consume any amount of alcohol or a controlled substance."

Page 13, delete lines 2 and 3 and insert:

"(e) "Prior driving under the influence conviction" means a prior conviction under section 169.121, 169.129, or 609.21, subdivision 1, clauses (2) to (4); 2, clauses (2) to (4); 2a, clauses (2) to (4); 3, clauses (2) to (4); or 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior driving under the influence conviction also includes a prior juvenile adjudication that would have been a prior driving under the influence conviction if committed by an adult."

Page 20, after line 32, insert:

"Sec. 20. Minnesota Statutes 1991 Supplement, section 169.1265, subdivision 1, is amended to read:

Subdivision 1. [GRANT APPLICATION.] The commissioner of public safety, in cooperation with the commissioners of human services and corrections, shall administer a program to provide grants to counties to establish programs of intensive probation for repeat violators of the driving while intoxicated laws. The commissioner shall adopt an application form on which a county or a group of counties may apply for a grant to establish a DWI repeat offender program."

Page 21, line 3, after the comma, insert "based on the results of a chemical use assessment conducted under section 169.126,"

Page 21, line 3, before the semicolon, insert " , and a requirement that the offender follow the recommended treatment and aftercare"

Page 21, line 22, before the semicolon, insert "and be tested for such use on a routine basis"

Page 23, after line 3, insert:

"Sec. 25. Minnesota Statutes 1991 Supplement, section 609.135, subdivision 2, is amended to read:

Subd. 2. (a) If the conviction is for a felony the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169.121 or 169.129, the stay shall be for not more than four years. The court shall provide for unsupervised probation for the last two years of the stay unless the court finds that the defendant needs supervised probation for all or part of the last two years.

(c) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

(e) (d) If the conviction is for any misdemeanor under section 169.121 or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

~~(d)~~ (e) If the conviction is for a misdemeanor not specified in paragraph ~~(e)~~ (d), the stay shall be for not more than one year.

~~(e)~~ (f) The defendant shall be discharged when the stay expires, unless the stay has been revoked or extended under paragraph ~~(f)~~ (g), or the defendant has already been discharged.

~~(f)~~ (g) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to ~~(e)~~ (f), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Sec. 26. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall modify sentencing guideline II.B.3 to provide that the criminal history score of any person convicted of violating section 609.21 shall include one-half of one criminal history point for each previous violation of section 169.121, 169.1211, or 169.129.

Sec. 27. [SENTENCING GUIDELINES MODIFICATION; CRIMINAL VEHICULAR HOMICIDE.]

The sentencing guidelines commission is requested to consider modifying the sentencing guidelines by ranking violations of section 609.21, subdivisions 1, clauses (3) and (4), and 3, clauses (3) and (4), in severity level VII of the sentencing guidelines grid."

Page 25, line 11, delete all language after "(b)"

Page 25, delete line 12

Page 25, line 13, delete "(c)"

Page 25, lines 14 and 15, delete "for the fiscal year ending June 30, 1993,"

Page 25, line 16, after the period insert "The appropriation is available until expended."

Page 25, after line 16, insert:

"(c) \$15,000 is appropriated from the general fund to the legislative coordinating commission for the expenses of the commission on the confinement and treatment of DWI recidivists.

(d) The appropriations in this section are one-time appropriations and do not increase the agency's appropriation base for the 1994-1995 biennium."

Page 28, line 4, delete the new language

Page 28, line 5, reinstate the stricken language

Page 28, line 7, after "with" delete "it" and insert "either of them"

Page 28, line 8, delete the new language and reinstate the stricken language

Page 28, line 10, delete "it" and insert "either of them"

Page 28, delete lines 11 to 22

Page 28, line 29, delete "impaired operating"

Page 36, line 9, delete the new language

Page 36, line 10, reinstate the stricken language

Page 36, line 12, delete "it" and insert "either of them"

Page 36, line 13, delete the new language and reinstate the stricken language

Page 36, line 15, delete "it" and insert "either of them"

Page 36, delete lines 17 to 28

Page 36, line 35, delete "impaired operating"

Page 46, line 23, delete "may" and insert "shall"

Page 49, line 22, delete "recorded" and insert "indicated"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

Carruthers moved to amend the Carruthers et al amendment to S. F. No. 897, as amended, as follows:

Page 3, line 27, of the Carruthers et al amendment delete "four" and insert "three"

Page 3, line 28, of the Carruthers et al amendment delete "two years" and insert "one year"

Page 3, line 30, of the Carruthers et al amendment delete "two years" and insert "one year"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Carruthers et al amendment, as amended, to S. F. No. 897. The motion prevailed and the amendment, as amended, was adopted.

Carruthers moved to amend S. F. No. 897, as amended, as follows:

Page 15, line 26, before the period, insert "for use in DWI-related enforcement, training and education"

The motion prevailed and the amendment was adopted.

Blatz, Munger, Macklin and Vellenga moved to amend S. F. No. 897, as amended, as follows:

Page 46, delete lines 16 to 25

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 897, A bill for an act relating to driving while intoxicated; making it a crime to refuse to submit to testing under the implied consent law; expanding the scope of the administrative plate impoundment law; authorizing the forfeiture of vehicles used to commit certain repeat DWI offenses; increasing certain license revocation periods; revising the implied consent advisory; imposing waiting periods on the issuance of limited licenses; increasing certain fees; updating laws relating to operating a snowmobile, all-terrain vehicle, motorboat, or aircraft, and to hunting, while intoxicated; imposing penalties for hunting while intoxicated; appropriating money; amending Minnesota Statutes 1990, sections 84.91; 84.911; 86B.331; 86B.335, subdivisions 1, 2, 4, 5, and 6; 97A.421, subdivision 4; 97B.065; 168.042, subdivisions 1, 2, 4, 10, and 11; 169.121, subdivisions 1a, 3, 3a, 3b, 3c, 4, and 5; 169.123, subdivision 4; 169.126, subdivision 1; 169.129; 360.0752, subdivision 6, and by adding a subdivision; and 360.0753, subdivisions 2, 7, and 9; Minnesota Statutes 1991 Supplement, sections 169.121, subdivision 5a; 169.123, subdivision 2; 169.126, subdivision 2; 169.1265, subdivision 3; 171.30, subdivision 2a; and 171.305, subdivision 2; proposing coding for new law in Minnesota Statutes,

chapters 97B; and 169; repealing Minnesota Statutes 1990, section 169.126, subdivision 4c.

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

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The Speaker resumed the Chair.

SPECIAL ORDERS

S. F. No. 2319 was reported to the House.

Dille; Bertram; Jennings; Johnson, V.; Schafer; Winter; Olson, E.; Olson, K.; Bauerly; Waltman; Sparby; Hugoson; Thompson; Lieder; Nelson, S.; Frederick; Sviggum; Goodno; Bettermann; Welker; Anderson, R. H.; Dauner; Frerichs; Dempsey; Bishop; Bodahl; Steensma; Davids; Koppendraye; Omann; Brown; McPherson;

Kalis; Krueger; Uphus; Hartle; Girard; Onnen; Schreiber and Cooper moved to amend S. F. No. 2319, as follows:

Page 15, after line 2, insert:

“Sec. 18. Minnesota Statutes 1990, section 103.2369, is amended by adding a subdivision to read:

Subd. 6. [DEFINITION.] For purposes of this section, and for purposes of article 6, section 10 during the effective date of this section, the following terms have the meanings given them.

(a) “Agricultural land” means land which is in agricultural use, and which has been identified as agricultural land by a local unit of government pursuant to sections 394.21 to 394.37, 462.351 to 462.364, 366.10 to 366.19 or 473H.04, or which is composed of predominantly class I, II, III, or IV soils as identified in the land capability classification system of the United States Department of Agriculture Soil Conservation Service and the county soil survey, if completed.

(b) “Agricultural use” means use of land for the production of livestock, dairy animals, dairy products, poultry and poultry products, fur bearing animals, horticultural and nursery stock which is under sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products. Wetlands, pasture and woodlands accompanying land in agricultural use shall be considered to be in agricultural use.”

A roll call was requested and properly seconded.

The question was taken on the Dille et al amendment and the roll was called. There were 82 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Erhardt	Kalis	Olson, K.	Sparby
Anderson, R.	Frederick	Kinkel	Omann	Stanisus
Anderson, R. H.	Frerichs	Knickerbocker	Onnen	Steensma
Bauerly	Girard	Koppendrayner	Ostrom	Svigum
Beard	Goodno	Krambeer	Ozment	Thompson
Bertram	Greenfield	Krinkie	Pellow	Tompkins
Bettermann	Gruenes	Krueger	Pelowski	Tunheim
Bishop	Gutknecht	Lieder	Peterson	Uphus
Bodahl	Hanson	Limmer	Rodosovich	Valento
Brown	Hartle	Lynch	Runbeck	Waltman
Carruthers	Haukoos	McEachern	Sarna	Weaver
Cooper	Hugoson	McPherson	Schafer	Welker
Dauner	Jaros	Morrison	Schreiber	Wenzel
Davids	Jennings	Nelson, S.	Seaberg	Winter
Dempsey	Johnson, A.	Newinski	Segal	
Dille	Johnson, R.	Ogren	Smith	
Dorn	Johnson, V.	Olson, E.	Solberg	

Those who voted in the negative were:

Abrams	Hausman	Lourey	Orenstein	Trimble
Battaglia	Heir	Macklin	Orfield	Vanasek
Begich	Henry	Mariani	Osthoff	Vellenga
Blatz	Hufnagle	Marsh	Pauly	Wagenius
Boo	Jacobs	McGuire	Pugh	Wejcmán
Carlson	Janezich	Milbert	Reding	Welle
Clark	Jefferson	Munger	Rice	Spk. Long
Dawkins	Kahn	Murphy	Rukavina	
Farrell	Kelso	Nelson, K.	Simoneau	
Garcia	Lasley	O'Connor	Skoglund	
Hasskamp	Leppik	Olsen, S.	Swenson	

The motion prevailed and the amendment was adopted.

Munger moved that S. F. No. 2319, as amended, be continued on Special Orders. The motion did not prevail.

Skoglund moved that S. F. No. 2319, as amended, be continued on Special Orders.

A roll call was requested and properly seconded.

The question was taken on the Skoglund motion and the roll was called. There were 93 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Kinkel	Ogren	Segal
Anderson, I.	Garcia	Krambeer	Olsen, S.	Simoneau
Battaglia	Greenfield	Lasley	Orenstein	Skoglund
Bauerly	Hanson	Leppik	Orfield	Solberg
Beard	Hasskamp	Limmer	Osthoff	Steensma
Begich	Haukoos	Lourey	Ostrom	Swenson
Bishop	Hausman	Lynch	Ozment	Thompson
Blatz	Heir	Macklin	Pauly	Tompkins
Bodahl	Henry	Mariani	Pelowski	Trimble
Boo	Hufnagle	Marsh	Peterson	Vanasek
Carlson	Jacobs	McEachern	Pugh	Vellenga
Carruthers	Janezich	McGuire	Reding	Wagenius
Clark	Jaros	McPherson	Rest	Wejcmán
Cooper	Jefferson	Milbert	Rice	Welle
Dawkins	Johnson, A.	Morrison	Rodosovich	Wenzel
Dempsey	Johnson, R.	Munger	Rukavina	Winter
Dorn	Kahn	Murphy	Runbeck	Spk. Long
Erhardt	Kalis	Nelson, K.	Sarna	
Farrell	Kelso	O'Connor	Schreiber	

Those who voted in the negative were:

Anderson, R. H.	Dauner	Girard	Hugoson	Krinkie
Bertram	Davids	Goodno	Jennings	Krueger
Bettermann	Dille	Gruenes	Johnson, V.	Lieder
Brown	Frederick	Hartle	Koppendrayner	Nelson, S.

Newinski
Olson, E.
Omann

Onnen
Pellow
Schafer

Smith
Stanius
Sviggum

Tunheim
Uphus
Valento

Waltman
Weaver
Welker

The motion prevailed and S. F. No. 2319, as amended, was continued on Special Orders.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1849

A bill for an act relating to crime; anti-violence education, prevention and treatment; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder; increasing penalties for other violent crimes and crimes committed against children; increasing supervision of sex offenders; providing a fund for sex offender treatment; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the commissioner of corrections to establish a "boot camp" program; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; providing for HIV testing of certain sex offenders; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; authorizing secure confinement of dangerous juvenile offenders; creating a civil cause of action for minors used in a sexual performance; providing for a variety of anti-violence education, prevention, and treatment programs; authorizing the issuance of state bonds for a variety of projects; appropriating money; amending Minnesota Statutes 1990, sections 13.87, subdivision 2; 72A.20, by adding a subdivision; 121.882, by adding a subdivision; 127.46; 135A.15; 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, 3, 6, and by adding a subdivision; 242.19, subdivision 2; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 245.4871, by adding a subdivision; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 259.11; 260.151, subdivision 1; 260.155, subdivision 1, and by adding a subdivision; 260.172, by adding a subdivision; 260.181, by adding a subdivision; 260.185, subdivisions 1 and 4; 260.311, by adding a subdivision; 270A.03, subdivision 5; 299A.37; 299A.40, subdivision 3; 332.51, subdivisions 1 and 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivisions 7 and 13; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5, and by adding subdivisions; 609.1352, subdivisions 1 and 5; 609.152, subdivisions 2 and 3; 609.184, subdivision 2; 609.19; 609.2231, by

adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1, and by adding a subdivision; 609.40, subdivision 1; 609.605, by adding a subdivision; 609.747, subdivision 2; 611A.03, subdivision 1; 611A.52, subdivision 8; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 3.873, subdivisions 1, 5, 7, and by adding a subdivision; 8.15; 121.882, subdivision 2; 124A.29, subdivision 1; 126.70, subdivisions 1 and 2a; 243.166, subdivisions 1, 2, and 3; 244.05, subdivision 6; 244.12, subdivision 3; 245.484; 245.4884, subdivision 1; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 2 and 2a; 299A.36; 518B.01, subdivisions 3a, 6, and 14; 609.135, subdivision 2; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapters 126; 145; 145A; 169; 241; 244; 256; 256F; 260; 299A; 609; 611A; 617; and 629.

April 15, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1849, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1849 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1 SEX OFFENDERS

Section 1. Minnesota Statutes 1990, section 241.67, subdivision 3, is amended to read:

Subd. 3. [PROGRAMS FOR ADULT OFFENDERS COMMITTED TO THE COMMISSIONER.] (a) The commissioner shall provide for a range of sex offender ~~treatment~~ programs, including intensive sex offender ~~treatment~~ programs, within the state adult correctional facility system. Participation in any ~~treatment~~ program is ~~voluntary~~ and is subject to the rules and regulations of the department of corrections. Nothing in this section requires the commissioner to accept or retain an offender in a ~~treatment~~ program if the offender is determined by prison professionals as unamenable to programming within the prison system or if the offender refuses or fails to comply

with the program's requirements. Nothing in this section creates a right of an offender to treatment.

(b) The commissioner shall provide for residential and outpatient sex offender ~~treatment programming~~ and aftercare when required for conditional release under section 609.1352 or as a condition of supervised release.

Sec. 2. Minnesota Statutes 1990, section 241.67, subdivision 6, is amended to read:

Subd. 6. [SPECIALIZED CORRECTIONS AGENTS AND PROBATION OFFICERS; SEX OFFENDER SUPERVISION.] ~~By January 1, 1990,~~ The commissioner of corrections shall develop in-service training for state and local corrections agents and probation officers who supervise adult and juvenile sex offenders on probation or supervised release. The commissioner shall make the training available to all current and future corrections agents and probation officers who supervise or will supervise sex offenders on probation or supervised release.

~~After January 1, 1991,~~ A state or local corrections agent or probation officer may not supervise adult or juvenile sex offenders on probation or supervised release unless the agent or officer has completed the in-service sex offender supervision training. The commissioner may waive this requirement if the corrections agent or probation officer has completed equivalent training as part of a post-secondary educational curriculum.

~~After January 1, 1991,~~ When an adult sex offender is placed on supervised release or is sentenced to probationary supervision, and when a juvenile offender is found delinquent by the juvenile court for a sex offense and placed on probation or is paroled from a juvenile correctional facility, a corrections agent or probation officer may not be assigned to the offender unless the agent or officer has completed the in-service sex offender supervision training.

Sec. 3. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1a. [RELEASE ON CERTAIN DAYS.] Notwithstanding the amount of good time earned by an inmate whose crime was committed before August 1, 1992, if the inmate's scheduled release date occurs on a Friday, Saturday, Sunday, or holiday, the inmate's supervised release term shall begin on the last day before the inmate's scheduled release date that is not a Friday, Saturday, Sunday, or holiday. For an inmate whose crime was committed on or after August 1, 1992, if the inmate's scheduled release date occurs on a Friday, Saturday, Sunday, or holiday, the inmate's supervised release term shall begin on the first day after the inmate's scheduled release date that is not a Friday, Saturday, Sunday, or holiday.

Sec. 4. Minnesota Statutes 1990, section 244.05, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS FOR VIOLATION.] If an inmate violates the conditions of the inmate's supervised release imposed by the commissioner, the commissioner may:

(1) continue the inmate's supervised release term, with or without modifying or enlarging the conditions imposed on the inmate; or

(2) revoke the inmate's supervised release and reimprison the inmate for the appropriate period of time.

The period of time for which a supervised release may be revoked may not exceed the period of time remaining in the inmate's sentence, except that ~~for if a sex offender is sentenced and conditionally released under section 609.1352, subdivision 5, the period of time for which conditional release may be revoked may not exceed the balance of the original sentence imposed less good time earned under section 244.04, subdivision 1~~ conditional release term.

Sec. 5. Minnesota Statutes 1990, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 609.184 must not be given supervised release under this section. An inmate serving a mandatory life sentence ~~for conviction of murder in the first degree under section 609.185, clause (1), (3), (4), (5), or (6); or 609.346, subdivision 2a,~~ must not be given supervised release under this section without having served a minimum term of 30 years. An inmate serving a mandatory life sentence under section 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

Sec. 6. Minnesota Statutes 1990, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (1), (3), (4), (5), or (6); 609.346, subdivision 2a; or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

Sec. 7. Minnesota Statutes 1991 Supplement, section 244.05, subdivision 6, is amended to read:

Subd. 6. [INTENSIVE SUPERVISED RELEASE.] The commis-

sioner may order that an inmate be placed on intensive supervised release for all or part of the inmate's supervised release or parole term if the commissioner determines that the action will further the goals described in section 244.14, subdivision 1, clauses (2), (3), and (4). In addition, the commissioner may order that an inmate be placed on intensive supervised release for all of the inmate's conditional or supervised release term if the inmate was convicted of a sex offense under sections 609.342 to 609.345 or was sentenced under the provisions of section 609.1352. The commissioner may impose appropriate conditions of release on the inmate including but not limited to unannounced searches of the inmate's person, vehicle, or premises by an intensive supervision agent; compliance with court-ordered restitution, if any; random drug testing; house arrest; daily curfews; frequent face-to-face contacts with an assigned intensive supervision agent; work, education, or treatment requirements; and electronic surveillance. In addition, any sex offender placed on intensive supervised release may be ordered to participate in an appropriate sex offender program as a condition of release. If the inmate violates the conditions of the intensive supervised release, the commissioner shall impose sanctions as provided in subdivision 3 and section 609.1352.

Sec. 8. Minnesota Statutes 1991 Supplement, section 244.12, subdivision 3, is amended to read:

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following are not eligible to be placed on intensive community supervision, under subdivision 2, clause (2):

(1) offenders who were committed to the commissioner's custody under a statutory mandatory minimum sentence;

(2) offenders who were committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct in the first or second degree, or criminal vehicular homicide or operation resulting in death; and

(3) offenders whose presence in the community would present a danger to public safety.

Sec. 9. 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_; 609.345₁; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a delinquency petition based on one or more of those sections, 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. Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the child if access is relevant and necessary for the assessment:

- (1) medical data under section 13.42;
- (2) corrections and detention data under section 13.85;
- (3) health records under section 144.335;
- (4) juvenile court records under section 260.161; and
- (5) local welfare agency records under section 626.556.

Data disclosed under this paragraph may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

If the child is found delinquent due to the commission of an 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. 10. Minnesota Statutes 1991 Supplement, section 609.135, subdivision 2, is amended to read:

Subd. 2. (a) If the conviction is for a felony the stay shall be for not more than three years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor the stay shall be for not more than two years.

(c) If the conviction is for any misdemeanor under section 169.121; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(d) If the conviction is for a misdemeanor not specified in paragraph (c), the stay shall be for not more than one year.

(e) The defendant shall be discharged when the stay expires, unless the stay has been revoked or extended under paragraph (f), or the defendant has already been discharged.

(f) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (e), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Sec. 11. Minnesota Statutes 1990, section 609.1352, subdivision 1, is amended to read:

Subdivision 1. [SENTENCING AUTHORITY.] A court ~~may~~ shall sentence a person to a term of imprisonment of not less than double the presumptive sentence under the sentencing guidelines and not

more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, to a term of imprisonment equal to the statutory maximum, if:

(1) the court is imposing an executed sentence, based on a sentencing guidelines presumptive imprisonment sentence or a dispositional departure for aggravating circumstances or a mandatory minimum sentence, on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, or 609.345, or on a person convicted of committing or attempting to commit any other crime listed in subdivision 2 if it reasonably appears to the court that the crime was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal;

(2) the court finds that the offender is a danger to public safety; and

(3) the court finds that the offender needs long-term treatment or supervision beyond the presumptive term of imprisonment and supervised release. The finding must be based on a professional assessment by an examiner experienced in evaluating sex offenders that concludes that the offender is a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status unless the offender refuses to be examined. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.

Sec. 12. Minnesota Statutes 1990, section 609.1352, subdivision 5, is amended to read:

Subd. 5. [CONDITIONAL RELEASE.] At the time of sentencing under subdivision 1, the court ~~may~~ shall provide that after the offender has completed ~~one-half~~ less than one-half of the ~~full pronounced~~ full sentence imposed, ~~without regard to~~ without regard to ~~less any good time earned by an offender whose crime was committed before August 1, 1993, the commissioner of corrections may shall~~ less any good time earned by an offender whose crime was committed before August 1, 1993, the commissioner of corrections shall place the offender on conditional release for the remainder of the statutory maximum period or for ten years, whichever is longer; ~~if the commissioner finds that:~~

(1) the offender is amenable to treatment and has made sufficient progress in a sex offender treatment program available in prison to be released to a sex offender treatment program operated by the department of human services or a community sex offender treatment and reentry program; and

~~(2) the offender has been accepted in a program approved by the commissioner that provides treatment, aftercare, and phased reentry into the community.~~

The conditions of release ~~must~~ may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. Before the offender is released, the commissioner shall notify the sentencing court, the prosecutor in the jurisdiction where the offender was sentenced and the victim of the offender's crime, where available, of the terms of the offender's conditional release. ~~Release may be revoked and the stayed sentence executed in its entirety less good time~~ If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve the remaining portion of the conditional release term in prison. The commissioner shall not dismiss the offender from supervision before the ~~sentence conditional release term~~ conditional release term expires.

Conditional release granted under this subdivision is governed by provisions relating to supervised release, except as otherwise provided in this subdivision, section 244.04, subdivision 1, or 244.05.

Sec. 13. Minnesota Statutes 1990, section 609.184, subdivision 2, is amended to read:

Subd. 2. [LIFE WITHOUT RELEASE.] The court shall sentence a person to life imprisonment without possibility of release ~~when~~ under the following circumstances:

(1) the person is convicted of first degree murder under section 609.185, clause (2); or

(2) the person is convicted of first degree murder under section 609.185, clause (1), (3), (4), (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime.

Sec. 14. Minnesota Statutes 1990, section 609.342, is amended to read:

609.342 [CRIMINAL SEXUAL CONDUCT IN THE FIRST DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish sexual penetration; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

(iii) ~~circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

(iv) ~~the complainant suffered personal injury; or~~

(v) ~~(iii) the sexual abuse involved multiple acts committed over an extended period of time.~~

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] Except as otherwise provided in section 609.346, subdivision 2a or 2b, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than 25 30 years or to a payment of a fine of not more than \$40,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (g), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 15. Minnesota Statutes 1990, section 609.343, is amended to read:

609.343 [CRIMINAL SEXUAL CONDUCT IN THE SECOND DEGREE.]

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the second degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the dangerous weapon to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish the sexual contact; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

(iii) ~~circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

(iv) the complainant suffered personal injury; or

~~(v)~~ (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Subd. 2. [PENALTY.] Except as otherwise provided in section 609.346, subdivision 2a or 2b, a person convicted under subdivision 1 may be sentenced to imprisonment for not more than 20 ~~25~~ years or to a payment of a fine of not more than \$35,000, or both.

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (g), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; ~~and~~

(2) a requirement that the offender complete a treatment program;
and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 16. Minnesota Statutes 1990, section 609.344, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, the actor may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

(iii) ~~circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

(iv) the complainant suffered personal injury; or

(v) ~~(iii)~~ the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred during the psychotherapy session. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a patient or former patient of the psychotherapist and the patient or former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense; or

(k) the actor accomplishes the sexual penetration by means of false representation that the penetration is for a bona fide medical purpose by a health care professional. Consent by the complainant is not a defense.

Sec. 17. Minnesota Statutes 1990, section 609.344, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (f), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; and

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 18. Minnesota Statutes 1990, section 609.345, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant and uses this authority to cause the complainant to submit. In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor believes the complainant to be 16 years of age or older;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) ~~the actor or an accomplice was armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it could be a dangerous weapon and used or threatened to use the dangerous weapon;~~

(iii) ~~circumstances existed at the time of the act to cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;~~

(iv) the complainant suffered personal injury; or

(v) ~~(iii)~~ the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred during the psychotherapy session. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a patient or former patient of the psychotherapist and the patient or former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense; or

(k) the actor accomplishes the sexual contact by means of false representation that the contact is for a bona fide medical purpose by a health care professional. Consent by the complainant is not a defense.

Sec. 19. Minnesota Statutes 1990, section 609.345, subdivision 3, is amended to read:

Subd. 3. [STAY.] Except when imprisonment is required under section 609.346, if a person is convicted under subdivision 1, clause (f), the court may stay imposition or execution of the sentence if it finds that:

(a) a stay is in the best interest of the complainant or the family unit; and

(b) a professional assessment indicates that the offender has been accepted by and can respond to a treatment program.

If the court stays imposition or execution of sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; and

(2) a requirement that the offender complete a treatment program; and

(3) a requirement that the offender have no unsupervised contact with the complainant until the offender has successfully completed the treatment program.

Sec. 20. [609.3452] [SEX OFFENDER ASSESSMENT.]

Subdivision 1. [ASSESSMENT REQUIRED.] When a person is convicted of a violation of section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a charge based on one or more of those sections, the court shall order an independent professional assessment of the offender's need for sex offender treatment. The court may waive the assessment if: (1) the sentencing guidelines provide a presumptive prison sentence for the offender, or (2) an adequate assessment was conducted prior to the conviction. An assessor providing an assessment for the court must be experienced in the evaluation and treatment of sex offenders.

Subd. 2. [ACCESS TO DATA.] Notwithstanding section 13.42, 13.85, 144.335, 260.161, or 626.556, the assessor has access to the following private or confidential data on the person if access is relevant and necessary for the assessment:

(1) medical data under section 13.42;

(2) corrections and detention data under section 13.85;

(3) health records under section 144.335;

(4) juvenile court records under section 260.161; and

(5) local welfare agency records under section 626.556.

Data disclosed under this section may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.

Subd. 3. [TREATMENT ORDER.] If the assessment indicates that the offender is in need of and amenable to sex offender treatment, the court shall include in the sentence a requirement that the offender undergo treatment, unless the court sentences the offender to prison.

Sec. 21. Minnesota Statutes 1990, section 609.346, subdivision 2, is amended to read:

Subd. 2. [SUBSEQUENT SEX OFFENSE; PENALTY.] Except as provided in subdivision 2a or 2b, if a person is convicted under sections 609.342 to 609.345, within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for imprisonment for a term of not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The court may stay the execution of the sentence imposed under this subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 22. Minnesota Statutes 1990, section 609.346, subdivision 2a, is amended to read:

Subd. 2a. [MAXIMUM MANDATORY LIFE SENTENCE IMPOSED.] (a) The court shall sentence a person to a term of imprisonment of 37 years for life, notwithstanding the statutory maximum sentences sentence under sections section 609.342 and 609.343 if:

(1) the person is convicted under section 609.342 ~~or 609.343~~; and

(2) the court determines on the record at the time of sentencing that any of the following circumstances exists:

(i) the person has previously been sentenced under section 609.1352;

(ii) the person has one previous sex offense conviction for a violation of section 609.342, 609.343, or 609.344 that occurred before August 1, 1989, for which the person was sentenced to prison in an upward durational departure from the sentencing guidelines that resulted in a sentence at least twice as long as the presumptive sentence; or

(iii) the person has two previous sex offense convictions under section 609.342, 609.343, or 609.344.

(b) Notwithstanding ~~sections~~ section 609.342, subdivision 3; and 609.343, subdivision 3; and subdivision 2, the court may not stay imposition of the sentence required by this subdivision.

Sec. 23. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 2b. [MANDATORY 30-YEAR SENTENCE.] (a) The court shall sentence a person to a term of 30 years, notwithstanding the statutory maximum sentence under section 609.343, if:

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); or 609.343, subdivision 1, clause (c), (d), (e), or (f); and

(2) the court determines on the record at the time of sentencing that:

(i) the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions; and

(ii) the person has a previous sex offense conviction under section 609.342, 609.343, or 609.344.

(b) Notwithstanding sections 609.342, subdivision 3; and 609.343, subdivision 3; and subdivision 2, the court may not stay imposition or execution of the sentence required by this subdivision.

Sec. 24. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 4. [MINIMUM DEPARTURE FOR SEX OFFENDERS.] The court shall sentence a person to at least twice the presumptive sentence recommended by the sentencing guidelines if:

(1) the person is convicted under section 609.342, subdivision 1, clause (c), (d), (e), or (f); 609.343, subdivision 1, clause (c), (d), (e), or (f); or 609.344, subdivision 1, clause (c) or (d); and

(2) the court determines on the record at the time of sentencing that the crime involved an aggravating factor that would provide grounds for an upward departure under the sentencing guidelines.

Sec. 25. Minnesota Statutes 1990, section 609.346, is amended by adding a subdivision to read:

Subd. 5. [SUPERVISED RELEASE OF SEX OFFENDERS.] (a) Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, any person who is sentenced to prison for a violation of section 609.342, 609.343, 609.344, or 609.345 must be sentenced to serve a supervised release term as provided in this subdivision. The court shall sentence a person convicted for a violation of section 609.342, 609.343, 609.344, or 609.345 to serve a supervised release term of not less than five years. The court shall sentence a person convicted for a violation of one of those sections a second or subsequent time, or sentenced under section 24 to a mandatory departure, to serve a supervised release term of not less than ten years.

(b) The commissioner of corrections shall set the level of supervision for offenders subject to this section based on the public risk presented by the offender.

Sec. 26. Minnesota Statutes 1990, section 609.3471, is amended to read:

609.3471 [RECORDS PERTAINING TO VICTIM IDENTITY CONFIDENTIAL.]

Notwithstanding any provision of law to the contrary, no data contained in records or reports relating to petitions, complaints, or indictments issued pursuant to section 609.342, ~~clause (a), (b), (g), or (h); 609.343, clause (a), (b), (g), or (h); 609.344, clause (a), (b), (e), (f), or (g); or 609.345, clause (a), (b), (e), (f), or (g)~~ which specifically identifies ~~the~~ a victim who is a minor shall be accessible to the public, except by order of the court. Nothing in this section authorizes denial of access to any other data contained in the records or reports, including the identity of the defendant.

Sec. 27. [INTERIM SLIDING FEE SCALE.]

By July 1, 1992, the commissioner of corrections shall adopt without regard to chapter 14, and provide to each judicial district court administrator, an interim sliding fee scale to determine the amount of money to be contributed by sex offenders toward the cost of the assessments required by section 20. The interim sliding fee scale is effective until the commissioner adopts a permanent sliding fee scale under article 8, section 4, subdivision 3.

Sec. 28. [INSTITUTE OF PEDIATRIC SEXUAL HEALTH.]

Subdivision 1. [PLANNING.] The commissioner of health, in cooperation with the director of strategic and long-range planning, shall, by September 1, 1992, convene an interdisciplinary committee to plan for an institute of sexual health to serve youth and children. Members of the committee shall be appointed by the governor and shall include expert professionals from the fields of medicine, psychiatry, psychology, education, sociology, and other relevant disciplines. The committee shall also include representatives of community agencies that work in the areas of health, religion, and corrections.

Subd. 2. [PURPOSE.] The purpose of the institute is the diagnosis and treatment of, and research and education relating to, the etiology and prevention of sexual dysfunctions and the medical, psychological, and relational conditions that affect the sexual health of the child, the adolescent, and the family, including those of a violent nature. The institute will focus on the early detection of potentially sexually violent behavior and disorders of sexual functioning. The institute will provide clinical, programmatic, and staff training support for the residential treatment program and will coordinate educational programs. The institute will be a resource for medical, mental health, and juvenile justice programs in the state.

Subd. 3. [CLINICAL STAFF.] The institute will provide clinical staff including professionals in genetics, reproductive biology, molecular biology, endocrinology, brain science, ethology, psychology, sociology, and cultural anthropology.

Subd. 4. [TREATMENT PROGRAMS.] The institute will be designed to offer a wide variety of diagnostic and treatment services, as determined by the planning committee.

Subd. 5. [ANCILLARY SERVICES.] The institute will include a research center that will provide facilities, a library, and educational services supporting and encouraging research on all aspects of pediatric and youth sexology including those factors contributing to sexually violent behavior. The institute will fund visiting scholars and establish and maintain international collaborative working relationships with other related professional institutes and organizations and sponsor an annual symposium on pediatric, youth, and family sexology.

Subd. 6. [REPORT.] By February 1, 1993, the commissioner of health shall submit to the legislature a plan for establishment of an institute to promote the sexual health of youth and children. The plan shall include recommendations for siting and funding the institute.

Sec. 29. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment. Sections 4, 5, 6, and 10 to 26 are effective August 1, 1992, and apply to crimes committed on or after that date. Section 9 is effective August 1, 1992, and applies to persons adjudicated delinquent on or after that date. The court shall consider convictions occurring before August 1, 1992, as previous convictions in sentencing offenders under sections 22 to 25. Section 20, subdivision 3, is effective January 1, 1994.

ARTICLE 2

SENTENCING

Section 1. Minnesota Statutes 1990, section 244.01, subdivision 8, is amended to read:

Subd. 8. "Term of imprisonment," as applied to inmates whose crimes were committed before August 1, 1993, is the period of time to which an inmate is committed to the custody of the commissioner of corrections minus earned good time. "Term of imprisonment," as applied to inmates whose crimes were committed on or after August 1, 1993, is the period of time which an inmate is ordered to serve in prison by the sentencing court, plus any disciplinary confinement period imposed by the commissioner under section 244.05, subdivision 1a.

Sec. 2. Minnesota Statutes 1990, section 244.03, is amended to read:

244.03 [VOLUNTARY REHABILITATIVE PROGRAMS.]

The commissioner shall provide appropriate mental health programs and vocational and educational programs with employment-related goals for inmates who desire to voluntarily participate in such programs and for inmates who are required to participate in the programs under the disciplinary offense rules adopted by the commissioner under section 244.05, subdivision 1a. The selection, design and implementation of programs under this section shall be the sole responsibility of the commissioner, acting within the limitations imposed by the funds appropriated for such programs.

No action challenging the level of expenditures for programs authorized under this section, nor any action challenging the selection, design or implementation of these programs, may be maintained by an inmate in any court in this state.

Sec. 3. Minnesota Statutes 1990, section 244.04, subdivision 1, is amended to read:

Subdivision 1. [REDUCTION OF SENTENCE.] Notwithstanding the provisions of section 609.11, subdivision 6, and section 609.346,

subdivision 1, the term of imprisonment of any inmate sentenced to a presumptive fixed sentence after May 1, 1980, and whose crime was committed before August 1, 1993, shall be reduced in duration by one day for each two days during which the inmate violates none of the disciplinary offense rules promulgated by the commissioner. The reduction shall accrue to the period of supervised release to be served by the inmate, except that the period of supervised release for a sex offender sentenced and conditionally released by the commissioner under section 609.1352, subdivision 5, is governed by that provision.

Except as otherwise provided in subdivision 2, if an inmate whose crime was committed before August 1, 1993, violates a disciplinary offense rule promulgated by the commissioner, good time earned prior to the violation may not be taken away, but the inmate may be required to serve an appropriate portion of the term of imprisonment after the violation without earning good time.

Sec. 4. Minnesota Statutes 1990, section 244.04, subdivision 3, is amended to read:

Subd. 3. The provisions of this section do not apply to an inmate serving a mandatory life sentence or to persons whose crimes were committed on or after August 1, 1993.

Sec. 5. Minnesota Statutes 1990, section 244.05, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISED RELEASE REQUIRED.] Except as provided in subdivisions 1a, 4, and 5, every inmate shall serve a supervised release term upon completion of the inmate's term of imprisonment as reduced by any good time earned by the inmate or extended by confinement in punitive segregation pursuant to section 244.04, subdivision 2. Except for a sex offender conditionally released under section 609.1352, subdivision 5, the supervised release term shall be equal to the period of good time the inmate has earned, and shall not exceed the length of time remaining in the inmate's sentence.

Sec. 6. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1a. [SUPERVISED RELEASE; OFFENDERS WHO COMMIT CRIMES ON OR AFTER AUGUST 1, 1993.] (a) Except as provided in subdivisions 4 and 5, every inmate sentenced to prison for a felony offense committed on or after August 1, 1993, shall serve a supervised release term upon completion of the term of imprisonment pronounced by the sentencing court under section 7 and any disciplinary confinement period imposed by the commissioner due to the inmate's violation of any disciplinary offense rule adopted by the commissioner under paragraph (b). The supervised release term

shall be equal in length to the amount of time remaining in the inmate's imposed sentence after the inmate has served the pronounced term of imprisonment and any disciplinary confinement period imposed by the commissioner.

(b) By August 1, 1993, the commissioner shall modify the commissioner's existing disciplinary rules to specify disciplinary offenses which may result in imposition of a disciplinary confinement period and the length of the disciplinary confinement period for each disciplinary offense. These disciplinary offense rules may cover violation of institution rules, refusal to work, refusal to participate in treatment or other rehabilitative programs, and other matters determined by the commissioner. No inmate who violates a disciplinary rule shall be placed on supervised release until the inmate has served the disciplinary confinement period or until the inmate is discharged or released from punitive segregation confinement, whichever is later. The imposition of a disciplinary confinement period shall be considered to be a disciplinary sanction imposed upon an inmate, and the procedure for imposing the disciplinary confinement period and the rights of the inmate in the procedure shall be those in effect for the imposition of other disciplinary sanctions at each state correctional institution.

Sec. 7. [244.101] [SENTENCING OF FELONY OFFENDERS WHO COMMIT OFFENSES ON AND AFTER AUGUST 1, 1993.]

Subdivision 1. [SENTENCING AUTHORITY.] When a felony offender is sentenced to a fixed executed prison sentence for an offense committed on or after August 1, 1993, the sentence pronounced by the court shall consist of two parts: (1) a specified minimum term of imprisonment; and (2) a specified maximum supervised release term that is one-half of the minimum term of imprisonment. The lengths of the term of imprisonment and the supervised release term actually served by an inmate are subject to the provisions of section 244.05, subdivision 1a.

Subd. 2. [EXPLANATION OF SENTENCE.] When a court pronounces sentence under this section, it shall specify the amount of time the defendant will serve in prison and the amount of time the defendant will serve on supervised release, assuming the defendant commits no disciplinary offense in prison that may result in the imposition of a disciplinary confinement period. The court shall also explain that the defendant's term of imprisonment may be extended by the commissioner if the defendant commits any disciplinary offenses in prison and that this extension could result in the defendant's serving the entire pronounced sentence in prison. The court's explanation shall be included in the sentencing order.

Subd. 3. [NO RIGHT TO SUPERVISED RELEASE.] Notwithstanding the court's specification of the potential length of a defendant's supervised release term in the sentencing order, the court's

order creates no right of a defendant to any specific, minimum length of a supervised release term.

Subd. 4. [APPLICATION OF STATUTORY MANDATORY MINIMUM SENTENCES.] If the defendant is convicted of any offense for which a statute imposes a mandatory minimum sentence or term of imprisonment, the statutory mandatory minimum sentence or term governs the length of the entire sentence pronounced by the court under this section.

Sec. 8. Minnesota Statutes 1990, section 609.15, subdivision 2, is amended to read:

Subd. 2. [LIMIT ON TERMS; MISDEMEANOR AND GROSS MISDEMEANOR.] If the court specifies that the sentence shall run consecutively, the total of the terms of imprisonment imposed, other than a term of imprisonment for life, shall not exceed 40 years. If and all of the sentences are for misdemeanors, the total of the terms of imprisonment shall not exceed one year. If all of the sentences are for gross misdemeanors, the total of such the terms shall not exceed three years.

Sec. 9. Minnesota Statutes 1990, section 609.152, subdivision 2, is amended to read:

Subd. 2. [INCREASED SENTENCES; DANGEROUS OFFENDERS.] Whenever a person is convicted of a violent crime, and the judge is imposing an executed sentence based on a sentencing guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive imprisonment sentence up to the statutory maximum sentence if the offender was at least 18 years old at the time the felony was committed, and:

(1) the court determines on the record at the time of sentencing that the offender has two or more prior convictions for violent crimes; and

(2) the court finds that the offender is a danger to public safety and specifies on the record the basis for the finding, which may include:

(i) the offender's past criminal behavior, such as the offender's high frequency rate of criminal activity or juvenile adjudications, or long involvement in criminal activity including juvenile adjudications; or

(ii) the fact that the present offense of conviction involved an aggravating factor that would justify a durational departure under the sentencing guidelines.

Sec. 10. Minnesota Statutes 1990, section 609.152, subdivision 3, is amended to read:

Subd. 3. [INCREASED SENTENCES; CAREER OFFENDERS.] Whenever a person is convicted of a felony, and the judge is imposing an executed sentence based on a sentencing guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive sentence up to the statutory maximum sentence if the judge finds and specifies on the record that the offender has more than four prior felony convictions and that the present offense is a felony that was committed as part of a pattern of criminal conduct from which a substantial portion of the offender's income was derived.

Sec. 11. [TASK FORCE ON NEW FELONY SENTENCING SYSTEM.]

Subdivision 1. [MEMBERSHIP.] A task force is established to study the implementation of the new felony sentencing system provided in this article. The task force consists of the following members or their designees:

- (1) the chair of the sentencing guidelines commission;
- (2) the commissioner of corrections;
- (3) the state court administrator;
- (4) the chair of the house judiciary committee; and
- (5) the chair of the senate judiciary committee.

The task force shall select a chair from among its membership.

Subd. 2. [DUTIES.] The task force shall study the new felony sentencing system provisions contained in this article. Based on this study, the task force shall:

- (1) determine whether the current sentencing guidelines and sentencing guidelines grid need to be changed in order to implement the new sentencing provisions; and
- (2) determine whether any legislative changes to the provisions are needed to permit their effective implementation.

Subd. 3. [REPORT.] The task force shall report the results of its study to the legislature by February 15, 1993. The report shall include the task force's recommendations, if any, for changing the law or the sentencing guidelines in order to effectively implement the new felony sentencing system.

Sec. 12. [SENTENCING GUIDELINES COMMISSION; STUDY.]

The sentencing guidelines commission shall study the following issues and report its findings and conclusions to the chairs of the house and senate judiciary committees by February 1, 1993:

(1) whether the crime of first degree criminal sexual conduct should be ranked, in whole or in part, in the next higher severity level of the sentencing guidelines grid;

(2) whether the current presumptive sentence for the crime of second degree intentional murder is adequately proportional to the mandatory life imprisonment penalty provided for first degree murder; and

(3) whether the sentencing guidelines should provide a presumption in favor of consecutive sentences for persons who are convicted of multiple crimes against a person in separate behavioral incidents.

Sec. 13. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall modify the sentencing guidelines to provide that if an inmate of a state correctional facility is convicted of committing a felony at the facility, it is presumed that the sentence imposed for the current felony will run consecutively to the sentence for which the inmate was confined when the felony was committed. The commission shall also modify the sentencing guidelines to provide that the judge may depart from this presumption and impose a concurrent sentence based on evidence that the defendant has provided substantial and material assistance in the detection or prosecution of crime.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 7 are effective August 1, 1993, and apply to crimes committed on or after that date. Sections 8 to 10 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 3

PSYCHOPATHIC PERSONALITY PROVISIONS

Section 1. Minnesota Statutes 1990, section 8.01, is amended to read:

8.01 [APPEARANCE.]

The attorney general shall appear for the state in all causes in the supreme and federal courts wherein the state is directly interested;

also in all civil causes of like nature in all other courts of the state whenever, in the attorney general's opinion, the interests of the state require it. Upon request of the county attorney, the attorney general shall appear in court in such criminal cases as the attorney general deems proper. Upon request of a county attorney, the attorney general may assume the duties of the county attorney in psychopathic personality commitment proceedings under section 526.10. Whenever the governor shall so request, in writing, the attorney general shall prosecute any person charged with an indictable offense, and in all such cases may attend upon the grand jury and exercise the powers of a county attorney.

Sec. 2. Minnesota Statutes 1991 Supplement, section 8.15, is amended to read:

8.15 [ATTORNEY GENERAL COSTS.]

The attorney general in consultation with the commissioner of finance shall assess executive branch agencies a fee for legal services rendered to them. The assessment against appropriations from other than the general fund must be the full cost of providing the services. The assessment against appropriations supported by fees must be included in the fee calculation. The assessment against appropriations from the general fund not supported by fees must be one-half of the cost of providing the services. An amount equal to the general fund receipts in the even-numbered year of the biennium is appropriated to the attorney general for each year of the succeeding biennium. All other receipts from assessments must be deposited in the state treasury and credited to the general fund.

The attorney general in consultation with the commissioner of finance shall assess political subdivisions fees to cover half the cost of legal services rendered to them; except that the attorney general may not assess a county any fee for legal services rendered in connection with a psychopathic personality commitment proceeding under section 526.10 for which the attorney general assumes responsibility under section 8.01.

Sec. 3. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 7. [SEX OFFENDERS; CIVIL COMMITMENT DETERMINATION.] Before the commissioner releases from prison any inmate convicted under sections 609.342 to 609.345 or sentenced as a patterned offender under section 609.1352, and determined by the commissioner to be in a high risk category, the commissioner shall make a preliminary determination whether, in the commissioner's opinion, a petition under section 526.10 may be appropriate. If the commissioner determines that a petition may be appropriate, the commissioner shall forward this determination, along with a summary of the reasons for the determination, to the county attorney in

the county where the inmate was convicted no later than six months before the inmate's release date. Upon receiving the commissioner's preliminary determination, the county attorney shall proceed in the manner provided in section 526.10. The commissioner shall release to the county attorney all requested documentation maintained by the department.

Sec. 4. Minnesota Statutes 1990, section 253B.18, subdivision 2, is amended to read:

Subd. 2. [REVIEW; HEARING.] A written treatment report shall be filed with the committing court within 60 days after commitment. If the person is in the custody of the commissioner of corrections when the initial commitment is ordered under subdivision 1, the written treatment report must be filed within 60 days after the person is admitted to the Minnesota security hospital or a private hospital receiving the person. The court, prior to making a final determination with regard to a person initially committed as mentally ill and dangerous to the public, shall hold a hearing. The hearing shall be held within the earlier of 14 days of the court's receipt of the written treatment report, if one is filed, or within 90 days of the date of initial commitment or admission, ~~whichever is earlier~~, unless otherwise agreed by the parties. If the court finds that the patient qualifies for commitment as mentally ill, but not as mentally ill and dangerous to the public, the court may commit the person as a mentally ill person and the person shall be deemed not to have been found to be dangerous to the public for the purposes of subdivisions 4 to 15. Failure of the treatment facility to provide the required report at the end of the 60-day period shall not result in automatic discharge of the patient.

Sec. 5. Minnesota Statutes 1990, section 526.10, is amended to read:

526.10 [LAWS RELATING TO MENTALLY ILL PERSONS DANGEROUS TO THE PUBLIC TO APPLY TO PSYCHOPATHIC PERSONALITIES; TRANSFER OR COMMITMENT TO CORRECTIONS.]

Subdivision 1. [PROCEDURE.] Except as otherwise provided in this section or in chapter 253B, the provisions of chapter 253B, pertaining to persons mentally ill and dangerous to the public shall apply with like force and effect to persons having a psychopathic personality, to persons alleged to have such personality, and to persons found to have such personality, respectively. Before such proceedings are instituted, the facts shall first be submitted to the county attorney, who, if satisfied that good cause exists therefor, shall prepare the petition to be executed by a person having knowledge of the facts and file the same with the judge of the probate court of the county in which the "patient," as defined in such statutes, has a settlement or is present. If the patient is in the

custody of the commissioner of corrections, the petition may be filed in the county where the conviction for which the person is incarcerated was entered. The judge of probate shall thereupon follow the same procedures set forth in chapter 253B, for judicial commitment. The judge may exclude the general public from attendance at such hearing. If, upon completion of the hearing and consideration of the record, the court finds the proposed patient has a psychopathic personality, the court shall commit such person to a public hospital or a private hospital consenting to receive the person, subject to a mandatory review by the head of the hospital within 60 days from the date of the order as provided for in chapter 253B for persons found to be mentally ill and dangerous to the public. The patient shall thereupon be entitled to all of the rights provided for in chapter 253B, for persons found to be mentally ill and dangerous to the public, and all of the procedures provided for in chapter 253B, for persons found to be mentally ill and dangerous to the public shall apply to such patient except as otherwise provided in subdivision 2.

Subd. 2. [TRANSFER TO CORRECTIONAL FACILITY.] ~~Unless the provisions of section 609.1351 apply, (a) If a person has been committed under this section and also has been later is committed to the custody of the commissioner of corrections, the person may be transferred from a hospital to another facility designated by the commissioner of corrections as provided in section 253B.18; except that the special review board and the commissioner of human services may consider the following factors in lieu of the factors listed in section 253B.18, subdivision 6, to determine whether a transfer to the commissioner of corrections is appropriate:~~

- (1) the person's unamenability to treatment;
- (2) the person's unwillingness or failure to follow treatment recommendations;
- (3) the person's lack of progress in treatment at the public or private hospital;
- (4) the danger posed by the person to other patients or staff at the public or private hospital; and
- (5) the degree of security necessary to protect the public.

(b) If a person is committed under this section after a commitment to the commissioner of corrections, the person shall first serve the sentence in a facility designated by the commissioner of corrections. After the person has served the sentence, the person shall be transferred to a regional center designated by the commissioner of human services.

Sec. 6. [526.115] [STATEWIDE JUDICIAL PANEL; PSYCHOPATHIC PERSONALITY COMMITMENTS.]

Subdivision 1. [CREATION.] The supreme court may establish a panel of district judges with statewide authority to preside over commitment proceedings brought under section 526.10. Only one judge of the panel is required to preside over a particular commitment proceeding. Panel members shall serve for one-year terms. One of the judges shall be designated as the chief judge of the panel, and is vested with the power to designate the presiding judge in a particular case, to set the proper venue for the proceedings, and to otherwise supervise and direct the operation of the panel. The chief judge shall designate one of the other judges to act as chief judge whenever the chief judge is unable to act.

Subd. 2. [EFFECT OF CREATION OF PANEL.] If the supreme court creates the judicial panel authorized by this section, all petitions for civil commitment brought under section 526.10 shall be filed with the supreme court instead of with the probate court in the county where the proposed patient is present, notwithstanding any provision of section 526.10 to the contrary. Otherwise, all of the other applicable procedures contained in section 526.10 and chapter 253B apply to commitment proceedings conducted by a judge on the panel.

Sec. 7. Minnesota Statutes 1990, section 609.1351, is amended to read:

609.1351 [PETITION FOR CIVIL COMMITMENT.]

When a court sentences a person under section 609.1352, 609.342, 609.343, 609.344, or 609.345, the court shall make a preliminary determination whether in the court's opinion a petition under section 526.10 may be appropriate and include the determination as part of the sentencing order. If the court determines that a petition may be appropriate, the court shall forward its preliminary determination along with supporting documentation to the county attorney. If the person is subsequently committed under section 526.10, the person shall serve the sentence in a facility designated by the commissioner of corrections. After the person has served the sentence the person shall be transferred to a facility designated by the commissioner of human services.

Sec. 8. [EFFECTIVE DATE.]

Section 7 is effective August 1, 1992, and applies to sentences imposed on or after that date.

ARTICLE 4

OTHER PENALTY PROVISIONS

Section 1. Minnesota Statutes 1991 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$85.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$85.

The party requesting a trial by jury shall pay \$30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$5, plus 25 cents per page after the first page, and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of

physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of \$5.

(12) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 2. Minnesota Statutes 1991 Supplement, section 609.101, subdivision 1, is amended to read:

Subdivision 1. [SURCHARGES AND ASSESSMENTS.] (a) When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$25 nor more than \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of ~~ten~~ 20 percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(b) In addition to the assessments in paragraph (a), the court shall assess the following surcharges after a person is convicted:

(1) for a person charged with a felony, \$25;

(2) for a person charged with a gross misdemeanor, \$15;

(3) for a person charged with a misdemeanor other than a traffic, parking, or local ordinance violation, \$10; and

(4) for a person charged with a local ordinance violation other than a parking or traffic violation, \$5.

The surcharge must be assessed for the original charge, whether or not it is subsequently reduced. A person charged on more than one count may be assessed only one surcharge under this paragraph, but must be assessed for the most serious offense. This paragraph applies whether or not the person is sentenced to imprisonment and when the sentence is suspended.

(c) The court may not waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family.

(d) If the court fails to waive or impose an assessment required by paragraph (a), the court administrator shall correct the record to show imposition of an assessment of \$25 if the sentence does not include payment of a fine, or if the sentence includes a fine, to show an imposition of a surcharge of ten percent of the fine. If the court fails to waive or impose an assessment required by paragraph (b), the court administrator shall correct the record to show imposition of the assessment described in paragraph (b).

(e) Except for assessments and surcharges imposed on persons convicted of violations described in section 97A.065, subdivision 2, the court shall collect and forward to the commissioner of finance the total amount of the assessments or surcharges and the commissioner shall credit all money so forwarded to the general fund.

(f) If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the commissioner of finance, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Sec. 3. Minnesota Statutes 1990, section 609.101, is amended by adding a subdivision to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent

or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

Sec. 4. Minnesota Statutes 1990, section 609.184, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] (a) A "heinous crime" is:

(1) a violation or attempted violation of section 609.185, or 609.19₂;

(2) a violation of section 609.195, or 609.221; or

(3) a violation of section 609.342 or, 609.343, or 609.344, if the offense was committed with force or violence.

(b) "Previous conviction" means a conviction in Minnesota of a heinous crime or a conviction elsewhere for conduct that would have been a heinous crime under this chapter if committed in Minnesota. The term includes any conviction that occurred before the commission of the present offense of conviction, but does not include a conviction if 15 years have elapsed since the person was discharged from the sentence imposed for the offense.

Sec. 5. Minnesota Statutes 1990, section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit burglary, aggravated robbery, kidnapping, arson in the first or second degree, tampering with a witness in the first degree,

escape from custody, or any felony violation of chapter 152 involving the unlawful sale of a controlled substance;

(4) causes the death of a peace officer or a guard employed at a Minnesota state correctional facility, with intent to effect the death of that person or another, while the peace officer or guard is engaged in the performance of official duties;

(5) causes the death of a minor under circumstances other than those described in clause (1) or (2) while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon the child and the death occurs under circumstances manifesting an extreme indifference to human life; or

(6) causes the death of a human being under circumstances other than those described in clause (1), (2), or (5) while committing domestic abuse, when the perpetrator has engaged in a past pattern of domestic abuse upon the victim and the death occurs under circumstances manifesting an extreme indifference to human life.

For purposes of clause (5), "child abuse" means an act committed against a minor victim that constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344, 609.345, 609.377, ~~or~~ 609.378, or 609.713.

For purposes of clause (6), "domestic abuse" means an act that:

(1) constitutes a violation of section 609.221, 609.222, ~~or~~ 609.223, 609.224, 609.342, 609.343, 609.344; 609.345, or 609.713; and

(2) is committed against the victim who is a family or household member as defined in section 518B.01, subdivision 2, paragraph (b).

Sec. 6. Minnesota Statutes 1990, section 609.19, is amended to read:

609.19 [MURDER IN THE SECOND DEGREE.]

Whoever does ~~either~~ any of the following is guilty of murder in the second degree and may be sentenced to imprisonment for not more than 40 years:

(1) Causes the death of a human being with intent to effect the death of that person or another, but without premeditation, ~~or~~;

(2) Causes the death of a human being, without intent to effect the death of any person, while committing or attempting to commit a felony offense other than criminal sexual conduct in the first or second degree with force or violence; or

(3) Causes the death of a human being without intent to effect the death of any person, while intentionally inflicting or attempting to inflict bodily harm upon the victim, when the perpetrator is restrained under an order for protection issued under chapter 518B and the victim is a person designated to receive protection under the order.

Sec. 7. Minnesota Statutes 1990, section 609.222, is amended to read:

609.222 [ASSAULT IN THE SECOND DEGREE.]

Subdivision 1. [DANGEROUS WEAPON.] Whoever assaults another with a dangerous weapon may be sentenced to imprisonment for not more than seven years or to payment of a fine of not more than \$14,000, or both.

Subd. 2. [DANGEROUS WEAPON; SUBSTANTIAL BODILY HARM.] Whoever assaults another with a dangerous weapon and inflicts substantial bodily harm may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Sec. 8. Minnesota Statutes 1990, section 609.2231, is amended by adding a subdivision to read:

Subd. 6. [PUBLIC EMPLOYEES WITH MANDATED DUTIES.] A person is guilty of a gross misdemeanor who:

(1) assaults an agricultural inspector, child protection worker, public health nurse, or probation or parole officer while the employee is engaged in the performance of a duty mandated by law, court order, or ordinance;

(2) knows that the victim is a public employee engaged in the performance of the official public duties of the office; and

(3) inflicts demonstrable bodily harm.

Sec. 9. Minnesota Statutes 1990, section 609.322, is amended to read:

609.322 [SOLICITATION, INDUCEMENT AND PROMOTION OF PROSTITUTION.]

Subdivision 1. Whoever, while acting other than as a prostitute or patron, intentionally does either of the following may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$40,000, or both:

(1) solicits or induces an individual under the age of ~~13~~ 16 years to practice prostitution; or

(2) promotes the prostitution of an individual under the age of 13 ~~16~~ years.

Subd. 1a. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both:

(1) Solicits or induces an individual at least ~~13~~ 16 but less than ~~16~~ 18 years of age to practice prostitution; or

(2) Solicits or induces an individual to practice prostitution by means of force; or

(3) Uses a position of authority to solicit or induce an individual to practice prostitution; or

(4) Promotes the prostitution of an individual in the following circumstances:

(a) The individual is at least ~~13~~ 16 but less than ~~16~~ 18 years of age; or

(b) The actor knows that the individual has been induced or solicited to practice prostitution by means of force; or

(c) The actor knows that a position of authority has been used to induce or solicit the individual to practice prostitution.

Subd. 2. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both:

(1) ~~Solicits or induces an individual at least 16 but less than 18 years of age to practice prostitution; or~~

(2) Solicits or induces an individual to practice prostitution by means of trick, fraud, or deceit; or

(3) ~~(2)~~ Being in a position of authority, consents to an individual being taken or detained for the purposes of prostitution; or

(4) ~~(3)~~ Promotes the prostitution of an individual in the following circumstances:

(a) The individual is at least 16 but less than 18 years of age; or

(b) The actor knows that the individual has been induced or solicited to practice prostitution by means of trick, fraud or deceit; or

(c) (b) The actor knows that an individual in a position of authority has consented to the individual being taken or detained for the purpose of prostitution.

Subd. 3. Whoever, while acting other than as a prostitute or patron, intentionally does any of the following may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both:

(1) Solicits or induces an individual 18 years of age or above to practice prostitution; or

(2) Promotes the prostitution of an individual 18 years of age or older.

Sec. 10. Minnesota Statutes 1990, section 609.323, is amended to read:

609.323 [RECEIVING PROFIT DERIVED FROM PROSTITUTION.]

Subdivision 1. Whoever, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual under the age of ~~13~~ 16 years, may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$30,000, or both.

Subd. 1a. Whoever, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual in circumstances described in section 609.322, subdivision 1a, clause (4), may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 2. Whoever, not related by blood, adoption, or marriage to the prostitute, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution, of an individual in circumstances described in section 609.322, subdivision 2, clause (4) (3) may be sentenced to not more than three years imprisonment or to payment of a fine of not more than \$5,000, or both.

Subd. 3. Whoever, not related by blood, adoption, or marriage to the prostitute, while acting other than as a prostitute or patron, intentionally receives profit, knowing or having reason to know that it is derived from the prostitution, or the promotion of the prostitution of an individual 18 years of age or above may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Subd. 4. This section does not apply to the sale of goods or services to a prostitute in the ordinary course of a lawful business.

Sec. 11. Minnesota Statutes 1990, section 609.378, subdivision 1, is amended to read:

Subdivision 1. [PERSONS GUILTY OF NEGLECT OR ENDANGERMENT.] The following people are guilty of neglect or endangerment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(a) [NEGLECT.] (1) A parent, legal guardian, or caretaker who willfully deprives a child of necessary food, clothing, shelter, health care, or supervision appropriate to the child's age, when the parent, guardian, or caretaker is reasonably able to make the necessary provisions and the deprivation substantially harms or is likely to substantially harm the child's physical or emotional health is guilty of neglect of a child. If a parent, guardian, or caretaker responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, this treatment or care is "health care," for purposes of this clause.

(2) A parent, legal guardian, or caretaker who knowingly permits the continuing physical or sexual abuse of a child is guilty of neglect of a child.

(b) [ENDANGERMENT.] A parent, legal guardian, or caretaker who endangers the child's person or health by:

(1) intentionally causing or permitting a child to be placed in a situation likely to substantially harm the child's physical or mental health or cause the child's death; or

(2) knowingly causing or permitting the child to be present where any person is selling or possessing a controlled substance, as defined in section 152.01, subdivision 4, in violation of section 152.021, 152.022, 152.023, or 152.024;

is guilty of child endangerment.

This paragraph does not prevent a parent, legal guardian, or caretaker from causing or permitting a child to engage in activities that are appropriate to the child's age, stage of development, and experience, or from selecting health care as defined in subdivision 1, paragraph (a).

Sec. 12. [REPORT ON CRIMINAL FINE ASSESSMENTS.]

By December 31, 1992, the state court administrator shall report the results of the conference of chief judges fine management study to the chairs of the house and senate judiciary committees. The report shall include the following information:

(1) data on the total amount of fines imposed on persons convicted of misdemeanor, gross misdemeanor, and felony offenses in each judicial district;

(2) the current status of fine collection in each court in Minnesota, including amounts in a receivable status and an evaluation of the probability of collection;

(3) an evaluation of various fine collection strategies, including the results of pilot fine collection projects; and

(4) the policies and procedures adopted by the conference as a result of the study that are expected to improve the collection of fines.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 11 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 5
CRIME VICTIMS

Section 1. Minnesota Statutes 1990, section 135A.15, is amended to read:

135A.15 [SEXUAL HARASSMENT AND VIOLENCE POLICY.]

Subdivision 1. [POLICY REQUIRED.] The governing board of each public post-secondary system and each public post-secondary institution shall technical college, community college, or state university shall, and the University of Minnesota is requested to, adopt a clear, understandable written policy on sexual harassment and sexual violence that informs victims of their rights under the crime victims bill of rights, including the right to assistance from

the crime victims reparations board and the office of the crime victim ombudsman. The policy must apply to students and employees and must provide information about their rights and duties. The policy must apply to criminal incidents occurring on property owned by the post-secondary system or institution in which the victim is a student or employee of that system or institution. It must include procedures for reporting incidents of sexual harassment or sexual violence and for disciplinary actions against violators. During student registration, each public post-secondary institution shall technical college, community college, or state university shall, and the University of Minnesota is requested to, provide each student with information regarding its policy. A copy of the policy also shall be posted at appropriate locations on campus at all times. Each private post-secondary institution that enrolls students who receive state financial aid must adopt a policy that meets the requirements of this section. The higher education coordinating board shall coordinate the policy development of the systems and institutions and periodically provide for review and necessary changes in the policies.

Subd. 2. [VICTIMS' RIGHTS.] The policy required under subdivision 1 shall, at a minimum, require that students and employees be informed of the policy, and shall include provisions for:

(1) filing criminal charges with local law enforcement officials in sexual assault cases;

(2) the prompt assistance of campus authorities, at the request of the victim, in notifying the appropriate law enforcement officials and disciplinary authorities of a sexual assault incident;

(3) an investigation and resolution of a sexual assault complaint by campus disciplinary authorities;

(4) a sexual assault victim's participation in and the presence of the victim's attorney or other support person at any campus disciplinary proceeding concerning a sexual assault complaint;

(5) notice to a sexual assault victim of the outcome of any campus disciplinary proceeding concerning a sexual assault complaint, consistent with laws relating to data practices;

(6) the complete and prompt assistance of campus authorities, at the direction of law enforcement authorities, in obtaining, securing, and maintaining evidence in connection with a sexual assault incident;

(7) the assistance of campus authorities in preserving for a sexual assault complainant or victim materials relevant to a campus disciplinary proceeding; and

(8) the assistance of campus personnel, in cooperation with the appropriate law enforcement authorities, at a sexual assault victim's request, in shielding the victim from unwanted contact with the alleged assailant, including transfer of the victim to alternative classes or to alternative college-owned housing, if alternative classes or housing are available and feasible.

Sec. 2. Minnesota Statutes 1990, section 260.155, is amended by adding a subdivision to read:

Subd. 1b. [RIGHT OF ALLEGED VICTIM TO PRESENCE OF SUPPORTIVE PERSON.] Notwithstanding any provision of subdivision 1 to the contrary, in any delinquency proceedings in which the alleged victim of the delinquent act is testifying in court, the victim may choose to have a supportive person who is not scheduled to be a witness in the proceedings, present during the testimony of the victim.

Sec. 3. Minnesota Statutes 1990, section 595.02, subdivision 4, is amended to read:

Subd. 4. [COURT ORDER.] (a) In a proceeding in which a child less than ~~ten~~ 12 years of age is alleging, denying, or describing:

(1) an act of physical abuse or an act of sexual contact or penetration performed with or on the child or any other person by another; or

(2) an act that constitutes a crime of violence committed against the child or any other person, the court may, upon its own motion or upon the motion of any party, order that the testimony of the child be taken in a room other than the courtroom or in the courtroom and televised at the same time by closed-circuit equipment, or recorded for later showing to be viewed by the jury in the proceeding, to minimize the trauma to the child of testifying in the courtroom setting and, where necessary, to provide a setting more amenable to securing the child witness's uninhibited, truthful testimony.

(b) At the taking of testimony under this subdivision, only the judge, the attorneys for the defendant and for the state, any person whose presence would contribute to the welfare and well-being of the child, persons necessary to operate the recording or closed-circuit equipment and, in a child protection proceeding under chapter 260 or a dissolution or custody proceeding under chapter 518, the attorneys for those parties with a right to participate may be present with the child during the child's testimony.

(c) The court shall permit the defendant in a criminal or delinquency matter to observe and hear the testimony of the child in person. If the court, upon its own motion or the motion of any party,

determines finds in a hearing conducted outside the presence of the jury, that the presence of the defendant during testimony taken pursuant to this subdivision would psychologically traumatize the witness so as to render the witness unavailable to testify, the court may order that the testimony be taken in a manner that:

(1) the defendant can see and hear the testimony of the child in person and communicate with counsel, but the child cannot see or hear the defendant; or

(2) the defendant and child can view each other can see and hear the testimony of the child by video or television monitor from a separate rooms room and communicate with counsel, but the child cannot see or hear the defendant.

(d) As used in this subdivision, "crime of violence" has the meaning given it in section 624.712, subdivision 5, and includes violations of section 609.26.

Sec. 4. Minnesota Statutes 1990, section 611A.03, subdivision 1, is amended to read:

Subdivision 1. [PLEA AGREEMENTS; NOTIFICATION OF VICTIM.] Prior to the entry of the factual basis for a plea pursuant to a plea agreement recommendation, a prosecuting attorney shall make a reasonable and good faith effort to inform the victim of:

(a) The contents of the plea agreement recommendation, including the amount of time recommended for the defendant to serve in jail or prison if the court accepts the agreement; and

(b) The right to be present at the sentencing hearing and to express orally or in writing, at the victim's option, any objection to the agreement or to the proposed disposition. If the victim is not present when the court considers the recommendation, but has communicated objections to the prosecuting attorney, the prosecuting attorney shall make these objections known to the court.

Sec. 5. Minnesota Statutes 1990, section 611A.034, is amended to read:

611A.034 [SEPARATE WAITING AREAS IN COURTHOUSE.]

The court shall provide a waiting area for victims during court proceedings which is separate from the waiting area used by the defendant, the defendant's relatives, and defense witnesses, if such a waiting area is available and its use is practical. If a separate waiting area for victims is not available or practical, the court shall provide other safeguards to minimize the victim's contact with the defendant, the defendant's relatives, and defense witnesses during

court proceedings, such as increased bailiff surveillance and victim escorts.

Sec. 6. Minnesota Statutes 1990, section 611A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUEST; DECISION.] (a) A victim of a crime has the right to request that receive restitution be considered as part of the disposition of a criminal charge or juvenile delinquency proceeding against the offender if the offender is convicted or found delinquent. The request for restitution shall be made by the victim in writing in affidavit form. The request court, or a person or agency designated by the court, shall request information from the victim to determine the amount of restitution owed. The court or its designee shall obtain the information from the victim in affidavit form. Information submitted relating to restitution must describe the items or elements of loss, itemize the total dollar amounts of restitution claimed, and specify the reasons justifying these amounts, if the request is for monetary restitution is in the form of money or property restitution. A request for restitution may include, but is not limited to, any out-of-pocket losses resulting from the crime, including medical and therapy costs, replacement of wages and services, and funeral expenses. In order to be considered by the court, the request at the sentencing or dispositional hearing, all information regarding restitution must be received by the court administrator of the appropriate court at least three business days before the sentencing or dispositional hearing. The court administrator shall provide copies of this request to the prosecutor and the offender at least 24 hours before the sentencing or dispositional hearing and must also be provided to the offender at least three business days before the sentencing or dispositional hearing. If the victim's noncooperation prevents the court or its designee from obtaining competent evidence regarding restitution, the court is not obligated to consider information regarding restitution in the sentencing or dispositional hearing. At the sentencing or dispositional hearing, the court shall give the offender an opportunity to respond to specific items of restitution and their dollar amounts.

(b) The court may amend or issue an order of restitution after the sentencing or dispositional hearing if:

- (1) the offender is on probation or supervised release;
- (2) a request for information regarding restitution is filed by the victim or prosecutor in affidavit form was submitted as required under paragraph (a); and
- (3) the true extent of the victim's loss was not known at the time of the sentencing or dispositional hearing.

If the court holds a hearing on the restitution request, the court

must notify the offender, the offender's attorney, the victim, and the prosecutor at least five business days before the hearing. The court's restitution decision is governed by this section and section 611A.045.

(c) The court shall grant or deny restitution or partial restitution and shall state on the record its reasons for its decision on restitution if a request for restitution has been made information relating to restitution has been presented. If the court grants partial restitution it shall also specify the full amount of restitution that may be docketed as a civil judgment under subdivision 3. The court may not require that the victim waive or otherwise forfeit any rights or causes of action as a condition of granting restitution or partial restitution.

Sec. 7. Minnesota Statutes 1990, section 611A.04, subdivision 1a, is amended to read:

Subd. 1a. [CRIME BOARD REQUEST.] The crime victims reparations board may request restitution on behalf of a victim by filing a copy of a claim for reparations submitted under sections 611A.52 to 611A.67, along with orders of the board, if any, which detail any amounts paid by the board to the victim. The board may file the claim with the court administrator or with the person or agency the court has designated to obtain information relating to restitution. In either event, the board shall submit the claim not less than three business days before the sentencing or dispositional hearing. If the board submits the claim directly to the court administrator, it shall also provide a copy to the offender. The filing of a claim for reparations with the court administrator shall also serve as a request for restitution by the victim. The restitution requested by the board may be considered to be both on its own behalf and on behalf of the victim. If the board has not paid reparations to the victim, restitution may be made directly to the victim. If the board has paid reparations to the victim, the court shall order restitution payments to be made directly to the board.

Sec. 8. Minnesota Statutes 1990, section 611A.52, subdivision 6, is amended to read:

Subd. 6. [CRIME.] (a) "Crime" means conduct that:

(1) occurs or is attempted anywhere within the geographical boundaries of this state, including Indian reservations and other trust lands;

(2) poses a substantial threat of personal injury or death; and

(3) is included within the definition of "crime" in section 609.02, subdivision 1, or would be included within that definition but for the

fact that (i) the person engaging in the conduct lacked capacity to commit the crime under the laws of this state; or (ii) the act was alleged or found to have been committed by a juvenile.

(b) A crime occurs whether or not any person is prosecuted or convicted but the conviction of a person whose acts give rise to the claim is conclusive evidence that a crime was committed unless an application for rehearing, appeal, or petition for certiorari is pending or a new trial or rehearing has been ordered.

(c) "Crime" does not include an act involving the operation of a motor vehicle, aircraft, or watercraft that results in injury or death, except that a crime includes any of the following:

(1) injury or death intentionally inflicted through the use of a motor vehicle, aircraft, or watercraft;

(2) injury or death caused by a driver in violation of section 169.09, subdivision 1; 169.121; or 609.21; and

(3) injury or death caused by a driver of a motor vehicle in the immediate act of fleeing the scene of a crime in which the driver knowingly and willingly participated.

Sec. 9. [611A.711] [CRIME VICTIM SERVICES TELEPHONE LINE.]

The commissioner of public safety shall operate at least one statewide toll-free 24-hour telephone line for the purpose of providing crime victims with referrals for victim services and resources.

Sec. 10. [611A.76] [MEDIATION PROGRAMS FOR CRIME VICTIMS AND OFFENDERS.]

Subdivision 1. [GRANTS.] The state court administrator shall award grants to nonprofit organizations to create or expand mediation programs for crime victims and offenders. For purposes of this section, "offender" means an adult charged with a nonviolent crime or a juvenile with respect to whom a petition for delinquency has been filed in connection with a nonviolent offense, and "nonviolent crime" and "nonviolent offense" exclude any offense in which the victim is a family or household member, as defined in section 518B.01, subdivision 2.

Subd. 2. [PROGRAMS.] The state court administrator shall award grants to further the following goals:

(1) to expand existing mediation programs for crime victims and juvenile offenders to also include adult offenders;

(2) to initiate victim-offender mediation programs in areas that have no victim-offender mediation programs;

(3) to expand the opportunities for crime victims to be involved in the criminal justice process;

(4) to evaluate the effectiveness of victim-offender mediation programs in reducing recidivism and encouraging the payment of court-ordered restitution; and

(5) to evaluate the satisfaction of victims who participate in the mediation programs.

Subd. 3. [MEDIATOR QUALIFICATIONS.] The state court administrator shall establish criteria to ensure that mediators participating in the program are qualified.

Subd. 4. [MATCH REQUIRED.] A nonprofit organization may not receive a grant under this section unless the group has raised a matching amount from other sources.

Sec. 11. [EFFECTIVE DATE.]

Sections 5 to 8 are effective August 1, 1992, and apply to crimes committed on or after that date. Sections 2 and 3 are effective August 1, 1992, and apply to proceedings conducted on or after that date.

ARTICLE 6

DOMESTIC ABUSE AND HARASSMENT

Section 1. [480.30] [JUDICIAL TRAINING ON DOMESTIC ABUSE.]

The supreme court's judicial education program on domestic abuse must include ongoing training for district court judges on domestic abuse laws and related civil and criminal court issues. The program must include education on the causes of family violence and culturally responsive approaches to serving victims. The program must emphasize the need for the coordination of court and legal victim advocacy services and include education on domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system.

Sec. 2. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 3a, is amended to read:

Subd. 3a. [FILING FEE.] The filing fees for an order for protection

under this section are waived for the petitioner. The court administrator and the sheriff of any county in this state shall perform their duties relating to service of process without charge to the petitioner. The court shall also direct payment of the reasonable costs of service of process in the manner provided in section 563.01, whether served by a sheriff, if served by a private process server, when the sheriff is unavailable or if service is made by publication, without requiring the petitioner to make application under section 563.01. The court may direct a respondent to pay to the court administrator the petitioner's filing fees and reasonable costs of service of process if the court determines that the respondent has the ability to pay the petitioner's fees and costs.

Sec. 3. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 4, is amended to read:

Subd. 4. [ORDER FOR PROTECTION.] There shall exist an action known as a petition for an order for protection in cases of domestic abuse.

(a) A petition for relief under this section may be made by any family or household member personally or on behalf of minor family or household members.

(b) A petition for relief shall allege the existence of domestic abuse, and shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is sought.

(c) A petition for relief must state whether there is an existing order for protection in effect under this chapter governing both the parties and whether there is a pending lawsuit, complaint, petition or other action between the parties under chapter 257, 518, 518A, 518B, or 518C. The clerk of court shall verify the terms of any existing order governing the parties. The court may not delay granting relief because of the existence of a pending action between the parties or the necessity of verifying the terms of an existing order. A subsequent order in a separate action under this chapter may modify only the provision of an existing order that grants relief authorized under subdivision 6, paragraph (a), clause (1). A petition for relief may be granted, regardless of whether there is a pending action between the parties.

(d) The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section.

(e) The court shall advise a petitioner under clause (d) of the right to file a motion and affidavit and to sue in forma pauperis pursuant to section 563.01 and shall assist with the writing and filing of the motion and affidavit.

(f) The court shall advise a petitioner under clause (d) of the right to serve the respondent by published notice under subdivision 5, paragraph (b), if the respondent is avoiding personal service by concealment or otherwise, and shall assist with the writing and filing of the affidavit.

(g) The court shall advise the petitioner of the right to seek restitution under the petition for relief.

Sec. 4. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 6, is amended to read:

Subd. 6. [RELIEF BY THE COURT.] (a) Upon notice and hearing, the court may provide relief as follows:

(1) restrain the abusing party from committing acts of domestic abuse;

(2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;

(3) award temporary custody or establish temporary visitation with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. Except for cases in which custody is contested, findings under section 257.025, 518.17, or 518.175 are not required. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall condition or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children. The court's deliberation under this subdivision decision on custody and visitation shall in no way delay the issuance of an order for protection granting other reliefs provided for in Laws 1985, chapter 195 this section;

(4) on the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518;

(5) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;

(6) order the abusing party to participate in treatment or counseling services;

(7) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the

necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(8) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment; ~~and~~

(9) order the abusing party to pay restitution to the petitioner; and

(10) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or constable, as provided by this section.

(b) Any relief granted by the order for protection shall be for a fixed period not to exceed one year, except when the court determines a longer fixed period is appropriate.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

(f) An order for restitution issued under this subdivision is enforceable as civil judgment.

Sec. 5. Minnesota Statutes 1990, section 518B.01, subdivision 7, is amended to read:

Subd. 7. [TEMPORARY ORDER.] (a) Where an application under this section alleges an immediate and present danger of domestic abuse, the court may grant an ex parte temporary order for protection, pending a full hearing, and granting relief as the court deems proper, including an order:

(1) restraining the abusing party from committing acts of domestic abuse;

(2) excluding any party from the dwelling they share or from the residence of the other except by further order of the court; and

(3) excluding the abusing party from the place of employment of the petitioner or otherwise limiting access to the petitioner by the abusing party at the petitioner's place of employment.

(b) A finding by the court that there is a basis for issuing an ex parte temporary order for protection constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte temporary relief.

(c) An ex parte temporary order for protection shall be effective for a fixed period not to exceed 14 days, except for good cause as provided under paragraph ~~(e)~~ (d). A full hearing, as provided by this section, shall be set for not later than seven days from the issuance of the temporary order. The respondent shall be served forthwith a copy of the ex parte order along with a copy of the petition and notice of the date set for the hearing.

~~(e)~~ (d) When service is made by published notice, as provided under subdivision 5, the petitioner may apply for an extension of the period of the ex parte order at the same time the petitioner files the affidavit required under that subdivision. The court may extend the ex parte temporary order for an additional period not to exceed 14 days. The respondent shall be served forthwith a copy of the modified ex parte order along with a copy of the notice of the new date set for the hearing.

Sec. 6. Minnesota Statutes 1990, section 518B.01, subdivision 13, is amended to read:

Subd. 13. [COPY TO LAW ENFORCEMENT AGENCY.] (a) An order for protection granted pursuant to this section shall be forwarded by the court administrator within 24 hours to the local law enforcement agency with jurisdiction over the residence of the applicant.

Each appropriate law enforcement agency shall make available to other law enforcement officers through a system for verification, information as to the existence and status of any order for protection issued pursuant to this section.

(b) If the applicant notifies the court administrator of a change in the applicant's residence so that a different local law enforcement agency has jurisdiction over the residence, the order for protection must be forwarded by the court administrator to the new law

enforcement agency within 24 hours of the notice. If the applicant notifies the new law enforcement agency that an order for protection has been issued under this section and the applicant has established a new residence within that agency's jurisdiction, within 24 hours the local law enforcement agency shall request a copy of the order for protection from the court administrator in the county that issued the order.

(c) When an order for protection is granted, the applicant for an order for protection must be told by the court that:

(1) notification of a change in residence should be given immediately to the court administrator and to the local law enforcement agency having jurisdiction over the new residence of the applicant;

(2) the reason for notification of a change in residence is to forward an order for protection to the proper law enforcement agency; and

(3) the order for protection must be forwarded to the law enforcement agency having jurisdiction over the new residence within 24 hours of notification of a change in residence, whether notification is given to the court administrator or to the local law enforcement agency having jurisdiction over the applicant's new residence.

An order for protection is enforceable even if the applicant does not notify the court administrator or the appropriate law enforcement agency of a change in residence.

Sec. 7. Minnesota Statutes 1991 Supplement, section 518B.01, subdivision 14, is amended to read:

Subd. 14. [VIOLATION OF AN ORDER FOR PROTECTION.] (a) Whenever an order for protection is granted pursuant to this section, and the respondent or person to be restrained knows of the order, violation of the order for protection is a misdemeanor. Upon conviction, the defendant must be sentenced to a minimum of three days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. If the court stays imposition or execution of the jail sentence and the defendant refuses or fails to comply with the court's treatment order, the court must impose and execute the stayed jail sentence. A person who violates this paragraph within two years after a previous conviction under this paragraph or within two years after a previous conviction under a similar law of another state, is guilty of a gross misdemeanor. When a court sentences a person convicted of a gross misdemeanor and does not impose a period of incarceration, the court shall make findings on the record regarding the reasons for not requiring incarceration. Upon conviction, the defendant must be sentenced to a minimum of ten days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court

must impose and execute the minimum sentence provided in this paragraph for gross misdemeanor convictions.

(b) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order granted pursuant to this section restraining the person or excluding the person from the residence or the petitioner's place of employment, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

(c) A violation of an order for protection shall also constitute contempt of court and be subject to the penalties therefor.

(d) If the court finds that the respondent has violated an order for protection and that there is reason to believe that the respondent will commit a further violation of the provisions of the order restraining the respondent from committing acts of domestic abuse or excluding the respondent from the petitioner's residence, the court may require the respondent to acknowledge an obligation to comply with the order on the record. The court may require a bond sufficient to deter the respondent from committing further violations of the order for protection, considering the financial resources of the respondent, and not to exceed \$10,000. If the respondent refuses to comply with an order to acknowledge the obligation or post a bond under this paragraph, the court shall commit the respondent to the county jail during the term of the order for protection or until the respondent complies with the order under this paragraph. The warrant must state the cause of commitment, with the sum and time for which any bond is required. If an order is issued under this paragraph, the court may order the costs of the contempt action, or any part of them, to be paid by the respondent. An order under this paragraph is appealable.

(e) Upon the filing of an affidavit by the petitioner, any peace officer, or an interested party designated by the court, alleging that the respondent has violated any order for protection granted pursuant to this section, the court may issue an order to the respondent, requiring the respondent to appear and show cause within 14 days why the respondent should not be found in contempt of court and punished therefor. The hearing may be held by the court in any county in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation. The court also may refer the violation of the order for protection to the appropriate prosecuting authority for possible prosecution under paragraph (a).

(f) If it is alleged that the respondent has violated an order for protection issued under subdivision 6 and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection under subdivision 6 based solely on the respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. If the court finds that the respondent has violated the prior order, the relief granted in the new order for protection shall be extended for a fixed period, not to exceed one year.

(g) The admittance into petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection is not a violation by the petitioner of the order for protection.

A peace officer is not liable under section 609.43, clause (1), for a failure to perform a duty required by clause (b).

Sec. 8. Minnesota Statutes 1990, section 518B.01, is amended by adding a subdivision to read:

Subd. 20. [STATEWIDE APPLICATION.] An order for protection granted under this section applies throughout this state.

Sec. 9. Minnesota Statutes 1990, section 518B.01, is amended by adding a subdivision to read:

Subd. 21. [ORDER FOR PROTECTION FORMS.] The state court administrator, in consultation with the advisory council on battered women, city and county attorneys, and legal advocates who work with victims, shall develop a uniform order for protection form that will facilitate the consistent enforcement of orders for protection throughout the state.

Sec. 10. Minnesota Statutes 1990, section 609.02, is amended by adding a subdivision to read:

Subd. 14. [ELECTRONIC MONITORING DEVICE.] As used in sections 609.135, subdivision 5b, 611A.07, and 629.72, subdivision 2a, "electronic monitoring device" means a radio frequency transmitter unit that is worn at all times on the person of a defendant in conjunction with a receiver unit that is located in the victim's residence or on the victim's person. The receiver unit emits an audible and visible signal whenever the defendant with a transmitter unit comes within a designated distance from the receiver unit.

Sec. 11. Minnesota Statutes 1990, section 609.135, subdivision 5, is amended to read:

Subd. 5. If a person is convicted of assaulting a spouse or other

person with whom the person resides, and the court stays imposition or execution of sentence and places the defendant on probation, the court ~~may~~ must condition the stay upon the defendant's participation in counseling or other appropriate programs selected by the court.

Sec. 12. Minnesota Statutes 1990, section 609.135, is amended by adding a subdivision to read:

Subd. 5b. [DOMESTIC ABUSE VICTIMS; ELECTRONIC MONITORING.] (a) Until the commissioner of corrections has adopted standards governing electronic monitoring devices used to protect victims of domestic abuse, the court, as a condition of a stay of imposition or execution of a sentence, may not order an offender convicted of a crime described in paragraph (b) to use an electronic monitoring device to protect a victim's safety.

(b) This subdivision applies to the following crimes, if committed by the defendant against a family or household member as defined in section 518B.01, subdivision 2:

- (1) violations of orders for protection issued under chapter 518B;
- (2) assault in the first, second, third, or fifth degree under section 609.221, 609.222, 609.223, or 609.224;
- (3) criminal damage to property under section 609.595;
- (4) disorderly conduct under section 609.72;
- (5) harassing telephone calls under section 609.79;
- (6) burglary under section 609.582;
- (7) trespass under section 609.605;
- (8) criminal sexual conduct in the first, second, third, fourth, or fifth degree under section 609.342, 609.343, 609.344, 609.345, or 609.3451; and
- (9) terroristic threats under section 609.713.

(c) Notwithstanding paragraph (a), the judges in the tenth judicial district may order, as a condition of a stay of imposition or execution of a sentence, a defendant convicted of a crime described in paragraph (b), to use an electronic monitoring device to protect the victim's safety. The judges shall make data on the use of electronic monitoring devices to protect a victim's safety in the tenth judicial district available to the commissioner of corrections to evaluate and

to aid in development of standards for the use of devices to protect victims of domestic abuse.

Sec. 13. Minnesota Statutes 1990, section 609.224, subdivision 2, is amended to read:

Subd. 2. [GROSS MISDEMEANOR.] (a) Whoever violates the provisions of subdivision 1 against the same victim within five years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231, or any similar law of another state, may be sentenced to imprisonment for not more than one year or to a payment of a fine of not more than \$3,000, or both.

(b) Whoever violates the provisions of subdivision 1 within two years of a previous conviction under subdivision 1 or sections 609.221 to 609.2231 may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 14. Minnesota Statutes 1990, section 609.746, subdivision 2, is amended to read:

Subd. 2. [INTRUSION ON PRIVACY.] A person who, with the intent to harass, abuse, or threaten another, repeatedly follows or pursues another, after being told not to do so by the person being followed or pursued, is guilty of a misdemeanor. being followed or pursued, is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who:

(1) violates this subdivision within two years after a previous conviction under this subdivision or section 609.224; or

(2) violates this subdivision against the same victim within five years after a previous conviction under this subdivision or section 609.224.

Sec. 15. Minnesota Statutes 1991 Supplement, section 609.748, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF PETITION; HEARING; NOTICE.] (a) A petition for relief must allege facts sufficient to show the following:

- (1) the name of the alleged harassment victim;
- (2) the name of the respondent; and
- (3) that the respondent has engaged in harassment.

The petition shall be accompanied by an affidavit made under oath stating the specific facts and circumstances from which relief is

sought. The court shall provide simplified forms and clerical assistance to help with the writing and filing of a petition under this section and shall advise the petitioner of the right to sue in forma pauperis under section 563.01. Upon receipt of the petition, the court shall order a hearing, which must be held not later than 14 days from the date of the order. Personal service must be made upon the respondent not less than five days before the hearing. If personal service cannot be completed in time to give the respondent the minimum notice required under this paragraph, the court may set a new hearing date.

(b) Notwithstanding paragraph (a), the order for a hearing and a temporary order issued under subdivision 4 may be served on the respondent by means of a one-week published notice under section 645.11, if:

(1) the petitioner files an affidavit with the court stating that an attempt at personal service made by a sheriff was unsuccessful because the respondent is avoiding service by concealment or otherwise; and

(2) a copy of the petition and order for hearing and any temporary restraining order has been mailed to the respondent at the respondent's residence or the respondent's residence is not known to the petitioner.

Sec. 16. Minnesota Statutes 1991 Supplement, section 609.748, subdivision 4, is amended to read:

Subd. 4. [TEMPORARY RESTRAINING ORDER.] (a) The court may issue a temporary restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if the petitioner files a petition in compliance with subdivision 3 and if the court finds reasonable grounds to believe that the respondent has engaged in harassment.

(b) Notice need not be given to the respondent before the court issues a temporary restraining order under this subdivision. A copy of the restraining order must be served on the respondent along with the order for hearing and petition, as provided in subdivision 3. A temporary restraining order may be entered only against the respondent named in the petition.

(c) The temporary restraining order is in effect until a hearing is held on the issuance of a restraining order under subdivision 5. The court shall hold the hearing on the issuance of a restraining order within 14 days after the temporary restraining order is issued unless (1) the time period is extended upon written consent of the parties; or (2) the time period is extended by the court for one additional 14-day period upon a showing that the respondent has not been served with a copy of the temporary restraining order despite the

exercise of due diligence or if service is made by published notice under subdivision 3 and the petitioner files the affidavit required under that subdivision.

Sec. 17. Minnesota Statutes 1990, section 609.748, subdivision 5, is amended to read:

Subd. 5. [RESTRAINING ORDER.] (a) The court may grant a restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) the sheriff has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the time and place of the hearing, or service has been made by publication under subdivision 3, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition. Relief granted by the restraining order must be for a fixed period of not more than two years.

(b) The order may be served on the respondent by means of a one-week published notice under section 645.11, if:

(1) the petitioner files an affidavit with the court stating that an attempt at personal service made by a sheriff was unsuccessful because the respondent is avoiding service by concealment or otherwise; and

(2) a copy of the order is mailed to the respondent at the respondent's residence or the respondent is not known to the petitioner.

Service under this paragraph is complete seven days after publication. An order issued under this subdivision must be personally served upon the respondent.

Sec. 18. Minnesota Statutes 1990, section 611A.0311, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF PLAN.] The commissioner of public safety shall select five county attorneys and five city attorneys whose jurisdictions have higher than a 50 percent dismissal rate of domestic abuse cases and direct them to Each county and city attorney shall develop and implement a written plan to expedite and

improve the efficiency and just disposition of domestic abuse cases brought to the prosecuting authority. Domestic abuse advocates, law enforcement officials, and other interested members of the public must have an opportunity to assist in the development of a model plan and in the development or adaptation of the plans in each of the jurisdictions selected for the pilot program jurisdiction. Once a model plan is developed, The commissioner shall make it the model and related training and technical assistance available to all city and county attorneys regardless of whether they are participating in the pilot program. All plans must state goals and contain policies and procedures to address the following matters:

(1) early assignment of a trial prosecutor who has the responsibility of handling the domestic abuse case through disposition, whenever feasible, or, where applicable, probation revocation; and early contact between the trial prosecutor and the victim;

(2) procedures to facilitate the earliest possible contact between the prosecutor's office and the victim for the purpose of acquainting the victim with the criminal justice process, the use of subpoenas, the victim's role as a witness in the prosecution, and the domestic abuse or victim services that are available;

(3) procedures to coordinate the trial prosecutor's efforts with those of the domestic abuse advocate or victim advocate, where available, and to facilitate the early provision of advocacy services to the victim;

(4) procedures to encourage the prosecution of all domestic abuse cases where a crime can be proven;

(5) methods that will be used to identify, gather, and preserve evidence in addition to the victim's in-court testimony that will enhance the ability to prosecute a case when a victim is reluctant to assist, including but not limited to physical evidence of the victim's injury, evidence relating to the scene of the crime, eyewitness testimony, and statements of the victim made at or near the time of the injury;

~~(5)~~ (6) procedures for educating local law enforcement agencies about the contents of the plan and their role in assisting with its implementation;

~~(6)~~ (7) the use for subpoenas to victims and witnesses, where appropriate;

~~(7)~~ (8) procedures for annual review of the plan to evaluate whether it is meeting its goals effectively and whether improvements are needed; and

~~(8)~~ (9) a timetable for implementation.

Sec. 19. Minnesota Statutes 1990, section 611A.0311, subdivision 3, is amended to read:

Subd. 3. ~~[COPY NOTICE FILED WITH DEPARTMENT OF PUBLIC SAFETY.] A copy of the written plan must be filed with the commissioner of public safety on or before November 15, 1990. The Each city and county attorneys selected for the pilot program attorney shall file a status report on the pilot program notice that a prosecution plan has been adopted with the commissioner of public safety by January 1, 1992. The status report must contain information on the number of prosecutions and dismissals of domestic abuse cases in the prosecutor's office June 1, 1994.~~

Sec. 20. [611A.07] [ELECTRONIC MONITORING TO PROTECT DOMESTIC ABUSE VICTIMS; STANDARDS.]

Subdivision 1. [GENERALLY.] The commissioner of corrections, after considering the recommendations of the battered women advisory council and the sexual assault advisory council, and in collaboration with the commissioner of public safety, shall adopt standards governing electronic monitoring devices used to protect victims of domestic abuse. In developing proposed standards, the commissioner shall consider the experience of the courts in the tenth judicial district in the use of the devices to protect victims of domestic abuse. These standards shall promote the safety of the victim and shall include measures to avoid the disparate use of the device with communities of color, product standards, monitoring agency standards, and victim disclosure standards.

Subd. 2. [REPORT TO LEGISLATURE.] By January 1, 1993, the commissioner of corrections shall report to the legislature on the proposed standards for electronic monitoring devices used to protect victims of domestic abuse.

Sec. 21. Minnesota Statutes 1991 Supplement, section 611A.32, subdivision 1, is amended to read:

Subdivision 1. [GRANTS AWARDED.] The commissioner shall award grants to programs which provide emergency shelter services and support services to battered women and their children. The commissioner shall also award grants for training, technical assistance, and for the development and implementation of education programs to increase public awareness of the causes of battering, the solutions to preventing and ending domestic violence, and the problems faced by battered women. Grants shall be awarded in a manner that ensures that they are equitably distributed to programs serving metropolitan and nonmetropolitan populations. By July 1, 1995, community-based domestic abuse advocacy and sup-

port services programs must be established in every judicial assignment district.

Sec. 22. [629.342] [LAW ENFORCEMENT POLICIES FOR DOMESTIC ABUSE ARRESTS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "domestic abuse" has the meaning given in section 518B.01, subdivision 2.

Subd. 2. [POLICIES REQUIRED.] (a) Each law enforcement agency shall develop, adopt, and implement a written policy regarding arrest procedures for domestic abuse incidents. In the development of a policy, each law enforcement agency shall consult with domestic abuse advocates, community organizations, and other law enforcement agencies with expertise in the recognition and handling of domestic abuse incidents. The policy shall discourage dual arrests, include consideration of whether one of the parties acted in self defense, and provide guidance to officers concerning instances in which officers should remain at the scene of a domestic abuse incident until the likelihood of further imminent violence has been eliminated.

(b) The bureau of criminal apprehension, the board of peace officer standards and training, and the battered women's advisory council appointed by the commissioner of corrections under section 611A.34, in consultation with the Minnesota chiefs of police association, the Minnesota sheriffs association, and the Minnesota police and peace officers association, shall develop a written model policy regarding arrest procedures for domestic abuse incidents for use by local law enforcement agencies. Each law enforcement agency may adopt the model policy in lieu of developing its own policy under the provisions of paragraph (a).

(c) Local law enforcement agencies that have already developed a written policy regarding arrest procedures for domestic abuse incidents before the effective date of this subdivision are not required to develop a new policy but must review their policies and consider the written model policy developed under paragraph (b).

Subd. 3. [ASSISTANCE TO VICTIM WHERE NO ARREST.] If a law enforcement officer does not make an arrest when the officer has probable cause to believe that a person is committing or has committed domestic abuse or violated an order for protection, the officer shall provide immediate assistance to the victim. Assistance includes:

(1) assisting the victim in obtaining necessary medical treatment; and

(2) providing the victim with the notice of rights under section 629.341, subdivision 3.

Subd. 4. [IMMUNITY.] A peace officer acting in good faith and exercising due care in providing assistance to a victim pursuant to subdivision 3 is immune from civil liability that might result from the officer's action.

Sec. 23. [629.531] [ELECTRONIC MONITORING AS A CONDITION OF PRETRIAL RELEASE.]

If a court orders electronic monitoring as a condition of pretrial release, it may not use the electronic monitoring as a determining factor in deciding what the appropriate level of the defendant's money bail or appearance bond should be.

Sec. 24. Minnesota Statutes 1990, section 629.72, is amended by adding a subdivision to read:

Subd. 2a. [ELECTRONIC MONITORING AS A CONDITION OF PRETRIAL RELEASE.] (a) Until the commissioner of corrections has adopted standards governing electronic monitoring devices used to protect victims of domestic abuse, the court, as a condition of release, may not order a person arrested for a crime described in section 609.135, subdivision 5b, paragraph (b), to use an electronic monitoring device to protect a victim's safety.

(b) Notwithstanding paragraph (a), district courts in the tenth judicial district may order, as a condition of a release, a person arrested on a charge of a crime described in section 609.135, subdivision 5b, paragraph (b), to use an electronic monitoring device to protect the victim's safety. The courts shall make data on the use of electronic monitoring devices to protect a victim's safety in the tenth judicial district available to the commissioner of corrections to evaluate and to aid in development of standards for the use of devices to protect victims of domestic abuse.

Sec. 25. Minnesota Statutes 1990, section 630.36, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] The issues on the calendar shall be disposed of in the following order, unless, upon the application of either party, for good cause, the court directs an indictment or complaint to be tried out of its order:

(1) indictments or complaints for felony, where the defendant is in custody;

(2) indictments or complaints for misdemeanor, where the defendant is in custody;

(3) indictments or complaints alleging child abuse, as defined in subdivision 2, where the defendant is on bail;

(4) indictments or complaints alleging domestic assault, as defined in subdivision 3, where the defendant is on bail;

(5) indictments or complaints for felony, where the defendant is on bail; and

~~(5)~~ (6) indictments or complaints for misdemeanor, where the defendant is on bail.

After a plea, the defendant shall be entitled to at least four days to prepare for trial, if the defendant requires it.

Sec. 26. Minnesota Statutes 1990, section 630.36, is amended by adding a subdivision to read:

Subd. 3. [DOMESTIC ASSAULT DEFINED.] As used in subdivision 1, "domestic assault" means an assault committed by the actor against a family or household member, as defined in section 518B.01, subdivision 2.

Sec. 27. [EFFECTIVE DATE.]

Sections 4, paragraph (a), clause (3); and 5 are effective the day following final enactment.

Sections 7, 11, and 13 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 7

JUVENILES

Section 1. Minnesota Statutes 1990, section 260.125, subdivision 3a, is amended to read:

Subd. 3a. [PRIOR REFERENCE; EXCEPTION.] Notwithstanding the provisions of subdivisions 2 and 3, the court shall order a reference in any case where the prosecutor shows that the child has been previously referred for prosecution on a felony charge by an order of reference issued pursuant to either a hearing held under subdivision 2 or pursuant to the waiver of the right to such a hearing, other than a prior reference in the same case.

This subdivision only applies if the child is convicted of the offense or offenses for which the child was prosecuted pursuant to the order of reference or of a lesser included offense which is a felony.

This subdivision does not apply to juvenile offenders who are subject to criminal court jurisdiction under section 609.055.

Sec. 2. Minnesota Statutes 1990, section 260.151, subdivision 1, is amended to read:

Subdivision 1. Upon request of the court the county welfare board or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260.111 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall have a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense, or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications and the assessment criteria shall comply with Minnesota Rules, parts 9530.6600 to 9530.6655. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030. The commissioner of public safety shall reimburse the court for the cost of the chemical use assessment, up to a maximum of \$100.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Adoption investigations shall be conducted in accordance with the laws relating to adoptions. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 3. Minnesota Statutes 1990, section 260.155, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and

may be conducted in an informal manner. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12), or a juvenile petty offender, and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. Except for proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may be continued or adjourned from time to time. In proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may not be continued or adjourned for more than one week unless the court makes specific findings that the continuance or adjournment is in the best interests of the child. If a hearing is held on a petition involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the court shall file the decision with the court administrator as soon as possible but no later than 15 days after the matter is submitted to the court. When a continuance or adjournment is ordered in any proceeding, the court may make any interim orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301. The court shall exclude the general public from these hearings and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court; except that, the court shall open the hearings to the public in delinquency proceedings where the child is alleged to have committed an offense or has been proven to have committed an offense that would be a felony if committed by an adult and the child was at least 16 years of age at the time of the offense. In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the court administrator in writing, at the named person's last known address, of (1) the date of the reference or adjudicatory hearings, and (2) the disposition of the case. Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

Sec. 4. Minnesota Statutes 1990, section 260.161, subdivision 1, is amended to read:

Subdivision 1. (a) The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. Except as provided in paragraph (b), the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 23 years and shall release the records on an individual to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning

adjudications involving the particular child. The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. The legal records maintained in this file shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian.

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.345, until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the court shall retain the juvenile records for as long as the records would have been retained if the offender had been an adult at the time of the juvenile offense. This paragraph does not apply unless the juvenile was represented by an attorney when the petition was admitted or proven.

Sec. 5. Minnesota Statutes 1990, section 260.161, is amended by adding a subdivision to read:

Subd. 1a. [RECORD OF ADJUDICATIONS; NOTICE TO BUREAU OF CRIMINAL APPREHENSION.] (a) The juvenile court shall forward to the bureau of criminal apprehension the following data on juveniles adjudicated delinquent for having committed an act described in subdivision 1, paragraph (b):

- (1) the name and birth date of the juvenile;
- (2) the type of act for which the juvenile was adjudicated delinquent and date of the offense; and
- (3) the date and county of the adjudication.

(b) The bureau shall retain data on a juvenile until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the bureau shall retain the data for as long as the data would have been retained if the offender had been an adult at the time of the juvenile offense.

Sec. 6. Minnesota Statutes 1990, section 260.172, subdivision 1, is amended to read:

Subdivision 1. (a) If a child was taken into custody under section 260.165, subdivision 1, clause (a) or (c)(2), the court shall hold a hearing within 72 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue in custody.

(b) In all other cases, the court shall hold a detention hearing:

(1) within 36 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, if the child is being held at a juvenile secure detention facility or shelter care facility; or

(2) within 24 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, if the child is being held at an adult jail or municipal lockup.

(c) Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, run away from the child's parent, guardian, or custodian or otherwise not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260.151, subdivision 1. In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse. In a proceeding regarding a child in need of protection or services, the court, before determining whether a child should continue in custody, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts, or in the case of an Indian child, active efforts, according to the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement or to reunite the child with the child's family, or that reasonable efforts were not possible. The court shall also determine whether there are available services that would prevent the need for further detention.

If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

Sec. 7. Minnesota Statutes 1990, section 260.181, is amended by adding a subdivision to read:

Subd. 3a. [REPORTS; JUVENILES PLACED OUT OF STATE.]
(a) Whenever a child is placed in a residential program located outside of this state pursuant to a disposition order issued under section 260.185 or 260.191, the juvenile court administrator shall report the following information to the state court administrator:

- (1) the fact that the placement is out of state;
- (2) the type of placement; and
- (3) the reason for the placement.

(b) By July 1, 1994, and each year thereafter, the state court administrator shall file a report with the legislature containing the information reported under paragraph (a) during the previous calendar year.

Sec. 8. Minnesota Statutes 1990, section 260.185, is amended by adding a subdivision to read:

Subd. 1a. [POSSESSION OF FIREARM.] If the child is petitioned and found delinquent by the court, and the court also finds that the child was in possession of a firearm at the time of the offense, in addition to any other disposition the court shall order that the firearm be immediately seized and shall order that the child be required to serve at least 100 hours of community work service unless the child is placed in a residential treatment program or a juvenile correctional facility.

Sec. 9. Minnesota Statutes 1990, section 260.185, subdivision 4, is amended to read:

Subd. 4. All orders for supervision under subdivision 1, clause (b) shall be for an indeterminate period unless otherwise specified by the court, and shall be reviewed by the court at least annually. All orders under subdivision 1, clause (c) shall be for a specified length of time set by the court. However, before an order has expired and upon the court's own motion or that of any interested party, the court has continuing jurisdiction to renew the order or, after notice to the parties and a hearing, make some other disposition of the case, until the individual is ~~no longer a minor~~ becomes 19 years of age. Any person to whom legal custody is transferred shall report to the court in writing at such periods as the court may direct.

Sec. 10. [299C.095] [SYSTEM FOR IDENTIFICATION OF ADJUDICATED JUVENILES.]

The bureau shall establish a system for recording the data on adjudicated juveniles received from the juvenile courts under section 5. The data in the system are private data as defined in section

13.02, subdivision 12, but are accessible to a person who has access to the juvenile court records as provided in section 260.161 or under court rule.

Sec. 11. Minnesota Statutes 1990, section 546.27, subdivision 1, is amended to read:

Subdivision 1. (a) When an issue of fact has been tried by the court, the decision shall be in writing, the facts found and the conclusion of law shall be separately stated, and judgment shall be entered accordingly. Except as provided in paragraph (b), all questions of fact and law, and all motions and matters submitted to a judge for a decision in trial and appellate matters, shall be disposed of and the decision filed with the court administrator within 90 days after such submission, unless sickness or casualty shall prevent, or the time be extended by written consent of the parties. No part of the salary of any judge shall be paid unless the voucher therefor be accompanied by a certificate of the judge that there has been full compliance with the requirements of this section.

(b) If a hearing has been held on a petition under chapter 260 involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the decision must be filed within 15 days after the matter is submitted to the judge.

Sec. 12. Minnesota Statutes 1990, section 609.055, is amended to read:

609.055 [LIABILITY OF CHILDREN.]

Subdivision 1. [GENERAL RULE.] Children under the age of 14 years are incapable of committing crime.

Subd. 2. [ADULT PROSECUTION.] Children of the age of 14 years or over but under 18 years may be prosecuted for a criminal offense if the alleged violation is duly referred to the appropriate prosecuting authority in accordance with the provisions of chapter 260. A child who is 16 years of age or older but under 18 years of age is capable of committing a crime and may be prosecuted for a felony if:

(1) the child has been previously referred for prosecution on a felony charge by an order of reference issued pursuant to a hearing under section 260.125, subdivision 2, or pursuant to the waiver of the right to such a hearing, or prosecuted pursuant to this subdivision; and

(2) the child was convicted of the felony offense or offenses for which the child was prosecuted or of a lesser included felony offense.

Sec. 13. [ADVISORY TASK FORCE ON THE JUVENILE JUSTICE SYSTEM.]

Subdivision 1. [MEMBERSHIP.] The supreme court shall conduct a study of the juvenile justice system. To conduct the study, the court shall convene an advisory task force on the juvenile justice system, consisting of the following 20 members:

- (1) four judges appointed by the chief justice of the supreme court;
- (2) two members of the house of representatives, one of whom must be a member of the minority party, appointed by the speaker, and two members of the senate, one of whom must be a member of the minority party, appointed by the subcommittee on committees of the senate committee on rules and administration;
- (3) two professors of law appointed by the chief justice of the supreme court;
- (4) the state public defender;
- (5) one county attorney who is responsible for juvenile court matters, appointed by the chief justice of the supreme court on recommendation of the Minnesota county attorneys association;
- (6) two corrections administrators appointed by the governor, one from a community corrections act county and one from a noncommunity corrections act county;
- (7) the commissioner of human services;
- (8) the commissioner of corrections;
- (9) two public members appointed by the governor, one of whom is a victim of crime; and
- (10) two law enforcement officers who are responsible for juvenile delinquency matters, appointed by the governor.

Subd. 2. [SELECTION OF CHAIR.] The task force shall select a chair from among its membership other than the members appointed under subdivision 1, clause (2).

Subd. 3. [STAFF.] The task force may employ necessary staff to provide legal counsel, research, and clerical assistance.

Subd. 4. [DUTIES.] The task force shall conduct a study of the juvenile justice system and make recommendations concerning the following:

(1) the juvenile certification process;

(2) the retention of juvenile delinquency adjudication records and their use in subsequent adult proceedings;

(3) the feasibility of a system of statewide juvenile guidelines;

(4) the effectiveness of various juvenile justice system approaches, including behavior modification and treatment; and

(5) the extension to juveniles of a nonwaivable right to counsel and a right to a jury trial.

Subd. 5. [REPORT.] The task force shall submit a written report to the governor and the legislature by December 1, 1993, containing its findings and recommendations. The task force expires upon submission of its report.

Sec. 14. [PLAN TO INCREASE OPPORTUNITIES FOR JUVENILES AND YOUNG ADULTS.]

Subdivision 1. [COMPREHENSIVE PLAN.] The advisory task force on mentoring and community service shall, by January 15, 1993, propose to the legislature a comprehensive plan to improve and increase opportunities for juveniles and young adults to engage in meaningful service and work that benefits communities and the state. The plan shall reflect the legislature's intent to prevent crime and to minimize the expenditure of limited corrections resources by engaging young people in constructive alternatives to criminal and other antisocial activities. The plan shall also reflect the legislature's recognition that each young person has significant strengths, and that state investment should build on these strengths rather than plan for failure. The plan must include at least the following components:

(1) an analysis of the fiscal impact of the state's sentencing and corrections policies, including unfunded liabilities for state and local governments;

(2) policies to assure school-to-work transition for noncollege bound young adults;

(3) policies to improve community service opportunities for young people;

(4) policies to assure well-supervised summer and year-round employment opportunities that teach young people a strong work ethic;

(5) policies to improve role models for young people by increasing mentoring and tutoring opportunities; and

(6) recommendations for funding new programs, including redirecting and reprioritizing existing resources.

Subd. 2. [LEGISLATIVE MEMBERS.] The speaker of the house and the majority leader of the senate shall each appoint three legislators to serve as nonvoting members of the advisory task force.

Subd. 3. [CONSULTATION.] In developing the plan required by subdivision 1, the advisory task force on mentoring and community service shall consult with the department of jobs and training, the department of natural resources, the higher education coordinating board, the office of volunteer services, the department of education, and other appropriate agencies.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 12 are effective August 1, 1992, and apply to violations occurring on or after that date. Section 13 is effective the day following final enactment.

ARTICLE 8

SEX OFFENDER TREATMENT

Section 1. Minnesota Statutes 1990, section 241.67, subdivision 1, is amended to read:

Subdivision 1. [SEX OFFENDER TREATMENT.] A sex offender treatment system is established under the administration of the commissioner of corrections to provide and finance a range of sex offender treatment programs for eligible adults and juveniles. Eligible Offenders who are eligible to receive treatment, within the limits of available funding, are:

(1) adults and juveniles committed to the custody of the commissioner;

(2) adult offenders for whom treatment is required by the court as a condition of probation; ~~and~~

(3) juvenile offenders who have been found delinquent or received a stay of adjudication, for whom the juvenile court has ordered treatment; and

(4) adults and juveniles who are eligible for community-based

treatment under the sex offender treatment fund established in section 4.

Sec. 2. Minnesota Statutes 1990, section 241.67, subdivision 2, is amended to read:

Subd. 2. [TREATMENT PROGRAM STANDARDS.] ~~By July 1, 1991,~~ (a) The commissioner shall adopt rules under chapter 14 for the certification of adult and juvenile sex offender treatment programs in state and local correctional facilities. The rules shall require that sex offender treatment programs be at least four months in duration. After July 1, 1991, A correctional facility may not operate a sex offender treatment program unless the program has met the standards adopted by and been certified by the commissioner of corrections. As used in this subdivision, "correctional facility" has the meaning given it in section 241.021, subdivision 1, clause (5).

(b) By July 1, 1994, the commissioner shall adopt rules under chapter 14 for the certification of community-based adult and juvenile sex offender treatment programs not operated in state or local correctional facilities.

(c) In addition to other certification requirements established under paragraphs (a) and (b), rules adopted by the commissioner must require all certified programs to participate in an ongoing outcome-based evaluation and quality management system established by the commissioner.

Sec. 3. Minnesota Statutes 1990, section 241.67, is amended by adding a subdivision to read:

Subd. 7. [FUNDING PRIORITY; PROGRAM EFFECTIVENESS.] (a) Unless otherwise directed by the terms of a particular appropriations provision, the commissioner shall give priority to the funding of juvenile sex offender programs over the funding of adult sex offender programs.

(b) Every county or private sex offender program that seeks new or continued state funding or reimbursement shall provide the commissioner with any information relating to the program's effectiveness that the commissioner considers necessary. The commissioner shall deny state funding or reimbursement to any county or private program that fails to provide this information or that appears to be an ineffective program.

Sec. 4. [241.671] [SEX OFFENDER TREATMENT FUND.]

Subdivision 1. [TREATMENT FUND ADMINISTRATION.] A sex offender treatment fund is established to pay for community-based

sex offender treatment for adults and juveniles. The commissioner of corrections and the commissioner of human services shall establish an interagency staff work group to coordinate agency activities relating to sex offender treatment. The commissioner of human services is responsible for administering the sex offender treatment fund, including establishing requirements for submitting claims for payment, paying vendors, and enforcing the county maintenance of effort requirement in subdivision 7. The commissioner of corrections is responsible for overseeing and coordinating a statewide sex offender treatment system under section 241.67, subdivision 1; certifying sex offender treatment providers under section 241.67, subdivision 2, paragraph (b); establishing eligibility criteria and an assessment process under subdivision 3; determining county allocations of treatment fund money under subdivision 4; and approving special project grants under subdivision 5. The county is responsible for developing and coordinating sex offender treatment services under the supervision of the commissioner of corrections, approving sex offender treatment vendors under subdivision 8, approving persons for treatment within the limits of the county's allocation of treatment fund money under subdivision 4, and selecting an eligible vendor to provide the appropriate level of treatment to each person who is eligible to receive treatment and for whom funding is available. The assessment of eligibility and treatment needs under subdivision 3 must be conducted by the agency responsible for probation services. If this agency is not a county agency, the county shall enter into an agreement with the agency that prescribes the process for county approval of treatment and treatment vendors within the limits of the county's allocation of treatment fund money. The commissioner of corrections shall adopt rules under chapter 14 governing the sex offender treatment fund. At the request of the commissioner of corrections, the commissioner of human services shall provide technical assistance relating to the duties required under this section. The commissioner of corrections and the commissioner of human services shall coordinate activities relating to the sex offender treatment fund with activities relating to the consolidated chemical dependency treatment fund.

Subd. 2. [PERSONS ELIGIBLE TO RECEIVE TREATMENT.] Within the limits of available funding, the sex offender treatment fund pays for sex offender treatment for sex offenders who have been ordered by the court to receive treatment and high-risk persons who seek treatment voluntarily. For purposes of this section, a sex offender is an adult who has been convicted under, or a juvenile who has been adjudicated to be delinquent based on a violation of, section 609.342; 609.343; 609.344; 609.345; 609.3451; 609.746, subdivision 1; 609.79; or 617.23, or another offense arising out of a charge or delinquency petition based on one or more of those sections. The treatment fund pays for treatment only to the extent that the costs of treatment cannot be met by the person's income or assets, health coverage, or other resources. Payment may be made on behalf of eligible persons only if:

(1) the person has been assessed and determined to be in need of community-based treatment under subdivision 3;

(2) the county has approved treatment and designated a treatment vendor within the limits of the county's allocation of money under subdivision 4;

(3) the person received the appropriate level of treatment as determined through the assessment process;

(4) the person received services from a vendor certified by the commissioner of corrections under section 241.67, subdivision 2, paragraph (b); and

(5) the vendor submitted a claim for payment in accordance with requirements established by the commissioner of human services.

Subd. 3. [ASSESSMENT.] (a) The commissioner of corrections shall establish a process and criteria for assessing the eligibility and treatment needs of persons on whose behalf payment from the sex offender treatment fund is sought. The assessment determines: (1) whether the individual is eligible under subdivision 2; (2) the person's ability to contribute to the cost of treatment; (3) whether a need for treatment exists; (4) if treatment is needed, the appropriate level of treatment; and (5) if the person is seeking treatment voluntarily, whether the person represents a high risk of becoming a sex offender in the absence of intervention and treatment.

(b) The commissioner shall develop a sliding fee scale to determine the amount of the contribution required from persons who have income or other financial resources. The fee scale must require persons whose income and assets are above the limits for the medical assistance program to contribute to the cost of the assessment and treatment and require persons whose income is above the state median income to pay the entire cost of assessment and treatment.

Subd. 4. [COUNTY ALLOCATIONS.] (a) For the first year of the sex offender treatment fund, the money appropriated for the treatment fund must be allocated among the counties according to the following formula:

(1) two-thirds based on the number of sex offender convictions or adjudications in the county in the previous year; and

(2) one-third based on county population.

(b) Any balance remaining in the fund at the end of the first year of the fund does not cancel and is available for the next year. Any balance remaining in subsequent years does not carry forward unless specifically authorized by the legislature.

(c) For the second year of the fund, an amount equal to the balance carried forward from the first year, plus any legislative appropriation for special project grants, must be reserved for special projects under subdivision 5. This becomes the base funding level for special project grants. The appropriation for the treatment fund must be allocated to counties in proportion to the amount actually paid out of each county's treatment fund allocation in the previous year.

(d) For the third and subsequent years of the fund, the appropriation for the sex offender treatment fund must be allocated to counties in proportion to the previous year's allocations. Any increase or decrease in funding for the sex offender treatment fund must be allocated proportionately among counties.

(e) For the second and subsequent years of the treatment fund, a reduction in the special projects base funding and a corresponding increase in a county's sex offender treatment fund allocation may be made under subdivision 5.

(f) Money appropriated specifically for sex offender assessments must be allocated to counties based on the number of sex offender convictions and delinquency adjudications in the county in the previous year. The money must be used to pay for assessments conducted under subdivision 3.

Subd. 5. [SPECIAL PROJECT GRANTS.] The commissioner of corrections shall approve grants to counties for special projects using the money reserved for special projects under subdivision 4, paragraph (c), and any appropriations specifically designated for sex offender treatment special projects. Special project grants may be used to develop new sex offender treatment services or providers, develop or test new treatment methods, educate courts and corrections personnel on treatment programs and methods, address special treatment needs in a particular county, or provide additional funding to counties that demonstrate that their treatment needs cannot be met within their formula allocation under subdivision 4. For the first three years of the fund, highest priority for special project grants must be given to counties that spent less than their allocation under the formula in subdivision 4, paragraph (a), during the previous year; demonstrate a significant need to increase their spending for sex offender treatment; and submit a detailed plan for improving their sex offender treatment system. For these high priority counties, upon successful completion of a special project the commissioner shall increase that county's base allocation under subdivision 4 for subsequent years by the amount of the special project grant or another amount determined by the commissioner and agreed to by the county as a condition of receiving a special project grant. The base funding level for special projects for the subsequent year must be reduced by the amount of the increase in the county's base allocation. After the third year of the treatment fund, the commissioner may allocate up to 40 percent of the special

project grant money to increase the base allocation of treatment fund money for those counties that demonstrate the greatest need to increase funding for sex offender treatment. The base funding level for special projects must be reduced by the amount of the increase in counties' base allocations.

Subd. 6. [COUNTY ADMINISTRATION.] A county may use up to five percent of the money allocated to it under subdivision 4 for administrative costs associated with the sex offender treatment fund, including the costs of assessment and referral of persons for treatment, state administrative and reporting requirements, service development, and other activities directly related to sex offender treatment. Two or more counties may undertake any of the activities required under this section as a joint action under section 471.59. Nothing in this section requires a county to spend local money or commit local resources in addition to state money provided under this section, except as provided in subdivision 7.

Subd. 7. [MAINTENANCE OF EFFORT.] As a condition of receiving an allocation of money from the sex offender treatment fund under this section, a county must agree not to reduce the level of funding provided for sex offender treatment below the average annual funding level for calendar years 1989, 1990, and 1991.

Subd. 8. [ELIGIBILITY OF VENDORS.] To be eligible to receive payment from the sex offender treatment fund, a vendor must be certified by the commissioner of corrections under section 241.67, subdivision 2, paragraph (b), and must comply with billing and reporting requirements established by the commissioner of human services. A county may become certified and approved as a vendor by satisfying the same requirements that apply to other vendors.

Subd. 9. [START-UP GRANTS.] Within the limits of appropriations made specifically for this purpose, the commissioner of corrections shall award grants to counties or providers for the initial start-up costs of establishing new certified, community-based sex offender treatment programs eligible for reimbursement under the sex offender treatment fund. In awarding the grants, the commissioner shall promote a statewide system of sex offender treatment programs that will provide reasonable geographic access to treatment throughout the state.

Subd. 10. [COORDINATION OF FUNDING FOR SEX OFFENDER TREATMENT.] The commissioners of corrections and human services shall identify all sources of funding for sex offender treatment in the state and develop methods of coordinating funding sources.

Sec. 5. Minnesota Statutes 1990, section 242.195, subdivision 1, is amended to read:

Subdivision 1. [TREATMENT SEX OFFENDER PROGRAMS.]
The commissioner of corrections shall provide for a range of sex offender ~~treatment~~ programs, including intensive sex offender ~~treatment~~ programs, for juveniles within state juvenile correctional facilities and through purchase of service from county and private residential and outpatient juvenile sex offender ~~treatment~~ programs. The commissioner shall establish and operate a juvenile sex offender program at one of the state juvenile correctional facilities.

Sec. 6. [SEX OFFENDER TREATMENT; PILOT PROGRAM.]

The commissioner of corrections, in consultation with the commissioner of human services, shall administer a grant to create a pilot program to test the effectiveness of pharmacological agents, such as antiandrogens, in the treatment of sex offenders including psychopathic personalities.

Participation in the study must be by volunteers who meet defined criteria. The commissioner of corrections shall report to the legislature by February 1, 1993, regarding the preliminary results of the study.

Sec. 7. [REPORT ON SEX OFFENDER TREATMENT FUNDING.]

By January 1, 1993, the commissioners of corrections and human services shall submit a report to the legislature on funding for sex offender treatment, including:

(1) a summary of the sources and amounts of public and private funding for sex offender treatment;

(2) a progress report on implementation of sections 4 to 7;

(3) methods currently being used to coordinate funding;

(4) recommendations on whether other sources of funding should be consolidated into the sex offender treatment fund;

(5) recommendations regarding medical assistance program changes or waivers that will improve the cost-effective use of medical assistance funds for sex offender treatment;

(6) recommendations on whether start-up grants are needed to promote the development of needed sex offender treatment vendors, and if so, the amount of money needed for various regions, types of vendor, and class of sex offender;

(7) an estimate of the amount of money needed to fully fund the sex offender treatment fund and information regarding the cost of an

array of possible options for partial funding, including funding options that prioritize treatment needs based on the age of the offender, the level of offense, or other factors identified by the commissioner; and

(8) recommendations for other changes that will improve the effectiveness and efficiency of the sex offender treatment funding system.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment.

ARTICLE 9

PROCEDURAL PROVISIONS

Section 1. Minnesota Statutes 1990, section 631.035, is amended to read:

631.035 [JOINTLY CHARGED JOINDER OF DEFENDANTS; SEPARATE OR JOINT TRIALS.]

Subdivision 1. [JOINDER OF DEFENDANTS.] ~~When~~ Two or more defendants are ~~may be jointly charged with a felony; they may be tried separately or jointly in the discretion of the court. In making its determination on whether to order joinder or separate trials, the court shall consider the nature of the offense charged, the impact on the victim, the potential prejudice to the defendant, and the interests of justice, and tried if they are alleged to have participated in the same act or transaction or in the same series of acts or transactions constituting an offense. The defendants may be charged in one or more counts and tried together or separately and all of the defendants need not be charged in each count.~~

Subd. 2. [RELIEF FROM PREJUDICIAL JOINDER.] If it appears that a defendant is prejudiced by a joinder of defendants in a complaint or indictment or by joinder for trial together, the court may, upon motion of the defendant or the court's own motion, order an election or separate trials of counts, grant a severance of defendants, or provide whatever other relief justice requires. In making its determination, the court shall consider the impact on the victim. In ruling on a motion by a defendant for severance, the court may order the prosecutor to deliver to the court for inspection in camera any statements or confessions made by the defendants which the prosecution intends to introduce in evidence at the trial.

Sec. 2. [SUPREME COURT BAIL STUDY.]

The supreme court is requested to study whether guidelines

should be adopted in the rules of criminal procedure governing the minimum amount of money bail that should be required in cases involving persons accused of crimes against the person. The supreme court is also requested to study whether the constitution and laws of this state should be amended to authorize the preventive detention of certain arrested persons who are accused of dangerous crimes.

ARTICLE 10

VIOLENCE PREVENTION AND EDUCATION

Section 1. Minnesota Statutes 1991 Supplement, section 121.882, subdivision 2, is amended to read:

Subd. 2. [PROGRAM CHARACTERISTICS.] Early childhood family education programs are programs for children in the period of life from birth to kindergarten, for the parents of such children, and for expectant parents. The programs may include the following:

(1) programs to educate parents about the physical, mental, and emotional development of children;

(2) programs to enhance the skills of parents in providing for their children's learning and development;

(3) learning experiences for children and parents;

(4) activities designed to detect children's physical, mental, emotional, or behavioral problems that may cause learning problems;

(5) activities and materials designed to encourage self-esteem, skills, and behavior that prevent sexual and other interpersonal violence;

(6) educational materials which may be borrowed for home use;

(7) information on related community resources; ~~or~~

(8) programs to prevent child abuse and neglect; or

(9) other programs or activities to improve the health, development, and learning readiness of children.

The programs shall not include activities for children that do not require substantial involvement of the children's parents. The programs shall be reviewed periodically to assure the instruction and materials are not racially, culturally, or sexually biased. The pro-

grams shall encourage parents to be aware of practices that may affect equitable development of children.

Sec. 2. Minnesota Statutes 1990, section 121.882, is amended by adding a subdivision to read:

Subd. 2b. [HOME VISITING PROGRAM.] (a) The commissioner of education shall include as part of the early childhood family education programs a parent education component to prevent child abuse and neglect. This parent education component must include:

(1) expanding statewide the home visiting component of the early childhood family education programs;

(2) training parent educators, child educators, and home visitors in the dynamics of child abuse and neglect and positive parenting and discipline practices; and

(3) developing and distributing education and public information materials that promote positive parenting skills and prevent child abuse and neglect.

(b) The parent education component must:

(1) offer to isolated or at-risk families direct visiting parent education services that at least address parenting skills, a child's development and stages of growth, communication skills, managing stress, problem-solving skills, positive child discipline practices, methods of improving parent-child interactions and enhancing self-esteem, using community support services and other resources, and encouraging parents to have fun with and enjoy their children;

(2) develop a risk assessment tool to determine the family's level of risk;

(3) establish clear objectives and protocols for home visits;

(4) determine the frequency and duration of home visits based on a risk-need assessment of the client, with home visits beginning in the second trimester of pregnancy and continuing, based on client need, until a child is six years old;

(5) encourage families to make a transition from home visits to site-based parenting programs to build a family support network and reduce the effects of isolation;

(6) develop and distribute education materials on preventing child abuse and neglect that may be used in home visiting programs and parent education classes and distributed to the public;

(7) provide at least 40 hours of training for parent educators, child educators, and home visitors that covers the dynamics of child abuse and neglect, domestic violence and victimization within family systems, signs of abuse or other indications that a child may be at risk of being abused or neglected, what child abuse and neglect are, how to properly report cases of child abuse and neglect, respect for cultural preferences in child rearing, what community resources, social service agencies, and family support activities and programs are available, child development and growth, parenting skills, positive child discipline practices, identifying stress factors and techniques for reducing stress, home visiting techniques, and risk assessment measures;

(8) provide program services that are community-based, accessible, and culturally relevant; and

(9) foster collaboration among existing agencies and community-based organizations that serve young children and their families.

(c) Home visitors should reflect the demographic composition of the community the home visitor is serving to the extent possible.

Sec. 3. Minnesota Statutes 1991 Supplement, section 124A.29, subdivision 1, as amended by H.F. 2121, article 1, section 18, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT, AND VIOLENCE PREVENTION PARENTAL INVOLVEMENT PROGRAMS.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$15 times the number of actual pupil units shall be reserved and may be used only to provide staff time for in-service education for violence prevention programs under section 126.77, subdivision 2, or staff development programs, including outcome-based education, under section 126.70, subdivisions 1 and 2a. The school board shall determine the staff development activities to provide, the manner in which they will be provided, and the extent to which other local funds may be used to supplement staff development activities.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 124C.61. A district may use up to \$1 of the \$5 times the number of actual pupil units for promoting parental involvement in the PER process.

Sec. 4. Minnesota Statutes 1991 Supplement, section 126.70, subdivision 1, as amended by H.F. 2121, article 1, section 19, is amended to read:

Subdivision 1. [ELIGIBILITY FOR REVENUE.] A school board may use the revenue authorized in section 124A.29 for in-service education for violence prevention programs under section 126.77, subdivision 2, or if it establishes a staff development advisory committee and adopts a staff development plan under this subdivision. A majority of the advisory committee must be teachers representing various grade levels and subject areas. The advisory committee must also include parents and administrators. The advisory committee shall develop a staff development plan that includes related expenditures and shall submit the plan to the school board. If the school board approves the plan, the district may use the staff development revenue authorized in section 124A.29. Districts must submit approved plans to the commissioner.

Sec. 5. Minnesota Statutes 1991 Supplement, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [PERMITTED USES.] A school board may approve a plan to accomplish any of the following purposes:

(1) foster readiness for outcome-based education by increasing knowledge and understanding of and commitment to outcome-based education;

(2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs through outcome-based education;

(3) develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning plans and by encouraging pupils and their parents to assume responsibility for their education;

(4) design and develop outcome-based education programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;

(5) evaluate the effectiveness of outcome-based education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators; ~~and~~

(6) provide staff time for peer review of probationary, continuing contract, and nonprobationary teachers;

(7) train elementary and secondary staff to help students learn to resolve conflicts in effective, nonviolent ways; and

(8) encourage staff to teach and model violence prevention policy and curricula that address issues of sexual and racial harassment.

Sec. 6. [126.77] [VIOLENCE PREVENTION EDUCATION.]

Subdivision 1. [VIOLENCE PREVENTION CURRICULUM.] (a) The commissioner of education, in consultation with the commissioners of health and human services, state minority councils, battered women's programs, sexual assault centers, representatives of religious communities, and the assistant commissioner of the office of drug policy and violence prevention, shall assist districts on request in developing or implementing a violence prevention program for students in kindergarten to grade 12 that can be integrated into existing curriculum. The purpose of the program is to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.

(b) Each district is encouraged to integrate into its existing curriculum a program for violence prevention that includes at least:

(1) a comprehensive, accurate, and age appropriate curriculum on violence prevention, nonviolent conflict resolution, and sexual, racial, and cultural harassment that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;

(2) planning materials, guidelines, and other accurate information on preventing physical and emotional violence, identifying and reducing the incidence of sexual, racial, and cultural harassment, and reducing child abuse and neglect;

(3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, giving priority to services and outreach programs for at-risk families;

(4) involvement of parents and other community members, including the clergy, business representatives, civic leaders, local elected officials, law enforcement officials, and the county attorney;

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based services, crisis services, life management skills services, case coordination services, mental health services, and early intervention services;

(6) collaboration among districts and ECSUs;

(7) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing behavior; and

(8) administrative policies that reflect, and a staff that models, nonviolent behaviors that do not display or condone sexual, racial, or cultural harassment.

(c) The department may provide assistance at a neutral site to a nonpublic school participating in a district's program.

Subd. 2. [IN-SERVICE TRAINING.] Each district is encouraged to provide training for district staff and school board members to help students identify violence in the family and the community so that students may learn to resolve conflicts in effective, nonviolent ways. The in-service training must be ongoing and involve experts familiar with domestic violence and personal safety issues.

Subd. 3. [FUNDING SOURCES.] Districts may accept funds from public and private sources for violence prevention programs developed and implemented under this section.

Sec. 7. Minnesota Statutes 1990, section 127.46, is amended to read:

127.46 [SEXUAL HARASSMENT AND VIOLENCE POLICY.]

Each school board shall adopt a written sexual harassment and sexual violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 127.27 to 127.39. The policy must be conspicuously posted in throughout each school building and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual harassment and violence policy with students and school employees.

Sec. 8. [145.9265] [FETAL ALCOHOL SYNDROME AND EFFECTS AND DRUG-EXPOSED INFANT PREVENTION.]

The commissioner of health, in coordination with the commissioner of education and the commissioner of human services, shall design and implement a coordinated prevention effort to reduce the rates of fetal alcohol syndrome and fetal alcohol effects, and reduce the number of drug-exposed infants. The commissioner shall:

(1) conduct research to determine the most effective methods of preventing fetal alcohol syndrome, fetal alcohol effects, and drug-exposed infants and to determine the best methods for collecting information on the incidence and prevalence of these problems in Minnesota;

(2) provide training on effective prevention methods to health care professionals and human services workers; and

(3) operate a statewide media campaign focused on reducing the incidence of fetal alcohol syndrome and fetal alcohol effects, and reducing the number of drug-exposed infants.

Sec. 9. [145A.15] [HOME VISITING PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health shall establish a grant program designed to prevent child abuse and neglect by providing early intervention services for families at risk of child abuse and neglect. The grant program will include:

(1) expansion of current public health nurse and family aide home visiting programs;

(2) distribution of educational and public information programs and materials in hospital maternity divisions, well-baby clinics, obstetrical clinics, and community clinics; and

(3) training of home visitors.

Subd. 2. [GRANT RECIPIENTS.] The commissioner is authorized to award grants to programs that meet the requirements of subdivision 3 and that are targeted to at-risk families. Families considered to be at-risk for child abuse and neglect include, but are not limited to, families with:

(1) adolescent parents;

(2) a history of alcohol and other drug abuse;

(3) a history of child abuse, domestic abuse, or other dysfunction in the family of origin;

(4) a history of domestic abuse, rape, or other forms of victimization;

(5) reduced cognitive functioning;

(6) a lack of knowledge of child growth and development stages; or

(7) difficulty dealing with stress, including stress caused by discrimination, mental illness, a high incidence of crime or poverty in the neighborhood, unemployment, divorce, and lack of basic needs, often found in conjunction with a pattern of family isolation.

Subd. 3. [PROGRAM REQUIREMENTS.] (a) The commissioner shall award grants, using a request for proposal system, to programs designed to:

(1) develop a risk assessment tool and offer direct home visiting services to at-risk families including, but not limited to, education on: parenting skills, child development and stages of growth, communication skills, stress management, problem-solving skills, positive child discipline practices, methods to improve parent-child interactions and enhance self-esteem, community support services and other resources, and how to enjoy and have fun with your children;

(2) establish clear objectives and protocols for the home visits;

(3) determine the frequency and duration of home visits based on a risk-need assessment of the client; except that home visits shall begin in the second trimester of pregnancy and continue based on the need of the client until the child reaches age six;

(4) develop and distribute educational resource materials and offer presentations on the prevention of child abuse and neglect for use in hospital maternity divisions, well-baby clinics, obstetrical clinics, and community clinics; and

(5) coordinate with other local home visitation programs, particularly those offered by school boards under section 121.882, subdivision 2b, so as to avoid duplication.

(b) Programs must provide at least 40 hours of training for public health nurses, family aides, and other home visitors. Training must include information on the following:

(1) the dynamics of child abuse and neglect, domestic violence, and victimization within family systems;

(2) signs of abuse or other indications that a child may be at risk of abuse or neglect;

(3) what is child abuse and neglect;

(4) how to properly report cases of child abuse and neglect;

(5) respect for cultural preferences in child rearing;

(6) community resources, social service agencies, and family support activities or programs;

(7) child development and growth;

- (8) parenting skills;
- (9) positive child discipline practices;
- (10) identification of stress factors and stress reduction techniques;
- (11) home visiting techniques; and
- (12) risk assessment measures.

Program services must be community-based, accessible, and culturally relevant and must be designed to foster collaboration among existing agencies and community-based organizations.

Subd. 4. [EVALUATION.] Each program that receives a grant under this section must include a plan for program evaluation designed to measure the effectiveness of the program in preventing child abuse and neglect. On January 1, 1994, and annually thereafter, the commissioner of health shall submit a report to the legislature on all activities initiated in the prior biennium under this section. The report shall include information on the outcomes reported by all programs that received grant funds under this section in that biennium.

Sec. 10. Minnesota Statutes 1991 Supplement, section 245.484, is amended to read:

245.484 [RULES.]

The commissioner shall adopt emergency rules to govern implementation of case management services for eligible children in section 245.4881 and professional home-based family treatment services for medical assistance eligible children, in section 245.4884, subdivision 3, by January 1, 1992, and must adopt permanent rules by January 1, 1993.

The commissioner shall adopt permanent rules as necessary to carry out sections 245.461 to 245.486 and 245.487 to 245.4888. The commissioner shall reassign agency staff as necessary to meet this deadline.

By January 1, 1993, the commissioner shall adopt permanent rules specifying program requirements for family community support services.

Sec. 11. Minnesota Statutes 1990, section 245.4871, is amended by adding a subdivision to read:

Subd. 9a. [CRISIS ASSISTANCE.] "Crisis assistance" means assistance to the child, family, and the child's school in recognizing and resolving a mental health crisis. It shall include, at a minimum, working with the child, family, and school to develop a crisis assistance plan. Crisis assistance does not include services designed to secure the safety of a child who is at risk of abuse or neglect or necessary emergency services.

Sec. 12. Minnesota Statutes 1991 Supplement, section 245.4884, subdivision 1, is amended to read:

Subdivision 1. [AVAILABILITY OF FAMILY COMMUNITY SUPPORT SERVICES.] By July 1, 1991, county boards must provide or contract for sufficient family community support services within the county to meet the needs of each child with severe emotional disturbance who resides in the county and the child's family. Children or their parents may be required to pay a fee in accordance with section 245.481.

Family community support services must be designed to improve the ability of children with severe emotional disturbance to:

- (1) manage basic activities of daily living;
- (2) function appropriately in home, school, and community settings;
- (3) participate in leisure time or community youth activities;
- (4) set goals and plans;
- (5) reside with the family in the community;
- (6) participate in after-school and summer activities;
- (7) make a smooth transition among mental health and education services provided to children; and
- (8) make a smooth transition into the adult mental health system as appropriate.

In addition, family community support services must be designed to improve overall family functioning if clinically appropriate to the child's needs, and to reduce the need for and use of placements more intensive, costly, or restrictive both in the number of admissions and lengths of stay than indicated by the child's diagnostic assessment.

The commissioner of human services shall work with mental health professionals to develop standards for clinical supervision of family community support services. These standards shall be incor-

porated in rule and in guidelines for grants for family community support services.

Sec. 13. Minnesota Statutes 1990, section 254A.14, is amended by adding a subdivision to read:

Subd. 3. [GRANTS FOR TREATMENT OF HIGH-RISK YOUTH.] The commissioner of human services shall award grants on a pilot project basis to develop culturally specific chemical dependency treatment programs for minority and other high-risk youth, including those enrolled in area learning centers, those presently in residential chemical dependency treatment, and youth currently under commitment to the commissioner of corrections or detained under chapter 260. Proposals submitted under this section shall include an outline of the treatment program components, a description of the target population to be served, and a protocol for evaluating the program outcomes.

Sec. 14. Minnesota Statutes 1990, section 254A.17, subdivision 1, is amended to read:

Subdivision 1. [MATERNAL AND CHILD SERVICE PROGRAMS.] (a) The commissioner shall fund maternal and child health and social service programs designed to improve the health and functioning of children born to mothers using alcohol and controlled substances. Comprehensive programs shall include immediate and ongoing intervention, treatment, and coordination of medical, educational, and social services through a child's preschool years. Programs shall also include research and evaluation to identify methods most effective in improving outcomes among this high-risk population.

(b) The commissioner of human services shall develop models for the treatment of children ages 6 to 12 who are in need of chemical dependency treatment. The commissioner shall fund at least two pilot projects with qualified providers to provide nonresidential treatment for children in this age group. Model programs must include a component to monitor and evaluate treatment outcomes.

Sec. 15. Minnesota Statutes 1990, section 254A.17, is amended by adding a subdivision to read:

Subd. 1a. [PROGRAMS FOR PREGNANT WOMEN AND WOMEN WITH CHILDREN.] Within the limits of funds available, the commissioner of human services shall fund programs providing specialized chemical dependency treatment for pregnant women and women with children. The programs shall provide prenatal care, child care, housing assistance, and other services needed to ensure successful treatment.

Sec. 16. [256.486] [ASIAN JUVENILE CRIME PREVENTION GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] The commissioner of human services shall establish a grant program for coordinated, family-based crime prevention services for Asian youth. The commissioners of human services, education, and public safety shall work together to coordinate grant activities.

Subd. 2. [GRANT RECIPIENTS.] The commissioner shall award grants in amounts up to \$150,000 to agencies based in the Asian community that have experience providing coordinated, family-based community services to Asian youth and families.

Subd. 3. [PROJECT DESIGN.] Projects eligible for grants under this section must provide coordinated crime prevention and educational services that include:

(1) education for Asian parents, including parenting methods in the United States and information about the United States legal and educational systems;

(2) crime prevention programs for Asian youth, including employment and career-related programs and guidance and counseling services;

(3) family-based services, including support networks, language classes, programs to promote parent-child communication, access to education and career resources, and conferences for Asian children and parents;

(4) coordination with public and private agencies to improve communication between the Asian community and the community at large; and

(5) hiring staff to implement the services in clauses (1) to (4).

Subd. 4. [USE OF GRANT MONEY TO MATCH FEDERAL FUNDS.] Grant money awarded under this section may be used to satisfy any state or local match requirement that must be satisfied in order to receive federal funds.

Subd. 5. [ANNUAL REPORT.] Grant recipients must report to the commissioner by June 30 of each year on the services and programs provided, expenditures of grant money, and an evaluation of the program's success in reducing crime among Asian youth.

Sec. 17. [256F.10] [GRANTS FOR CHILDREN'S SAFETY CENTERS.]

Subdivision 1. [PURPOSE.] The commissioner shall issue a request for proposals from existing local nonprofit, nongovernmental organizations, to use existing local facilities as pilot children's safety centers. The commissioner shall award grants in amounts up to \$50,000 for the purpose of creating children's safety centers to reduce children's vulnerability to violence and trauma related to family visitation, where there has been a history of domestic violence or abuse within the family. At least one of the pilot projects shall be located in the seven-county metropolitan area and at least one of the projects shall be located outside the seven-county metropolitan area, and the commissioner shall award the grants to provide the greatest possible number of safety centers and to locate them to provide for the broadest possible geographic distribution of the centers throughout the state.

Each children's safety center must use existing local facilities to provide a healthy interactive environment for parents who are separated or divorced and for parents with children in foster homes to visit with their children. The centers must be available for use by district courts who may order visitation to occur at a safety center. The centers may also be used as drop-off sites, so that parents who are under court order to have no contact with each other can exchange children for visitation at a neutral site. Each center must provide sufficient security to ensure a safe visitation environment for children and their parents. A grantee must demonstrate the ability to provide a local match, which may include in-kind contributions.

Subd. 2. [PRIORITIES.] In awarding grants under the program, the commissioner shall give priority to:

(1) areas of the state where no children's safety center or similar facility exists;

(2) applicants who demonstrate that private funding for the center is available and will continue; and

(3) facilities that are adapted for use to care for children, such as day care centers, religious institutions, community centers, schools, technical colleges, parenting resource centers, and child care referral services.

Subd. 3. [ADDITIONAL SERVICES.] Each center may provide parenting and child development classes, and offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse.

Subd. 4. [REPORT.] The commissioner shall evaluate the operation of the pilot children's safety centers and report to the legislature by February 1, 1994, with recommendations.

Sec. 18. [256.995] [SCHOOL-LINKED SERVICES FOR AT-RISK CHILDREN AND YOUTH.]

Subdivision 1. [PROGRAM ESTABLISHED.] In order to enhance the delivery of needed services to at-risk children and youth and maximize federal funds available for that purpose, the commissioners of human services and education shall design a statewide program of collaboration between providers of health and social services for children and local school districts, to be financed, to the greatest extent possible, from federal sources. The commissioners of health and public safety shall assist the commissioners of human services and education in designing the program.

Subd. 2. [AT-RISK CHILDREN AND YOUTH.] The program shall target at-risk children and youth, defined as individuals, whether or not enrolled in school, who are under 21 years of age and who:

- (1) are school dropouts;
- (2) have failed in school;
- (3) have become pregnant;
- (4) are economically disadvantaged;
- (5) are children of drug or alcohol abusers;
- (6) are victims of physical, sexual, or psychological abuse;
- (7) have committed a violent or delinquent act;
- (8) have experienced mental health problems;
- (9) have attempted suicide;
- (10) have experienced long-term physical pain due to injury;
- (11) are at risk of becoming or have become drug or alcohol abusers or chemically dependent;
- (12) have experienced homelessness;
- (13) have been excluded or expelled from school under sections 127.26 to 127.39; or
- (14) have been adjudicated children in need of protection or services.

Subd. 3. [SERVICES.] The program must be designed not to duplicate existing programs, but to enable schools to collaborate with county social service agencies and county health boards and with local public and private providers to assure that at-risk children and youth receive health care, mental health services, family drug and alcohol counseling, and needed social services. Screenings and referrals under this program shall not duplicate screenings under section 123.702.

Subd. 4. [FUNDING.] The program must be designed to take advantage of available federal funding, including the following:

(1) child welfare funds under United States Code, title 42, sections 620-628 (1988) and United States Code, title 42, sections 651-669 (1988);

(2) funds available for health care and health care screening under medical assistance, United States Code, title 42, section 1396 (1988);

(3) social services funds available under United States Code, title 42, section 1397 (1988);

(4) children's day care funds available under federal transition year child care, the Family Support Act, Public Law Number 100-485; federal at-risk child care program, Public Law Number 101-5081; and federal child care and development block grant, Public Law Number 101-5082; and

(5) funds available for fighting drug abuse and chemical dependency in children and youth, including the following:

(i) funds received by the office of drug policy under the federal Anti-Drug Abuse Act and other federal programs;

(ii) funds received by the commissioner of human services under the federal alcohol, drug abuse, and mental health block grant; and

(iii) funds received by the commissioner of human services under the drug-free schools and communities act.

Subd. 5. [WAIVERS.] The commissioner of human services shall collaborate with the commissioners of education, health, and public safety to seek the federal waivers necessary to secure federal funds for implementing the statewide school-based program mandated by this section. Each commissioner shall amend the state plans for programs specified in subdivision 3, to the extent necessary to ensure the availability of federal funds for the school-based program.

Subd. 6. [PILOT PROJECTS.] Within 90 days of receiving the necessary federal waivers, the commissioners of human services and

education shall implement at least two pilot programs that link health and social services in the schools. One program shall be located in a school district in the seven-county metropolitan area. The other program shall be located in a greater Minnesota school district. The commissioner of human services, in collaboration with the commissioner of education, shall select the pilot programs on a request for proposal basis. The commissioners shall give priority to school districts with some expertise in collocating services for at-risk children and youth. Programs funded under this subdivision must:

(1) involve a plan for collaboration between a school district and at least two local social service or health care agencies to provide services for which federal funds are available to at-risk children or youth;

(2) include parents or guardians in program planning and implementation;

(3) contain a community outreach component; and

(4) include protocol for evaluating the program.

Subd. 7. [REPORT.] The commissioners of human services and education shall report to the legislature by January 15, 1993, on the design and status of the statewide program for school-linked services. The report shall include the following:

(1) a complete program design for assuring the implementation of health and human services for children within school districts statewide;

(2) a statewide funding plan based on the use of federal funds, including federal funds available only through waiver;

(3) copies of the waiver requests and information on the status of requests for federal approval;

(4) status of the pilot program development; and

(5) recommendations for statewide implementation of the school-linked services program.

Sec. 19. [260.152] [MENTAL HEALTH SCREENING OF JUVENILES IN DETENTION.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services, in cooperation with the commissioner of corrections, shall establish pilot projects in counties to reduce the recidivism rates of juvenile offenders, by identifying and treating underlying mental health problems that contribute to delinquent behavior and can be

addressed through nonresidential services. At least one of the pilot projects must be in the seven-county metropolitan area and at least one must be in greater Minnesota.

Subd. 2. [PROGRAM COMPONENTS.] The commissioner of 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 the counties for the pilot projects. The projects shall build upon the existing service capabilities in the community and must include:

(1) screening for mental health problems of all juveniles admitted before adjudication to a secure detention facility as defined in section 260.015, subdivision 16, and any juvenile alleged to be delinquent 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) referral for mental health assessment of all juveniles for whom the screening indicates a need. This assessment is to be provided by the appropriate mental health professional. If the juvenile is of a minority race or minority ethnic heritage, the mental health professional must be skilled in and knowledgeable about the juvenile's racial and ethnic heritage, or must consult with a special mental health consultant who has such knowledge so that the assessment is relevant, culturally specific, and sensitive to the juvenile's cultural needs; and

(3) upon completion of the assessment, access to or provision of nonresidential mental health services identified as needed in the assessment.

Subd. 3. [SCREENING TOOL.] The commissioner of human services and the commissioner of corrections shall jointly develop a model screening tool to screen juveniles held in juvenile detention to determine if a mental health assessment is needed. This tool must contain specific questions to identify potential mental health problems. In implementing a pilot project, a county must either use this model tool or another screening tool approved by the commissioner of human services which 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 juveniles with emotional disturbances, 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 a program; development of written inter-agency agreements and protocols to ensure that the mental health 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;

(4) a description of additional services that will be developed with program funds, including estimated costs and numbers of juveniles to be served; and

(5) assurances that funds received by a county under this section will not be used to supplant existing mental health funding for which the juvenile is eligible.

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 and local county mental health agencies 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 departments must develop an interagency management information system to track juveniles 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 treatment of juveniles released from custody and to improve the planning, delivery, and evaluation of services and increase interagency collabora-

tion. 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 juveniles referred for mental health services, the types of services provided, and the costs;
- (3) the number of subsequently adjudicated juveniles that received mental health services under this program; and
- (4) the estimated cost savings of the program and the impact on crime.

Sec. 20. Minnesota Statutes 1991 Supplement, section 299A.30, is amended to read:

299A.30 [OFFICE OF DRUG POLICY AND VIOLENCE PREVENTION.]

Subdivision 1. [OFFICE; ASSISTANT COMMISSIONER.] The office of drug policy and violence prevention is an office in the department of public safety headed by an assistant commissioner appointed by the commissioner to serve in the unclassified service. The assistant commissioner may appoint other employees. The assistant commissioner shall coordinate the violence prevention activities and the prevention and supply reduction activities of state and local agencies and provide one professional staff member to assist on a full-time basis the work of the chemical abuse prevention resource council.

Subd. 2. [DUTIES.] (a) The assistant commissioner shall:

- (1) gather, develop, and make available throughout the state information and educational materials on preventing and reducing violence in the family and in the community, both directly and by serving as a clearinghouse for information and educational materials from schools, state and local agencies, community service providers, and local organizations;
- (2) foster collaboration among schools, state and local agencies, community service providers, and local organizations that assist in violence intervention or prevention;

(3) assist schools, state and local agencies, service providers, and organizations, on request, with training and other programs designed to educate individuals about violence and reinforce values that contribute to ending violence;

(4) after consulting with all state agencies involved in preventing or reducing violence within the family or community, develop a statewide strategy for preventing and reducing violence that encompasses the efforts of those agencies and takes into account all money available for preventing or reducing violence from any source;

(5) submit the strategy to the governor and the legislature by January 15 of each calendar year, along with a summary of activities occurring during the previous year to prevent or reduce violence experienced by children, young people, and their families; and

(6) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of activities to prevent or reduce violence within the family or community.

(b) The assistant commissioner shall gather and make available information on prevention and supply reduction activities throughout the state, foster cooperation among involved state and local agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of prevention and supply reduction activities.

~~(b)~~ (c) The assistant commissioner shall coordinate the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. The assistant commissioner shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34, after consultation with the chemical abuse prevention resource council.

~~(e)~~ (d) The assistant commissioner shall:

(1) after consultation with all state agencies involved in prevention or supply reduction activities, develop a state chemical abuse and dependency strategy encompassing the efforts of those agencies and taking into account all money available for prevention and supply reduction activities, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of prevention and supply reduction activities during the preceding calendar year;

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and

educators, in developing and operating informational and training programs to improve the effectiveness of prevention and supply reduction activities;

(4) provide information, including information on drug trends, and assistance to state and local agencies, both directly and by functioning as a clearinghouse for information from other agencies;

(5) facilitate cooperation among drug program agencies; and

(6) in coordination with the chemical abuse prevention resource council, review, approve, and coordinate the administration of prevention, criminal justice, and treatment grants.

Sec. 21. Minnesota Statutes 1991 Supplement, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A chemical abuse prevention resource council consisting of 17 19 members is established. The commissioners of public safety, education, health, corrections, and human services, the director of the office of strategic and long-range planning, and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following: public health; education including preschool, elementary, and higher education; social services; financial aid services; chemical dependency treatment; law enforcement; prosecution; defense; the judiciary; corrections; treatment research professionals; drug abuse prevention professionals; the business sector; religious leaders; representatives of racial and ethnic minority communities; and other community representatives. The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Sec. 22. Minnesota Statutes 1991 Supplement, section 299A.32, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC DUTIES AND RESPONSIBILITIES.] In furtherance of the general purpose specified in subdivision 1, the council shall:

(1) assist state agencies in the coordination of drug policies and programs and in the provision of services to other units of government, communities, and citizens;

(2) promote among state agencies policies to achieve uniformity in state and federal grant programs and to streamline those programs;

(3) oversee comprehensive data collection and research and evaluation of alcohol and drug program activities;

(4) seek the advice and counsel of appropriate interest groups and advise the assistant commissioner of the office of drug policy and violence prevention;

(5) seek additional private funding for community-based programs and research and evaluation;

(6) evaluate whether law enforcement narcotics task forces should be reduced in number and increased in geographic size, and whether new sources of funding are available for the task forces;

(7) continue to promote clarity of roles among federal, state, and local law enforcement activities; and

(8) establish criteria to evaluate law enforcement drug programs.

Sec. 23. Minnesota Statutes 1991 Supplement, section 299A.32, subdivision 2a, is amended to read:

Subd. 2a. [GRANT PROGRAMS.] The council shall, in coordination with the assistant commissioner of the office of drug policy and violence prevention, review and approve state agency plans regarding the use of federal funds for programs to reduce chemical abuse or reduce the supply of controlled substances. The appropriate state agencies would have responsibility for management of state and federal drug grant programs.

Sec. 24. [299A.325] [STATE CHEMICAL HEALTH INDEX MODEL.]

The assistant commissioner of the office of drug policy and violence prevention and the chemical abuse prevention resource council shall develop and test a chemical health index model to help assess the state's chemical health and coordinate state policy and programs relating to chemical abuse prevention and treatment. The chemical health index model shall assess a variety of factors known to affect the use and abuse of chemicals in different parts of the state including, but not limited to, demographic factors, risk factors, health care utilization, drug-related crime, productivity, resource availability, and overall health.

Sec. 25. Minnesota Statutes 1991 Supplement, section 299A.36, is amended to read:

299A.36 [OTHER DUTIES.]

The assistant commissioner assigned to the office of drug policy and violence prevention, in consultation with the chemical abuse prevention resource council, shall:

- (1) provide information and assistance upon request to school preassessment teams established under section 126.034 and school and community advisory teams established under section 126.035;
- (2) provide information and assistance upon request to the state board of pharmacy with respect to the board's enforcement of chapter 152;
- (3) cooperate with and provide information and assistance upon request to the alcohol and other drug abuse section in the department of human services;
- (4) assist in coordinating the policy of the office with that of the narcotic enforcement unit in the bureau of criminal apprehension; and
- (5) coordinate the activities of the regional drug task forces, provide assistance and information to them upon request, and assist in the formation of task forces in areas of the state in which no task force operates.

Sec. 26. [STUDY; DEPARTMENT OF CORRECTIONS.]

The commissioner of corrections, in collaboration with the commissioner of human services and the assistant commissioner of the office of drug policy and violence prevention, shall conduct a comprehensive study of the availability and quality of appropriate treatment programs within the criminal or juvenile justice system for adult and juvenile offenders who are chemically dependent or abuse chemicals. In particular, the commissioner shall investigate the extent to which the lack of culturally oriented treatment programs for minority youth has contributed to disparate and more punitive treatment of these youth by the juvenile justice system. As part of this study, the commissioner shall determine the cost of expanding the availability of culturally oriented treatment programs to all adult and juvenile offenders who are in need of treatment. The commissioner shall report the study's findings and recommendations to the legislature by February 1, 1993.

Sec. 27. [STATEWIDE MEDIA CAMPAIGN.]

The commissioner of health, in collaboration with the commissioner of human services and the commissioner of public safety, shall design and implement a statewide mass media campaign for

the promotion of chemical health. The campaign must use both traditional and nontraditional media and focus on and support chemical health activities conducted at the community level with diverse and targeted populations. The campaign must last a minimum of six months and be coordinated with local school and community educational efforts, policy, skills training, and behavior modeling.

Sec. 28. [CHILD ABUSE PREVENTION GRANT.]

The commissioner of human services shall award a grant to a nonprofit, statewide child abuse prevention organization whose primary focus is parent self-help and support. Grant money may be used for one or more of the following activities:

(1) to provide technical assistance and consultation to individuals, organizations, or communities to establish local or regional parent self-help and support organizations for abusive or potentially abusive parents;

(2) to provide coordination and networking among existing parent self-help child abuse prevention organizations;

(3) to recruit, train, and provide leadership for volunteers working in child abuse prevention programs;

(4) to expand and develop child abuse programs throughout the state; or

(5) for statewide educational and public information efforts to increase awareness of the problems and solutions of child abuse.

Sec. 29. [ECFE REVENUE.]

In addition to the revenue in section 124.2711, subdivision 1, in fiscal year 1993 a district is eligible for aid equal to \$1.60 times the greater of 150 or the number of people under five years of age residing in the school district on September 1 of the last school year. This amount may be used only for in-service education for early childhood family education parent educators, child educators, and home visitors for violence prevention programs and for home visiting programs under section 6. A district that uses revenue under this paragraph for home visiting programs shall provide home visiting program services through its early childhood family education program or shall contract with a public or nonprofit organization to provide such services. A district may establish a new home visiting program only where no existing, reasonably accessible home visiting program meets the program requirements in section 6.

Sec. 30. [VIOLENCE PREVENTION EDUCATION GRANTS.]

Subdivision 1. [GRANT PROGRAM ESTABLISHED.] The commissioner of education, after consulting with the assistant commissioner of the office of drug policy and violence prevention, shall establish a violence prevention education grant program to enable a school district, an education district, or a group of districts that cooperate for a particular purpose to develop and implement a violence prevention program for students in kindergarten through grade 12 that can be integrated into existing curriculum. A district or group of districts that elects to develop and implement a violence prevention program under section 126.77 is eligible to apply for a grant under this section.

Subd. 2. [GRANT APPLICATION.] To be eligible to receive a grant, a school district, an education district, or a group of districts that cooperate for a particular purpose must submit an application to the commissioner in the form and manner and according to the timeline established by the commissioner. The application must describe how the applicant will: (1) integrate into its existing K-12 curriculum a program for violence prevention that contains the program components listed in section 126.77; (2) collaborate with local organizations involved in violence prevention and intervention; and (3) structure the program to reflect the characteristics of the children, their families and the community involved in the program. The commissioner may require additional information from the applicant. When reviewing the applications, the commissioner shall determine whether the applicant has met the requirements of this subdivision.

Subd. 3. [GRANT AWARDS.] The commissioner may award grants for a violence prevention education program to eligible applicants as defined in subdivision 2. Grant amounts may not exceed \$3 per actual pupil unit in the district or group of districts in the prior school year. Grant recipients should be geographically distributed throughout the state.

Subd. 4. [GRANT PROCEEDS.] A successful applicant shall use the grant money to develop and implement a violence prevention program according to the terms of the grant application.

ARTICLE 11

STATE AND LOCAL CORRECTIONS

Section 1. Minnesota Statutes 1990, section 241.021, is amended by adding a subdivision to read:

Subd. 4a. [CHEMICAL DEPENDENCY TREATMENT PROGRAMS.] All residential chemical dependency treatment programs operated by the commissioner of corrections to treat adults and juveniles committed to the commissioner's custody shall comply

with the standards mandated in Minnesota Rules, parts 9530.4100 to 9530.6500, for treatment programs operated by community-based residential treatment facilities.

Sec. 2. Minnesota Statutes 1990, section 243.53, is amended to read:

243.53 [SEPARATE CELLS; MULTIPLE OCCUPANCY STANDARDS.]

Subdivision 1. [SEPARATE CELLS.] When there are cells sufficient, each convict shall be confined in a separate cell. Each inmate shall be confined in a separate cell in close, maximum, and high security facilities, including St. Cloud, Stillwater, and Oak Park Heights, but not including geriatric or honor dormitory-type facilities.

Subd. 2. [MULTIPLE OCCUPANCY STANDARDS.] A medium security correctional facility that is built or remodeled after July 1, 1992, for the purpose of increasing inmate capacity must be designed and built to comply with multiple-occupancy standards for not more than one-half of the facility's capacity and must include a maximum capacity figure. A minimum security correctional facility that is built or remodeled after July 1, 1992, must be designed and built to comply with minimum security multiple-occupancy standards.

Sec. 3. Minnesota Statutes 1990, section 244.05, is amended by adding a subdivision to read:

Subd. 1c. [RELEASE TO RESIDENTIAL PROGRAM; ESCORT REQUIRED.] The commissioner shall provide an escort for any inmate on parole or supervised release status who is released to a halfway house or other residential community program. The escort shall be an employee of the commissioner or a person acting as the commissioner's agent for this purpose.

Sec. 4. [244.051] [EARLY REPORTS OF MISSING OFFENDERS.]

All programs serving inmates on supervised release following a prison sentence shall notify the appropriate probation officer, appropriate law enforcement agency, and the department of corrections within two hours after an inmate in the program fails to make a required report or after program officials receive information indicating that an inmate may have left the area in which the inmate is required to remain or may have otherwise violated conditions of the inmate's supervised release. The department of corrections and county corrections agencies shall ensure that probation offices are staffed on a 24-hour basis or make available a 24-hour telephone number to receive the reports.

Sec. 5. [244.17] [CHALLENGE INCARCERATION PROGRAM.]

Subdivision 1. [GENERALLY.] The commissioner may select offenders who meet the eligibility requirements of subdivisions 2 and 3 to participate in a challenge incarceration program described in sections 244.171 and 244.172 for all or part of the offender's sentence if the offender agrees to participate in the program and signs a written contract with the commissioner agreeing to comply with the program's requirements.

Subd. 2. [ELIGIBILITY.] The commissioner must limit the challenge incarceration program to the following persons:

(1) offenders who are committed to the commissioner's custody following revocation of a stayed sentence; and

(2) offenders who are committed to the commissioner's custody for a term of imprisonment of not less than 18 months nor more than 36 months and who did not receive a dispositional departure under the sentencing guidelines.

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following offenders are not eligible to be placed in the challenge incarceration program:

(1) offenders who are committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct, assault, kidnapping, robbery, arson, or any other offense involving death or personal injury; and

(2) offenders who previously were convicted of an offense described in clause (1) and were committed to the custody of the commissioner.

Sec. 6. [244.171] [CHALLENGE INCARCERATION PROGRAM; BASIC ELEMENTS.]

Subdivision 1. [REQUIREMENTS.] The commissioner shall administer an intensive, structured, and disciplined program with a high level of offender accountability and control and direct and related consequences for failure to meet behavioral expectations. The program shall have the following goals:

(1) to punish and hold the offender accountable;

(2) to protect the safety of the public;

(3) to treat offenders who are chemically dependent; and

(4) to prepare the offender for successful reintegration into society.

Subd. 2. [PROGRAM COMPONENTS.] The program shall contain all of the components described in paragraphs (a) to (e).

(a) The program shall contain a highly structured daily schedule for the offender.

(b) The program shall contain a rigorous physical program designed to teach personal discipline and improve the physical and mental well-being of the offender. It shall include skills designed to teach the offender how to reduce and cope with stress.

(c) The program shall contain individualized educational programs designed to improve the basic educational skills of the offender and to provide vocational training.

(d) The program shall contain programs designed to promote the offender's self-worth and the offender's acceptance of responsibility for the consequences of the offender's own decisions.

(e) The program shall contain culturally sensitive chemical dependency programs, licensed by the department of human services and designed to serve the inmate population. It shall require that each offender submit to a chemical use assessment and that the offender receive the appropriate level of treatment as indicated by the assessment.

Subd. 3. [GOOD TIME NOT AVAILABLE.] An offender in the challenge incarceration program does not earn good time during phases I and II of the program, notwithstanding section 244.04.

Subd. 4. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of the challenge incarceration program. The commissioner shall remove an offender from the challenge incarceration program if the offender:

(1) commits a material violation of or repeatedly fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The removal of an offender from the challenge incarceration program is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender who is removed from the challenge incarceration program shall be imprisoned for a time period equal to the offender's original term of imprisonment, minus earned good time if any, but

in no case for longer than the time remaining in the offender's sentence. "Original term of imprisonment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

Subd. 5. [TRAINING.] The commissioner shall develop specialized training for correctional employees who supervise and are assigned to the challenge incarceration program.

Sec. 7. [244.172] [CHALLENGE INCARCERATION PROGRAM; PHASES I to III.]

Subdivision 1. [PHASE I.] Phase I of the program lasts at least six months. The offender must be confined in a state correctional facility designated by the commissioner and must successfully participate in all intensive treatment, education and work programs required by the commissioner. The offender must also submit on demand to random drug and alcohol testing at time intervals set by the commissioner. For the first three months of phase I, the offender may not receive visitors or telephone calls, except under emergency circumstances.

Subd. 2. [PHASE II.] Phase II of the program lasts at least six months. The offender shall serve this phase of the offender's sentence in an intensive supervision and surveillance program established by the commissioner. The commissioner may impose such requirements on the offender as are necessary to carry out the goals of the program. The offender must be required to submit to daily drug and alcohol tests for the first three months; biweekly tests for the next two months; and weekly tests for the remainder of phase II. The commissioner shall also require the offender to report daily to a day-reporting facility designated by the commissioner. In addition, if the commissioner required the offender to undergo acupuncture during phase I, the offender must continue to submit to acupuncture treatment throughout phase II.

Subd. 3. [PHASE III.] Phase III lasts for the remainder of the offender's sentence. During phase III, the commissioner shall place the offender on supervised release under section 244.05. The commissioner shall set the level of the offender's supervision based on the public risk presented by the offender.

Sec. 8. [244.173] [CHALLENGE INCARCERATION PROGRAM; EVALUATION AND REPORT.]

The commissioner shall file a report with the house and senate judiciary committees by September 1, 1992, which sets forth with specificity the program's design. The commissioner shall also develop a system for gathering and analyzing information concerning the value and effectiveness of the challenge incarceration program.

The commissioner shall report to the legislature by January 1, 1996, on the operation of the program.

Sec. 9. [244.18] [LOCAL CORRECTIONAL FEES; IMPOSITION ON OFFENDERS.]

Subdivision 1. [DEFINITION.] As used in this section, "local correctional fees" include fees for the following correctional services:

(1) community service work placement and supervision;

(2) restitution collection;

(3) supervision;

(4) court ordered investigations; or

(5) any other court ordered service to be provided by a local probation and parole agency established under section 260.311 or community corrections agency established under chapter 401.

Subd. 2. [LOCAL CORRECTIONAL FEES.] A local correctional agency may establish a schedule of local correctional fees to charge persons convicted of a crime and under the supervision and control of the local correctional agency to defray costs associated with correctional services. The local correctional fees on the schedule must be reasonably related to defendants' abilities to pay and the actual cost of correctional services.

Subd. 3. [FEE COLLECTION.] The chief executive officer of a local correctional agency may collect local correctional fees assessed under section 13. The local correctional agency may collect the fee at any time while the offender is under sentence or after the sentence has been discharged. The agency may use any available civil means of debt collection in collecting a local correctional fee.

Subd. 4. [EXEMPTION FROM FEE.] The local correctional agency shall waive payment of a local correctional fee if so ordered by the court under section 13. If the court fails to waive the fee, the chief executive officer of the local correctional agency may waive payment of the fee if the officer determines that the offender does not have the ability to pay the fee, the prospects for payment are poor, or there are extenuating circumstances justifying waiver of the fee. Instead of waiving the fee, the local correctional agency may require the offender to perform community work service as a means of paying the fee.

Subd. 5. [RESTITUTION PAYMENT PRIORITY.] If a defendant has been ordered by a court to pay restitution and a local correc-

tional fee, the defendant shall be obligated to pay the restitution ordered before paying the local correctional fee.

Subd. 6. [USE OF FEES.] The local correctional fees shall be used by the local correctional agency to pay the costs of local correctional services. Local correctional fees may not be used to supplant existing local funding for local correctional services.

Sec. 10. Minnesota Statutes 1990, section 260.311, is amended by adding a subdivision to read:

Subd. 3a. [DETAINING PERSON ON CONDITIONAL RELEASE.] (a) County probation officers serving a district or juvenile court may, without a warrant when it appears necessary to prevent escape or enforce discipline, take and detain a probationer or any person on conditional release and bring that person before the court or the commissioner of corrections, whichever is appropriate, for disposition. No probationer or other person on conditional release shall be detained under this subdivision more than 72 hours, excluding Saturdays, Sundays and holidays, without being given an opportunity for a hearing before the court or the commissioner of corrections or a designee.

(b) The written order of the chief executive officer or designee of a county corrections agency established under this section is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person under sentence or on probation who:

(1) fails to report to serve a sentence at a local correctional facility, as defined in section 241.021, subdivision 1;

(2) fails to return from furlough or authorized temporary release from a local correctional facility;

(3) escape from a local correctional facility; or

(4) absconds from court-ordered home detention.

Sec. 11. Minnesota Statutes 1990, section 401.02, subdivision 4, is amended to read:

Subd. 4. [DETAINING PERSON ON CONDITIONAL RELEASE.] (a) Probation officers serving the district, ~~county~~, municipal and juvenile courts of counties participating in the subsidy program established by this chapter may, without order or warrant, when it appears necessary to prevent escape or enforce discipline, take and detain a probationer, or any person on conditional release and bring that person before the court or the commissioner of corrections or a designee, whichever is appropriate, for disposition. No probationer

or other person on conditional release shall be detained more than 72 hours, exclusive of legal holidays, Saturdays and Sundays, pursuant to this subdivision without being provided with the opportunity for a hearing before the court or the commissioner of corrections or a designee. When providing supervision and other correctional services to persons conditionally released pursuant to sections 241.26, 242.19, 243.05, 243.16, 244.05, and 244.065, including intercounty transfer of persons on conditional release, and the conduct of presentence investigations, participating counties shall comply with the policies and procedures relating thereto as prescribed by the commissioner of corrections.

(b) The written order of the chief executive officer or designee of a community corrections agency established under this chapter is sufficient authority for any peace officer or county probation officer to take and place in actual custody any person under sentence or on probation who:

(1) fails to report to serve a sentence at a local correctional facility, as defined in section 241.021, subdivision 1;

(2) fails to return from furlough or authorized temporary release from a local correctional facility;

(3) escapes from a local correctional facility; or

(4) absconds from court-ordered home detention.

Sec. 12. Minnesota Statutes 1990, section 609.10, is amended to read:

609.10 [SENTENCES AVAILABLE.]

Upon conviction of a felony and compliance with the other provisions of this chapter the court, if it imposes sentence, may sentence the defendant to the extent authorized by law as follows:

(1) to life imprisonment; or

(2) to imprisonment for a fixed term of years set by the court; or

(3) to both imprisonment for a fixed term of years and payment of a fine; or

(4) to payment of a fine without imprisonment or to imprisonment for a fixed term of years if the fine is not paid; or

(5) to payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both; or

(6) to payment of a local correctional fee as authorized under section 13 in addition to any other sentence imposed by the court.

Sec. 13. [609.102] [LOCAL CORRECTIONAL FEES; IMPOSITION BY COURT.]

Subdivision 1. [DEFINITION.] As used in this section, "local correctional fee" means a fee for local correctional services established by a local correctional agency under section 9.

Subd. 2. [IMPOSITION OF FEE.] When a court sentences a person convicted of a crime, and places the person under the supervision and control of a local correctional agency, the court shall impose a local correctional fee based on the local correctional agency's fee schedule adopted under section 9.

Subd. 3. [FEE EXEMPTION.] The court may waive payment of a local correctional fee if it makes findings on the record that the convicted person is exempt due to any of the factors named under section 9, subdivision 4. The court shall consider prospects for payment during the term of supervision by the local correctional agency.

Subd. 4. [RESTITUTION PAYMENT PRIORITY.] If the court orders the defendant to pay restitution and a local correctional fee, the court shall order that the restitution be paid before the local correctional fee.

Sec. 14. Minnesota Statutes 1990, section 609.125, is amended to read:

609.125 [SENTENCE FOR MISDEMEANOR OR GROSS MISDEMEANOR.]

Upon conviction of a misdemeanor or gross misdemeanor the court, if sentence is imposed, may, to the extent authorized by law, sentence the defendant:

- (1) to imprisonment for a definite term; or
- (2) to payment of a fine, or to imprisonment for a specified term if the fine is not paid; or
- (3) to both imprisonment for a definite term and payment of a fine; or
- (4) to payment of court-ordered restitution in addition to either imprisonment or payment of a fine, or both; or

(5) to payment of a local correctional fee as authorized under section 13 in addition to any other sentence imposed by the court.

Sec. 15. [PROBATION STANDARDS TASK FORCE.]

The commissioner of corrections shall establish a probation standards task force of up to 12 members. Members of the task force must represent the department of corrections, probation officers, law enforcement, public defenders, county attorneys, county officials from community corrections act counties and other counties, victims of crimes committed by offenders while on probation, and the sentencing guidelines commission. The task force shall choose co-chairs from among the county officials sitting on the task force. One co-chair must be a probation officer or county official from a community corrections act county, and the other co-chair must be a member of the Minnesota association of county probation officers. The commissioner shall report to the legislature by December 1, 1992, concerning the following:

(1) the number of offenders being supervised by individual probation officers across the state, including a statewide average, metropolitan and nonmetropolitan, a statewide metropolitan and nonmetropolitan range, and other relevant information about current caseloads;

(2) minimum caseload goals and an appropriate mix for types of offenders;

(3) the adequacy of current staffing levels to provide effective supervision of violent offenders on probation and supervised release;

(4) the need for increasing the number of probation officers and the cost of doing so; and

(5) any other relevant recommendations.

Sec. 16. [COUNTY JUVENILE FACILITY NEEDS ASSESSMENT.]

The county correctional administrators of each judicial district shall jointly evaluate and provide a report on behalf of the entire judicial district to the chairs of the judiciary committees in the senate and house of representatives by November 1, 1992, concerning the needs of the counties in that judicial district for secure juvenile detention facilities, including the need for preadjudication facilities and, in conjunction with the commissioner of corrections, the need for postadjudication facilities.

Sec. 17. [CLARIFICATION OF CONFLICTING PROVISIONS.]

Notwithstanding Minnesota Statutes, section 645.26 or 645.33, the provisions of sections 5 to 8 supersede the provisions of article 9, sections 3 to 6, of a bill styled as H.F. 2694, if enacted by the 1992 legislature.

ARTICLE 12

CIVIL LAW PROVISIONS

Section 1. [617.245] [CIVIL ACTION; USE OF A MINOR IN A SEXUAL PERFORMANCE.]

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

(b) "Minor" means any person who, at the time of use in a sexual performance, is under the age of 16.

(c) "Promote" means to produce, direct, publish, manufacture, issue, or advertise.

(d) "Sexual performance" means any play, dance, or other exhibition presented before an audience or for purposes of visual or mechanical reproduction which depicts sexual conduct as defined by paragraph (e).

(e) "Sexual conduct" means any of the following if the depiction involves a minor:

(1) an act of sexual intercourse, actual or simulated, including genital-genital, anal-genital, or oral-genital intercourse, whether between human beings or between a human being and an animal;

(2) sadomasochistic abuse, meaning flagellation, torture, or similar demeaning acts inflicted by or upon a minor who is nude, or the condition of being fettered, bound, or otherwise physically restrained on the part of one so unclothed;

(3) masturbation or lewd exhibitions of the genitals; and

(4) physical contact or simulated physical contact with the unclothed pubic areas or buttocks of a human male or female, or the breasts of the female, whether alone or between members of the same or opposite sex or between humans and animals in an act of apparent sexual stimulation or gratification.

Subd. 2. [CAUSE OF ACTION.] A cause of action exists for injury caused by the use of a minor in a sexual performance. The cause of action exists against a person who promotes, employs, uses, or

permits a minor to engage or assist others to engage in posing or modeling alone or with others in a sexual performance, if the person knows or has reason to know that the conduct intended is a sexual performance.

A person found liable for injuries under this section is liable to the minor for damages.

Neither consent to sexual performance by the minor or by the minor's parent, guardian, or custodian, or mistake as to the minor's age is a defense to the action.

Subd. 3. [LIMITATION PERIOD.] An action for damages under this section must be commenced within six years of the time the plaintiff knew or had reason to know injury was caused by plaintiff's use as a minor in a sexual performance. The knowledge of a parent, guardian, or custodian may not be imputed to the minor. This section does not affect the suspension of the statute of limitations during a period of disability under section 541.15.

Sec. 2. Laws 1991, chapter 232, section 5, is amended to read:

Sec. 5. [APPLICABILITY.]

Notwithstanding any other provision of law, a plaintiff whose claim would otherwise be time-barred under Minnesota Statutes 1990 has until August 1, 1992, to commence a cause of action for damages based on personal injury caused by sexual abuse if the action is based on an intentional tort committed against the plaintiff.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective retroactive to August 1, 1991, and applies to actions pending on or commenced on or after that date.

ARTICLE 13

CRIMINAL JUSTICE DATA PRIVACY PROVISIONS

Section 1. Minnesota Statutes 1990, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. [FILING PHOTOGRAPHS OR IMAGES; DATA CLASSIFICATION.] The department shall file, or contract to file, all photographs or electronically produced images obtained in the process of issuing driver licenses or Minnesota identification cards. The photographs or electronically produced images shall be private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to

provide copies of photographs or electronically produced images to data subjects. The use of the files is restricted:

(1) to the issuance and control of driver licenses;

(2) for law enforcement purposes in the investigation and prosecution of felonies and violations of section 169.09; 169.121; 169.123; 169.129; 171.22; 171.24; 171.30; 609.41; 609.487, subdivision 3; 609.631, subdivision 4, clause (3); ~~or 609.821, subdivision 3, clauses (1), item (iv), and (3); or 617.23; and~~

(3) for child support enforcement purposes under section 256.978.

Sec. 2. [241.301] [FINGERPRINTS OF INMATES, PAROLEES, AND PROBATIONERS FROM OTHER STATES.]

The commissioner of corrections shall establish procedures so that whenever this state receives an inmate, parolee, or probationer from another state under sections 241.28 to 241.30 or 243.16, fingerprints and thumbprints of the inmate, parolee, or probationer are obtained and forwarded to the bureau of criminal apprehension.

Sec. 3. Minnesota Statutes 1991 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children shall be kept separate from records of persons 18 years of age or older and shall not be open to public inspection or their contents disclosed to the public except (1) by order of the juvenile court, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as provided in paragraph (d). Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court ~~unless the child is alleged to have violated section 169.121 or 169.129.~~ Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs

of juveniles authorized by this paragraph may be used only for institution management purposes and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.

Sec. 4. [DATA PRACTICES RECOMMENDATIONS.]

The commissioners of administration, public safety, human services, health, corrections, and education, a representative of the data practices division of the department of administration, and the state public defender, shall make recommendations regarding the exchange of data among law enforcement agencies, local social service agencies, schools, the courts, court service agencies, and correctional agencies. The recommendations shall be developed in consultation with the following groups and others: local public social service agencies, police departments, sheriffs' offices, crime victims, and court services departments. In conducting the study the officials shall review data practices laws and rules and shall determine whether there are changes in statute or rule required to enhance the functioning of the criminal justice system. The officials shall consider the impact of any proposed recommendations on individual privacy rights. The officials shall submit a written report to the governor and the legislature not later than February 1, 1993.

Sec. 5. [STUDY OF CRIMINAL AND JUVENILE JUSTICE INFORMATION.]

The chair of the sentencing guidelines commission, the commissioner of corrections, the commissioner of public safety, and the state court administrator shall study and make recommendations to the governor and the legislature:

(1) on a framework for integrated criminal justice information systems;

(2) on the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) on an information system containing criminal justice information on felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) on an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) on comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) on continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) on a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) on the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems; and

(10) on the impact of integrated criminal justice information systems on individual privacy rights.

The chair, the commissioners, and the administrator shall file a report with the governor and the legislature by December 1, 1992. The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently. To assist them in developing their recommendations, the chair, the commissioners, and the administrator shall appoint a task force consisting of the members of the commission on criminal and juvenile justice information or their designees and the following additional members:

(1) the director of the office of strategic and long-range planning;

(2) two sheriffs recommended by the Minnesota sheriffs association;

(3) two police chiefs recommended by the Minnesota chiefs of police association;

(4) two county attorneys recommended by the Minnesota county attorneys association;

(5) two city attorneys recommended by the Minnesota league of cities;

(6) two district judges appointed by the conference of chief judges, one of whom is currently assigned to the juvenile court;

(7) two community corrections administrators recommended by the Minnesota association of counties, one of whom represents a community corrections act county;

(8) two probation officers; and

(9) two citizens, one of whom has been a victim of crime.

The task force expires upon submission of the report by the chair, the commissioners, and the administrator.

ARTICLE 14

MANDATORY VEHICLE INSURANCE PROVISIONS

Section 1. Minnesota Statutes 1991 Supplement, section 168.041, subdivision 4, is amended to read:

Subd. 4. [IMPOUNDMENT ORDER; PLATES SURRENDERED.] If the court issues an impoundment order, the registration plates must be surrendered to the court either three days after the order is issued or on the date specified by the court, whichever date is later. The court may destroy the surrendered registration plates. Except as provided in subdivision ~~4a~~, 6, or 7, no new registration plates may be issued to the violator or owner until the driver's license of the violator has been reissued or reinstated. The court shall notify the commissioner of public safety within ten days after issuing an impoundment order.

Sec. 2. Minnesota Statutes 1990, section 169.791, is amended to read:

169.791 [CRIMINAL PENALTY FOR FAILURE TO PRODUCE PROOF OF INSURANCE.]

Subdivision 1. [TERMS.] (a) For purposes of this section and sections 169.792 to ~~169.796~~ 169.799, the following terms have the meanings given.

(b) "Commissioner" means the commissioner of public safety.

(c) "Insurance identification card" means a card issued by an obligor to an insured stating that security as required by section 65B.48 has been provided for the insured's vehicle.

(d) "Proof of insurance" means an insurance identification card, written statement, or insurance policy as defined by section 65B.14, subdivision 2.

(e) "Written statement" means a written statement by a licensed insurance agent ~~in a form acceptable to the commissioner~~ stating the name and address of the insured, the vehicle identification number of the insured's vehicle, that a plan of reparation security as required by section 65B.48 has been provided for the insured's vehicle, and the dates of the coverage.

(f) "District court administrator" or "court administrator" means the district court administrator or a deputy district court administrator of the district court that has jurisdiction of a violation of this section.

(g) "Vehicle" means a motor vehicle as defined in section 65B.43, subdivision 2, or a motorcycle as defined in section 65B.43, subdivision 13.

(h) "Peace officer" or "officer" means an employee of a political subdivision or state law enforcement agency, including the Minnesota state patrol, who is licensed by the Minnesota board of peace officer standards and training and is authorized to make arrests for violations of traffic laws.

(i) "Law enforcement agency" means the law enforcement agency that employed the peace officer who demanded proof of insurance under this section or section 169.792.

(j) The definitions in section 65B.43 apply to sections 169.792 to 169.799.

Subd. 2. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Every driver shall have in possession at all times when operating a ~~motor~~ vehicle and shall produce on demand of a peace officer proof of insurance in force at the time of the demand covering the vehicle being operated. If the driver ~~is unable to~~ does not produce the required proof of insurance upon the demand of a peace officer, the driver is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.797, or a statute or ordinance in conformity with one of those sections. A driver who is not the owner of the vehicle may not be convicted under this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section,

provided that the driver provides the officer with the name and address of the owner at the time of the demand or complies with subdivision 3.

Subd. 2a. [LATER PRODUCTION OF PROOF BY DRIVER WHO IS THE OWNER.] The A driver shall who is the owner of the vehicle may, within 14 ten days after the demand, produce proof of insurance stating that security had been provided for the vehicle that was being operated at the time of the demand, or the name and address of the owner to the place stated in the notice provided by the officer to the court administrator. The required proof of insurance may be sent by mail by the driver as long as it is received within 14 ten days. Except as provided in subdivision 3, any driver who fails to produce proof of insurance as required by this section within 14 days of the demand is guilty of a misdemeanor. The peace officer may mail the citation to the address given by the driver or to the address stated on the driver's license, and such service by mail is valid notwithstanding section 629.34. It is not a defense to service that a person failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent after the 14 day period. A driver who is not the owner of the motor vehicle or motorcycle does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section. If a citation is issued, no person shall be convicted of violating this section if the court administrator receives the required proof of insurance within ten days of the issuance of the citation. If the charge is made other than by citation, no person shall be convicted of violating this section if the person presents the required proof of insurance at the person's first court appearance after the charge is made.

Subd. 3. [REQUIREMENT FOR LATER PRODUCTION OF INFORMATION BY DRIVER WHO IS NOT THE OWNER.] If the driver is not the owner of the vehicle, the driver shall, within 14 ten days of the officer's demand, provide the officer district court administrator with proof of insurance or the name and address of the owner. Any driver under this subdivision who fails to provide proof of insurance or to inform the officer of the name and address of the owner within 14 days of the officer's demand is guilty of a misdemeanor. Upon receipt of the name and address of the owner, the district court administrator shall communicate the information to the law enforcement agency.

Subd. 4. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.] If the driver is not the owner of the vehicle, the officer may send or provide a notice to the owner of the motor vehicle requiring the owner to produce proof of insurance for the vehicle that was being operated at the time of the demand. Notice by mail is presumed to be received five days after mailing and shall be sent to the owner's current address or the address listed on the owner's driver's license. Within 14 ten days after receipt of the notice, the

owner shall produce the required proof of insurance to the place stated in the notice received by the owner. The required proof of insurance may be sent by mail by the owner as long as it is received within ~~14~~ ten days. Any owner who fails to produce proof of insurance within ~~14~~ ten days of an officer's request is guilty of a misdemeanor. ~~It is an affirmative defense to a charge against the owner that the driver used the owner's vehicle without consent or misrepresented his or her insurance coverage to the owner.~~ The peace officer may mail the citation to the owner's current address or address stated on the owner's driver's license. It is an affirmative defense to a charge against the owner that the driver used the owner's vehicle without consent, if insurance would not have been required in the absence of the unauthorized use by the driver. It is not a defense that a person failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent after the ~~14-day~~ ten-day period.

Subd. 5. [EXEMPTIONS.] Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 21, are exempt from this section.

Subd. 6. [PENALTY.] ~~Any violation of this section is a misdemeanor. In addition to any sentence of imprisonment that the court may impose, the court shall impose a fine of not less than \$200 nor more than the maximum fine applicable to misdemeanors upon conviction under this section. The court may allow community service in lieu of any fine imposed if the defendant is indigent. In addition to criminal penalties, a person convicted under this section is subject to revocation of a driver's license or permit to drive under section 169.792, subdivision 7, and to revocation of motor vehicle registration under section 169.792, subdivision 12.~~

Subd. 7. [FALSE INFORMATION; PENALTY.] Any person who knowingly provides false information to an officer or district court administrator under this section is guilty of a misdemeanor.

Sec. 3. Minnesota Statutes 1990, section 169.792, is amended to read:

169.792 [REVOCATION OF LICENSE FOR FAILURE TO PRODUCE PROOF OF INSURANCE.]

Subdivision 1. [IMPLIED CONSENT.] Any driver or owner of a ~~motor~~ vehicle consents, subject to the provisions of this section and section 169.791, to the requirement of having possession of proof of insurance, and to the revocation of the person's license if the driver or owner ~~is unable to~~ does not produce the required proof of insurance within ~~14~~ ten days of an officer's demand. Any driver of a ~~motor~~ vehicle who is not the owner of the ~~motor~~ vehicle consents,

subject to the provisions of this section and section 169.791, to providing to the officer the name and address of the owner of the motor vehicle or motoreyele.

Subd. 2. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Except as provided in subdivision 3, every driver of a ~~motor~~ vehicle shall, within 14 ten days after the demand of a peace officer, produce proof of insurance in force for the vehicle that was being operated at the time of the demand, to the place stated in the notice provided by the officer the district court administrator. The required proof of insurance may be sent by the driver by mail as long as it is received within 14 ten days. A driver who is not the owner does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section, provided that the driver provides the officer with the owner's name and address at the time of the demand or complies with subdivision 3.

Subd. 3. [REQUIREMENT FOR DRIVER WHO IS NOT THE OWNER.] If the driver is not the owner of the vehicle, then the driver shall provide the officer with the name and address of the owner at the time of the demand or shall within 14 ten days of the officer's demand provide the officer district court administrator with proof of insurance or the name and address of the owner. Upon receipt of the owner's name and address, the district court administrator shall forward the information to the law enforcement agency. If the name and address received from the driver do not match information available to the district court administrator, the district court administrator shall notify the law enforcement agency of the discrepancy.

Subd. 4. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.] If the driver is not the owner of the vehicle, the officer may send or provide a notice to the owner requiring the owner to produce proof of insurance in force at the time of the demand covering the motor vehicle being operated. The notice shall be sent to the owner's current address or the address listed on the owner's driver's license. Within 14 ten days after receipt of the notice, the owner shall produce the required proof of insurance to the place stated in the notice received by the owner. Notice to the owner by mail is presumed to be received within five days after mailing. It is not a defense that a person failed to notify the department of public safety of a change of name or address as required under section 171.11.

Subd. 5. [WRITTEN NOTICE OF REVOCATION.] (a) When proof of insurance is demanded and none is in possession, the officer shall law enforcement agency may send or give the driver written notice as provided herein, unless the officer issues a citation to the driver under section 169.791 or 169.797. If the driver is not the owner and does not produce the required proof of insurance within 14 ten days

of the demand, the ~~officer~~ law enforcement agency may send or give written notice to the owner of the vehicle.

(b) Within ten days after receipt of the notice, if given, the driver or owner shall produce the required proof of insurance to the place stated in the notice. Notice to the driver or owner by mail is presumed to be received within five days after mailing. It is not a defense that a person failed to notify the department of public safety of a change of name or address as required under section 171.11.

(c) The department of public safety shall prescribe a form setting forth the written notice to be provided to the driver or owner. The department shall, upon request, provide a sample of the form to any law enforcement agency. The notice shall specify the place to which provide that the driver or owner must produce the proof of insurance to the law enforcement agency, at the place specified in the notice. The notice shall also state:

(1) that Minnesota law requires every driver and owner to produce an insurance identification card, insurance policy, or written statement indicating that the vehicle had insurance at the time of an officer's demand within 14 ten days of the demand, provided, however, that a driver who does not own the vehicle shall provide the name and address of the owner;

(2) that if the driver fails to produce the information within 14 ten days from the date of demand or if the owner fails to produce the information within 14 ten days of receipt of the notice from the peace officer, the commissioner of public safety shall revoke the person's driver's license or permit to drive, ~~or nonresident operating privileges~~ for a minimum of 30 days, and shall revoke the registration of the vehicle;

(3) that any person who displays or causes another to display an insurance identification card, insurance policy, or written statement, knowing that the insurance is not in force, is guilty of a misdemeanor; and

(4) that any person who alters or makes a fictitious identification card, insurance policy, or written statement, or knowingly displays an altered or fictitious identification card, insurance policy, or written statement, is guilty of a misdemeanor.

Subd. 6. [REPORT TO THE COMMISSIONER OF PUBLIC SAFETY.] If a driver fails to produce the required proof of insurance or name and address of the owner within 14 ten days of the demand, the ~~officer~~ district court administrator shall report the failure to the commissioner and ~~may send a written notice to the owner.~~ If the ~~an~~ owner who is not the driver fails to produce the required proof of insurance, or if a driver to whom a citation has not been issued does not provide proof of insurance or the owner's name and address,

within 14 ten days of receipt of the notice, the officer law enforcement agency shall report the failure to the commissioner. Failure to produce proof of insurance or the owner's name and address as required by this section must be reported to the commissioner promptly regardless of the status or disposition of any related criminal charges.

Subd. 7. [LICENSE REVOCATION.] Upon receiving the notification under subdivision 6 or notification of a conviction for violation of section 169.791, the commissioner shall revoke the person's driver's license or permit to drive, or nonresident operating privileges. The revocation shall be effective beginning 14 days after the date of notification by the district court administrator or officer to the department of public safety. In order to be revoked, notice must have been given or mailed to the person, as provided in this section by the commissioner at least ten days before the effective date of the revocation. If the person, before the effective date of the revocation, provides the commissioner with the proof of insurance or other verifiable insurance information as determined by the commissioner, establishing that the required insurance covered the vehicle at the time of the original demand, the revocation must not become effective. Revocation based upon receipt of a notification under subdivision 6 must be carried out regardless of the status or disposition of any related criminal charge. The person's driver's license or permit to drive, or nonresident operating privileges, shall be revoked for the longer of: (i) 30 days the period provided in section 169.797, subdivision 4, paragraph (b), including any rules adopted under that paragraph, or (ii) until the driver or owner files proof of insurance with the department of public safety satisfactory to the commissioner of public safety. A license must not be revoked more than once based upon the same demand for proof of insurance.

Subd. 7a. [EARLY REINSTATEMENT.] A person whose license or permit has been revoked under subdivision 7 may obtain a new license or permit before the expiration of the period specified in subdivision 7 if the person provides to the department of public safety proof of insurance or other verifiable insurance information as determined by the commissioner, establishing that insurance covered the vehicle at the time of the original demand and that any required insurance on any vehicle registered to the person remains in effect. The person shall pay the fee required by section 171.29, subdivision 2, paragraph (a), before reinstatement. The commissioner shall make a notation on the person's driving record indicating that the person satisfied the requirements of this subdivision. A person who knowingly provides false information for purposes of this subdivision is guilty of a misdemeanor.

Subd. 8. [ADMINISTRATIVE AND JUDICIAL REVIEW.] At any time during a period of revocation imposed under this section, a driver or owner may request in writing a review of the order of revocation by the commissioner. 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 send the results of the review in writing to the person requesting the review. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.001 to 14.69.

The availability of administrative review for an order of revocation shall have no effect upon the availability of judicial review under section 171.19.

Subd. 9. [NOTICE OF ACTION TO OTHER STATES.] When it has been finally determined that a nonresident's operating privilege in this state has been revoked or denied, the commissioner of public safety shall give information in writing of the action taken to the official in charge of traffic control or public safety of the state of the person's residence and of any state in which the person has a license.

Subd. 10. [TERMINATION OF REVOCATION PERIOD.] Before reinstatement of a driver's license or permit to drive, ~~or nonresident operating privileges,~~ the driver or owner shall produce proof of insurance, or other form of verifiable insurance information as determined by the commissioner, indicating that the driver or owner has insurance coverage satisfactory to the commissioner. The commissioner may require the insurance identification card provided to satisfy this subdivision be certified by the insurance carrier to be noncancelable for a period not to exceed 12 months. The commissioner of public safety may also require an insurance identification card to be filed with respect to any and all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been revoked as provided in this section before reinstating the person's driver's license. A person who knowingly provides false information for purposes of this subdivision is guilty of a misdemeanor.

Subd. 11. [EXEMPTIONS.] Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 21, are exempt from this section.

Subd. 12. [VEHICLE REGISTRATION REVOCATION.] If a person whose driver's license or permit is revoked under subdivision 7 is also the owner of the vehicle, the commissioner shall revoke the registration of the vehicle at the same time. If the owner of the vehicle does not have a driver's license or permit to drive, the commissioner shall revoke the registration of the vehicle. The commissioner shall reinstate registration of the vehicle only upon

receiving proof of insurance or other verifiable insurance information as determined by the commissioner, and proof of compliance with all other requirements for reinstatement of motor vehicle registration, including payment of required fees.

Sec. 4. Minnesota Statutes 1990, section 169.793, is amended to read:

169.793 [UNLAWFUL ACTS.]

Subdivision 1. [ACTS.] It shall be unlawful for any person:

(1) to issue, to display, or cause or permit to be displayed, or have in possession, an insurance identification card, policy, or written statement knowing or having reason to know that the insurance is not in force or is not in force as to the ~~motor vehicle or motorcycle~~ in question;

(2) to alter or make a fictitious insurance identification card, policy, or written statement; and

(3) to display an altered or fictitious insurance identification card, insurance policy, or written statement knowing or having reason to know that the proof has been altered or is fictitious.

Subd. 2. [PENALTY.] Any person who violates any of the provisions of subdivision 1 is guilty of a misdemeanor. In addition to any sentence of imprisonment that the court may impose, the court shall impose a fine of not less than \$200 nor more than the maximum fine applicable to misdemeanors. The court may allow community service in lieu of any fine imposed if the defendant is indigent.

Sec. 5. Minnesota Statutes 1991 Supplement, section 169.795, is amended to read:

169.795 [RULES.]

The commissioner of public safety shall adopt rules necessary to implement sections 168.041, ~~subdivisions 1a and subdivision 4;~~ 169.09, subdivision 14; and 169.791 to 169.796.

Sec. 6. Minnesota Statutes 1990, section 169.796, is amended to read:

169.796 [VERIFICATION OF INSURANCE COVERAGE.]

Subdivision 1. [RELEASE OF INFORMATION.] An insurance company shall release information to the department of public safety or the law enforcement authorities necessary to the verification of insurance coverage. An insurance company or its agent

acting on its behalf, or an authorized person who releases the above information, whether oral or written, acting in good faith, is immune from any liability, civil or criminal, arising in connection with the release of the information.

Subd. 2. [RECEIPT OF DATA BY ELECTRONIC TRANSFER.] The commissioner may, in the commissioner's discretion, agree to receive by electronic transfer any information required by this chapter to be provided to the commissioner by an insurance company.

Sec. 7. [169.797] [PENALTIES FOR FAILURE TO PROVIDE SECURITY FOR BASIC REPARATION BENEFITS.]

Subdivision 1. [TORT LIABILITY.] Every owner of a vehicle for which security has not been provided as required by section 65B.48, shall not by the provisions of this chapter be relieved of tort liability arising out of the operation, ownership, maintenance, or use of the vehicle.

Subd. 2. [VIOLATION BY OWNER.] Any owner of a vehicle with respect to which security is required under sections 65B.41 to 65B.71 who operates the vehicle or permits it to be operated upon a public highway, street, or road in this state and who knows or has reason to know that the vehicle does not have security complying with the terms of section 65B.48 is guilty of a crime and shall be sentenced as provided in subdivision 4.

Subd. 3. [VIOLATION BY DRIVER.] Any other person who operates a vehicle upon a public highway, street, or road in this state who knows or has reason to know that the owner does not have security complying with the terms of section 65B.48 in full force and effect is guilty of a crime and shall be sentenced as provided in subdivision 4.

Subd. 3a. [FALSE STATEMENTS.] Any owner of a vehicle who falsely claims to have a plan of reparation security in effect at the time of registration of a vehicle pursuant to section 65B.48 is guilty of a crime and shall be sentenced as provided in subdivision 4.

Subd. 4. [PENALTY.] (a) A person who violates this section is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.791, or a statute or ordinance in conformity with one of those sections. The operator of a vehicle who violates subdivision 3 and who causes or contributes to causing a vehicle accident that results in the death of any person or in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, is guilty of a gross misdemeanor. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross

misdemeanor violations of this section. In addition to any sentence of imprisonment that the court may impose on a person convicted of violating this section, the court shall impose a fine of not less than \$200 nor more than the maximum amount authorized by law. The court may allow community service in lieu of any fine imposed if the defendant is indigent.

(b) In addition to the criminal penalty, the driver's license of an operator convicted under this section shall be revoked for not more than 12 months. If the operator is also an owner of the vehicle, the registration of the vehicle shall also be revoked for not more than 12 months. Before reinstatement of a driver's license or registration, the operator shall file with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in this state stating that security has been provided by the operator as required by section 65B.48.

(c) The commissioner shall include a notice of the penalties contained in this section on all forms for registration of vehicles required to maintain a plan of reparation security.

Subd. 4a. [REVOCATION OF REGISTRATION AND SUSPENSION OF LICENSE.] The commissioner of public safety shall revoke the registration of any vehicle and may suspend the driver's license of any operator, without preliminary hearing upon a showing by department records, including accident reports required to be submitted by section 169.09, or other sufficient evidence that security required by section 65B.48 has not been provided and maintained. Before reinstatement of the registration, there shall be filed with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in the state stating that security has been provided as required by section 65B.48. The commissioner of public safety may require the certificate of insurance provided to satisfy this subdivision to be certified by the insurance carrier to be noncancelable for a period not to exceed one year. The commissioner of public safety may also require a certificate of insurance to be filed with respect to all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been suspended or revoked as provided in this section before reinstating the person's driver's license.

Subd. 5. [NONRESIDENTS.] When a nonresident's operating privilege is suspended pursuant to this section, the commissioner of public safety or a designee shall transmit a copy of the record of the action to the official in charge of the issuance of licenses in the state in which the nonresident resides.

Subd. 6. [LICENSE SUSPENSION.] Upon receipt of notification that the operating privilege of a resident of this state has been suspended or revoked in any other state pursuant to a law providing for its suspension or revocation for failure to deposit security for the

payment of judgments arising out of a vehicle accident, or for failure to provide security covering a vehicle if required by the laws of that state, the commissioner of public safety shall suspend the operator's license of the resident until the resident furnishes evidence of compliance with the laws of this state and if applicable the laws of the other state.

Sec. 8. [169.798] [RULES OF COMMISSIONER OF PUBLIC SAFETY.]

Subdivision 1. [AUTHORITY.] The commissioner of public safety shall have the power and perform the duties imposed by sections 65B.41 to 65B.71, this section, and sections 169.797 and 169.799, and may adopt rules to implement and provide effective administration of the provisions requiring security and governing termination of security.

Subd. 2. [EVIDENCE OF SECURITY REQUIRED.] The commissioner of public safety may by rule provide that vehicles owned by certain persons may not be registered in this state unless satisfactory evidence is furnished that security has been provided as required by section 65B.48. If a person who is required to furnish evidence ceases to maintain security, the person shall immediately surrender the registration certificate and license plates for the vehicle. These requirements may be imposed if:

(1) The registrant has not previously registered a vehicle in this state; or

(2) An owner or operator of the vehicle has previously failed to comply with the security requirements of sections 65B.41 to 65B.71 or of prior law; or

(3) The driving record of an owner or operator of the vehicle evidences a continuing disregard of the laws of this state enacted to protect the public safety; or

(4) Other circumstances indicate that action is necessary to effectuate the purposes of sections 65B.41 to 65B.71.

Subd. 3. [SECURITY NOT REQUIRED.] No owner of a boat, snowmobile, or utility trailer registered for a gross weight of 3,000 pounds or less shall be required by the commissioner of public safety to furnish evidence that the security required by section 65B.48 has been provided.

Sec. 9. [169.799] [OBLIGOR'S NOTIFICATION OF LAPSE, CANCELLATION, OR FAILURE TO RENEW POLICY OF COVERAGE.]

If the required plan of reparation security of an owner or named

insured is canceled, and notification of such fact is given to the insured as required by section 65B.19, a copy of such notice shall within 30 days after coverage has expired be sent to the commissioner of public safety. If, on or before the end of that 30-day period, the insured owner of a vehicle has not presented the commissioner of public safety or an authorized agent with evidence of required security which shall have taken effect upon the expiration of the previous coverage, or if the insured owner or registrant has not instituted an objection to the obligor's cancellation under section 65B.21, within the time limitations therein specified, the insured owner or registrant shall immediately surrender the registration certificate and vehicle license plates to the commissioner of public safety and may not operate or permit operation of the vehicle in this state until security is again provided and proof of security furnished as required by sections 65B.41 to 65B.71.

Sec. 10. Minnesota Statutes 1990, section 171.19, is amended to read:

171.19 [PETITION FOR REINSTATEMENT OF LICENSES.]

Any person whose driver's license has been refused, revoked, suspended, or canceled by the commissioner, except where the license is revoked under section 169.123, may file a petition for a hearing in the matter in the district court in the county wherein such person shall reside and, in the case of a nonresident, in the district court in any county, and such court is hereby vested with jurisdiction, and it shall be its duty, to set the matter for hearing upon 15 days' written notice to the commissioner, and thereupon to take testimony and examine into the facts of the case to determine whether the petitioner is entitled to a license or is subject to revocation, suspension, cancellation, or refusal of license, ~~under the provisions of this chapter~~, and shall render judgment accordingly. The petition shall be heard by the court without a jury and may be heard in or out of term. The commissioner may appear in person, or by agents or representatives, and may present evidence upon the hearing by affidavit personally, by agents, or by representatives. The petitioner may present evidence by affidavit, except that the petitioner must be present in person at such hearing for the purpose of cross-examination. In the event the department shall be sustained in these proceedings, the petitioner shall have no further right to make further petition to any court for the purpose of obtaining a driver's license until after the expiration of one year after the date of such hearing.

Sec. 11. Minnesota Statutes 1991 Supplement, section 171.29, subdivision 1, is amended to read:

Subdivision 1. **[EXAMINATION REQUIRED.]** No person whose driver's license has been revoked by reason of conviction, plea of guilty, or forfeiture of bail not vacated, under section 169.791,

169.797, or 171.17 or 65B.67, or revoked under section 169.123 or 169.792 shall be issued another license unless and until that person shall have successfully passed an examination as required for an initial license. This subdivision does not apply to an applicant for early reinstatement under section 169.792, subdivision 7a.

Sec. 12. Minnesota Statutes 1991 Supplement, section 171.30, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS OF ISSUANCE.] In any case where a person's license has been suspended under section 171.18 or revoked under section ~~65B.67~~, 169.121, 169.123, 169.792, 169.797, or 171.17, the commissioner may issue a limited license to the driver including under the following conditions:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a post-secondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

For purposes of this subdivision, "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior

convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

If the person's driver's license or permit to drive, ~~or nonresident operating privileges, have~~ has been revoked under section 65B.67 or 169.792, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

Sec. 13. [INSTRUCTION TO REVISOR.]

Subdivision 1. [CROSS-REFERENCES.] The revisor of statutes shall make necessary cross-reference changes in statutes and rules, consistent with the renumbering and recodification of sections 65B.67 as 169.797, 65B.68 as 169.798, and 65B.69 as 169.799.

Subd. 2. [REORDERING.] The revisor of statutes shall reorder the paragraphs of section 169.791, subdivision 1, as amended by this act, so that the definitions appear in alphabetical order. The revisor shall also make necessary cross-reference changes in statutes and rules consistent with the reordering.

Sec. 14. [REPEALER.]

Minnesota Statutes 1990, sections 65B.67; 65B.68; 65B.69; and 169.792, subdivision 9; and Minnesota Statutes 1991 Supplement, section 168.041, subdivision 1a, are repealed.

Sec. 15. [APPROPRIATION.]

\$66,000 is appropriated from the trunk highway fund to the commissioner of public safety to cover the additional expenditures required by this article, to be added to the appropriation in Laws 1991, chapter 233, section 5, subdivision 8, for fiscal year 1993.

The approved complement of the department of public safety is increased by one position.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 14 are effective January 1, 1993.

ARTICLE 15
LAW ENFORCEMENT AND
PUBLIC SAFETY

Section 1. [169.797] [CRIMINAL PENALTY FOR FAILURE TO
PRODUCE RENTAL OR LEASE AGREEMENT.]

Subdivision 1. [DEFINITION.] As used in this section:

(1) "rental or lease agreement" means a written agreement to rent or lease a motor vehicle that contains the name, address, and driver's license number of the renter or lessee; and

(2) "person" has the meaning given the term in section 645.44, subdivision 7.

Subd. 2. [REQUIREMENT.] Every person who rents or leases a motor vehicle in this state for a time period of less than 180 days shall have the rental or lease agreement covering the vehicle in possession at all times when operating the vehicle and shall produce it upon the demand of a peace officer. If the person is unable to produce the rental or lease agreement upon the demand of a peace officer, the person shall, within 14 days after the demand, produce the rental or lease agreement to the place stated in the notice provided by the peace officer. The rental or lease agreement may be mailed by the person as long as it is received within 14 days.

Subd. 3. [PENALTY.] A person who fails to produce a rental or lease agreement as required by this section is guilty of a misdemeanor. The peace officer may mail the citation to the address given by the person or to the address stated on the driver's license, and this service by mail is valid notwithstanding section 629.34. It is not a defense that the person failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent after the 14-day period.

Subd. 4. [FALSE OR FICTITIOUS RENTAL OR LEASE AGREEMENT.] It is a misdemeanor for any person to alter or make a fictitious rental or lease agreement, or to display an altered or fictitious rental or lease agreement knowing or having reason to know the agreement is altered or fictitious.

Sec. 2. Minnesota Statutes 1990, section 259.11, is amended to read:

259.11 [ORDER; FILING COPIES.]

(a) Upon meeting the requirements of section 259.10, the court shall grant the application unless it finds that there is an intent to

defraud or mislead or in the case of the change of a minor child's name, the court finds that such name change is not in the best interests of the child. The court shall set forth in the order the name and age of the applicant's spouse and each child of the applicant, if any, and shall state a description of the lands, if any, in which the applicant and the spouse and children, if any, claim to have an interest. The clerk shall file such order, and record the same in the judgment book. If lands be described therein, a certified copy of the order shall be filed for record, by the applicant, with the county recorder of each county wherein any of the same are situated. Before doing so the clerk shall present the same to the county auditor who shall enter the change of name in the auditor's official records and note upon the instrument, over an official signature, the words "change of name recorded." Any such order shall not be filed, nor any certified copy thereof be issued, until the applicant shall have paid to the county recorder and clerk the fee required by law. No application shall be denied on the basis of the marital status of the applicant.

(b) When a person applies for a name change, the court shall determine whether the person has been convicted of a felony in this or any other state. If so, the court shall, within ten days after the name change application is granted, report the name change to the bureau of criminal apprehension. The person whose name is changed shall also report the change to the bureau of criminal apprehension within ten days. The court granting the name change application must explain this reporting duty in its order. Any person required to report the person's name change to the bureau of criminal apprehension who fails to report the name change as required under this paragraph is guilty of a gross misdemeanor.

Sec. 3. Minnesota Statutes 1991 Supplement, section 481.10, is amended to read:

481.10 [CONSULTATION WITH PERSONS RESTRAINED.]

All officers or persons having in their custody a person restrained of liberty ~~upon any charge or cause alleged~~, except in cases where imminent danger of escape exists, shall admit any ~~resident~~ attorney retained by or in behalf of the person restrained, or whom the restrained person may desire to consult, to a private interview at the place of custody. Such custodians, upon request of the person restrained, as soon as practicable, and before other proceedings shall be had, shall notify ~~any the attorney residing in the county of the request for a consultation with the attorney. At all times through the period of custody, whether or not the person restrained has been charged, tried, convicted, or is serving an executed sentence,~~ reasonable telephone access to the attorney shall be provided to the person restrained at no charge to the attorney or to the person restrained. Every officer or person who shall violate any provision of this section shall be guilty of a misdemeanor and, in addition to the

punishment prescribed therefor shall forfeit \$100 to the person aggrieved, to be recovered in a civil action.

Sec. 4. Minnesota Statutes 1990, section 611.271, is amended to read:

611.271 [COPIES OF DOCUMENTS; FEES.]

The court administrators of all courts, the prosecuting attorneys of counties and municipalities, and the law enforcement agencies of the state and its political subdivisions shall furnish, upon the request of the district public defender or the state public defender, copies of any documents, including police reports, in their possession at no charge to the public defender.

Sec. 5. Minnesota Statutes 1990, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION.] Any person may apply for a pistol transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(a) The name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) The sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee; and

(c) A statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol.

The statement shall be signed by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application.

Sec. 6. Minnesota Statutes 1990, section 624.7131, subdivision 6, is amended to read:

Subd. 6. [PERMITS VALID STATEWIDE; ~~RENEWAL~~.] Transferee permits issued pursuant to this section are valid statewide and shall expire after one year. A transferee permit may be renewed in the same manner and subject to the same provisions by which the original permit was obtained, except that all renewed permits must comply with the standards adopted by the commissioner of public safety under section 624.7151. Permits issued pursuant to this

section are not transferable. A person who transfers a permit in violation of this subdivision is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1990, section 624.7132, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED INFORMATION.] Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the agreement is made or to the appropriate county sheriff if there is no such local chief of police:

(a) The name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) The sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(c) A statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol; and

(d) The address of the place of business of the transferor.

The report shall be signed by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays.

Sec. 8. Minnesota Statutes 1990, section 624.714, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] Applications for permits to carry shall set forth ~~the name, residence, date of birth, height, weight, color of eyes and hair, sex and distinguishing physical characteristics, if any, of the applicant in writing the following information:~~

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the applicant;

(2) the sex, date of birth, height, weight, and color of eyes and hair, and distinguishing physical characteristics, if any, of the applicant;

(3) a statement by the applicant that the applicant is not prohibited by section 624.713 from possessing a pistol; and

(4) a recent color photograph of the applicant.

The application shall be signed by the applicant.

Sec. 9. Minnesota Statutes 1990, section 624.714, subdivision 7, is amended to read:

Subd. 7. [RENEWAL.] Permits to carry a pistol issued pursuant to this section shall expire after one year and shall thereafter be renewed in the same manner and subject to the same provisions by which the original permit was obtained, except that all renewed permits must comply with the standards adopted by the commissioner of public safety under section 11.

Sec. 10. [624.7151] [STANDARDIZED FORMS.]

By December 1, 1992, the commissioner of public safety shall adopt statewide standards governing the form and contents, as required by sections 624.7131 to 624.714, of every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is granted or renewed on or after January 1, 1993. The adoption of these standards is not subject to the rulemaking provisions of chapter 14.

Every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is received, granted, or renewed by a police chief or county sheriff on or after January 1, 1993, must meet the statewide standards adopted by the commissioner of public safety. Notwithstanding the previous sentence, neither failure of the department of public safety to adopt standards nor failure of the police chief or county sheriff to meet them shall delay the timely processing of applications nor invalidate permits issued on other forms meeting the requirements of sections 624.7131 to 624.714.

Sec. 11. [624.7161] [FIREARMS DEALERS; CERTAIN SECURITY MEASURES REQUIRED.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given.

(b) "Firearms dealer" means a dealer federally licensed to sell pistols who operates a retail business in which pistols are sold from a permanent business location other than the dealer's home.

(c) "Small firearms dealer" means a firearms dealer who operates a retail business at which no more than 50 pistols are displayed for sale at any time.

(d) "Large firearms dealer" means a firearms dealer who operates

a retail business at which more than 50 pistols are displayed for sale at any time.

Subd. 2. [SECURITY MEASURES REQUIRED.] After business hours when the dealer's place of business is unattended, a small firearms dealer shall place all pistols that are located in the dealer's place of business in a locked safe or locked steel gun cabinet, or on a locked, hardened steel rod or cable that runs through the pistol's trigger guards. The safe, gun cabinet, rod, or cable must be anchored to prevent its removal from the premises.

Subd. 3. [SECURITY STANDARDS.] The commissioner of public safety shall adopt standards specifying minimum security requirements for small and large firearms dealers. By January 1, 1993, all firearms dealers shall comply with the standards. The standards may provide for:

(1) alarm systems for small and large firearms dealers;

(2) site hardening and other necessary and effective security measures required for large firearms dealers;

(3) a system of inspections, during normal business hours, by local law enforcement officials for compliance with the standards; and

(4) other reasonable requirements necessary and effective to reduce the risk of burglaries at firearms dealers' business establishments.

Sec. 12. Minnesota Statutes 1990, section 626.5531, subdivision 1, is amended to read:

Subdivision 1. [REPORTS REQUIRED.] A peace officer must report to the head of the officer's department every violation of chapter 609 or a local criminal ordinance if the officer has reason to believe, or if the victim alleges, that the offender was motivated to commit the act by the victim's race, religion, national origin, sex, age, disability, or characteristics identified as sexual orientation. The superintendent of the bureau of criminal apprehension shall adopt a reporting form to be used by law enforcement agencies in making the reports required under this section. The reports must include for each incident all of the following:

(1) the date of the offense;

(2) the location of the offense;

(3) whether the target of the incident is a person, private property, or public property;

- (4) the crime committed;
- (5) the type of bias and information about the offender and the victim that is relevant to that bias;
- (6) any organized group involved in the incident;
- (7) the disposition of the case; ~~and~~
- (8) whether the determination that the offense was motivated by bias was based on the officer's reasonable belief or on the victim's allegation; and
- (9) any additional information the superintendent deems necessary for the acquisition of accurate and relevant data.

Sec. 13. Minnesota Statutes 1990, section 626.843, subdivision 1, is amended to read:

Subdivision 1. [RULES REQUIRED.] The board shall adopt rules with respect to:

(a) The certification of peace officer training schools, programs, or courses including training schools for the Minnesota state patrol. Such schools, programs and courses shall include those administered by the state, county, school district, municipality, or joint or contractual combinations thereof, and shall include preparatory instruction in law enforcement and minimum basic training courses;

(b) Minimum courses of study, attendance requirements, and equipment and facilities to be required at each certified peace officers training school located within the state;

(c) Minimum qualifications for instructors at certified peace officer training schools located within this state;

(d) Minimum standards of physical, mental, and educational fitness which shall govern the recruitment and licensing of peace officers within the state, by any state, county, municipality, or joint or contractual combination thereof, including members of the Minnesota state patrol;

(e) Minimum standards of conduct which would affect the individual's performance of duties as a peace officer;

These standards shall be established and published on or before July 1, 1979.

(f) Minimum basic training which peace officers appointed to temporary or probationary terms shall complete before being eligi-

ble for permanent appointment, and the time within which such basic training must be completed following any such appointment to a temporary or probationary term;

(g) Minimum specialized training which part-time peace officers shall complete in order to be eligible for continued employment as a part-time peace officer or permanent employment as a peace officer, and the time within which the specialized training must be completed;

(h) Content of minimum basic training courses required of graduates of certified law enforcement training schools or programs. Such courses shall not duplicate the content of certified academic or general background courses completed by a student but shall concentrate on practical skills deemed essential for a peace officer. Successful completion of such a course shall be deemed satisfaction of the minimum basic training requirement;

(i) Grading, reporting, attendance and other records, and certificates of attendance or accomplishment;

(j) The procedures to be followed by a part-time peace officer for notifying the board of intent to pursue the specialized training for part-time peace officers who desire to become peace officers pursuant to clause (g), and section 626.845, subdivision 1, clause (g);

(k) The establishment and use by any political subdivision or state law enforcement agency which employs persons licensed by the board of procedures for investigation and resolution of allegations of misconduct by persons licensed by the board. The procedures shall be in writing and shall be established on or before October 1, 1984;

(l) The issues that must be considered by each political subdivision and state law enforcement agency that employs persons licensed by the board in establishing procedures under section 626.5532 to govern the conduct of peace officers who are in pursuit of a vehicle being operated in violation of section 609.487, and requirements for the training of peace officers in conducting pursuits. The adoption of specific procedures and requirements is within the authority of the political subdivision or agency; and

(m) Supervision of part-time peace officers and requirements for documentation of hours worked by a part-time peace officer who is on active duty. These rules shall be adopted by December 31, 1993; and

(n) Such other matters as may be necessary consistent with sections 626.84 to 626.855. Rules promulgated by the attorney general with respect to these matters may be continued in force by

resolution of the board if the board finds the rules to be consistent with sections 626.84 to 626.855.

Sec. 14. Minnesota Statutes 1990, section 626.8451, is amended to read:

626.8451 [TRAINING IN IDENTIFYING AND RESPONDING TO CERTAIN CRIMES MOTIVATED BY BIAS.]

Subdivision 1. [TRAINING COURSE; CRIMES MOTIVATED BY BIAS.] The board must prepare a training course to assist peace officers in identifying and responding to crimes motivated by the victim's race, religion, national origin, sex, age, disability, or characteristics identified as sexual orientation. The course must include material to help officers distinguish bias crimes from other crimes, to help officers in understanding and assisting victims of these crimes, and to ensure that bias crimes will be accurately reported as required under section 626.5531. The course must be updated periodically as the board considers appropriate.

Subd. 1a. [TRAINING COURSE; CRIMES OF VIOLENCE.] In consultation with the crime victim and witness advisory council and the school of law enforcement, the board shall prepare a training course to assist peace officers in responding to crimes of violence and to enhance peace officer sensitivity in interacting with and assisting crime victims. The course must include information about:

(1) the needs of victims of these crimes and the most effective and sensitive way to meet those needs or arrange for them to be met;

(2) the extent and causes of crimes of violence, including physical and sexual abuse, physical violence, and neglect;

(3) the identification of crimes of violence and patterns of violent behavior; and

(4) culturally responsive approaches to dealing with victims and perpetrators of violence.

Subd. 2. [PRESERVICE TRAINING REQUIREMENT.] An individual may not be licensed as a peace officer ~~after August 1, 1990,~~ unless the individual has received the training described in subdivision 1. An individual is not eligible to take the peace officer licensing examination after August 1, 1994, unless the individual has received the training described in subdivision 1a.

Subd. 3. [IN-SERVICE TRAINING; BOARD REQUIREMENTS.] The board must provide to chief law enforcement officers instructional materials patterned after the materials developed by the board under ~~subdivision~~ subdivisions 1 and 1a. These materials

must meet board requirements for continuing education credit and be updated periodically as the board considers appropriate. The board must also seek funding for an educational conference to inform and sensitize chief law enforcement officers and other interested persons to the law enforcement issues associated with bias crimes and crimes of violence. If funding is obtained, the board may sponsor the educational conference on its own or with other public or private entities.

Subd. 4. [IN-SERVICE TRAINING; CHIEF LAW ENFORCEMENT OFFICER REQUIREMENTS.] A chief law enforcement officer must inform all peace officers within the officer's agency of (1) the requirements of section 626.5531, (2) the availability of the instructional materials provided by the board under subdivision 3, and (3) the availability of continuing education credit for the completion of these materials. The chief law enforcement officer must also encourage these peace officers to review or complete the materials.

Sec. 15. Minnesota Statutes 1990, section 626.8465, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OF POWERS AND DUTIES.] No law enforcement agency shall utilize the services of a part-time peace officer unless the part-time peace officer exercises the part-time peace officer's powers and duties under the supervision, ~~directly or indirectly~~ of a licensed peace officer designated by the chief law enforcement officer. Supervision also may be via radio communications. With the consent of the county sheriff, the designated supervising officer may be a member of the county sheriff's department.

Sec. 16. [ADVISORY TASK FORCE.]

The commissioner of public safety shall appoint a task force to recommend firearms dealers' security standards as required by section 11. The task force shall consist of appropriate interested persons, including firearms dealers and crime prevention officers. The task force shall recommend standards by September 1, 1992, and the commissioner shall adopt standards by October 1, 1992.

Sec. 17. [EFFECTIVE DATE.]

Section 16 is effective the day following final enactment. Sections 1 and 2 are effective August 1, 1992, and apply to crimes committed on or after that date.

ARTICLE 16

CAMPUS SAFETY AND SECURITY

Section 1. [VIOLENCE AND SEXUAL HARASSMENT.]

Subdivision 1. [PLANS.] Each public and private post-secondary institution, as defined in Minnesota Statutes, section 136A.101, subdivision 4, shall prepare and begin to implement plans to avoid problems of violence and sexual harassment on campus. The plans shall indicate the current status of the components in subdivision 2, the means to improve that status, a timeline for implementation of the improvements, and an estimated cost of implementing each improvement.

Subd. 2. [COMPONENTS.] Each campus plan shall address at least the following components:

(1) security such as type and level of security systems on campus, including physical plant, escort services, and other human resources; and

(2) training such as programs or other efforts to provide mandatory training to faculty, staff, and students regarding campus policies and procedures relating to incidents of violence and sexual harassment and the extent and causes of violence.

Subd. 3. [IMPLEMENTATION.] Each campus shall present its plan to its governing board by November 15, 1992. Each governing board shall review the plans with campus administrators and report the plans by January 15, 1993, to the higher education coordinating board and the attorney general for review and comment. Each campus shall begin implementation of its plans following the approval of its governing board and review by the higher education coordinating board and the attorney general. Except for capital improvements, full implementation must be accomplished by the beginning of the 1994-1995 academic year.

Subd. 4. [REPORT.] The higher education coordinating board and the attorney general shall report their review and comment on the plans to the legislature by March 15, 1993.

Sec. 2. [CURRICULUM AND TRAINING ABOUT VIOLENCE AND ABUSE.]

Subdivision 1. [SURVEY OF EFFECTIVENESS OF INSTRUCTION.] The higher education coordinating board shall conduct a random survey of recent Minnesota graduates of an "eligible institution," focusing on teachers, school district administrators, school district professional support staff, child protection workers, law enforcement officers, probation officers, parole officers, lawyers,

physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse. The survey shall be designed to ascertain whether the instructional programs the graduates completed provided adequate instruction about:

(1) the extent and causes of violence and the identification of violence, which includes physical or sexual abuse or neglect, and racial or cultural violence; and

(2) culturally and historically sensitive approaches to dealing with victims and perpetrators of violence.

For the purpose of this section, "eligible institution" has the meaning given it in Minnesota Statutes, section 136A.101, subdivision 4.

Subd. 2. [CURRENT COURSE OFFERINGS.] Each public eligible institution must report, and the University of Minnesota and each private eligible institution are requested to report, to the higher education coordinating board current course offerings and special programs relating to the issues described in subdivision 1, clauses (1) and (2). At a minimum, the reports must be filed for those departments offering majors for students entering the professions described in subdivision 1.

Subd. 3. [CURRICULAR RECOMMENDATION.] The higher education coordinating board shall convene and staff meetings of the boards that license occupations listed in subdivision 1, the University of Minnesota, the technical college, community college, and state university systems, and the Minnesota private college council. The boards, the systems, and the council shall develop recommendations indicating how eligible institutions can strengthen curricula and special programs in the areas described in subdivision 1, clauses (1) and (2). The recommendations shall consider the results of the random survey required by subdivision 1, and the review of current programs required in subdivision 2. The recommendations are advisory only and are intended to assist the institutions in strengthening curricula and special programs.

Subd. 4. [REPORT TO LEGISLATURE.] By February 15, 1993, the higher education coordinating board shall report to the legislature the results of the survey required by subdivision 1, the review of current programs required by subdivision 2, and the implementation plan required by subdivision 3.

Sec. 3. [STAFF DEVELOPMENT USING TECHNOLOGY.]

The departments of education, health, human services, and ad-

ministration shall develop recommendations about improved uses of interactive television and the statewide telecommunications access routing system (STARS) to efficiently and effectively provide staff development for school district licensed and nonlicensed staff and training programs for child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse. The higher education coordinating board shall convene meetings of the departments and coordinate efforts to develop those recommendations. The recommendations shall be reported by the higher education coordinating board to the legislature by February 15, 1993.

Sec. 4. [MULTIDISCIPLINARY PROGRAM GRANTS.]

The higher education coordinating board may award grants to "eligible institutions" as defined in Minnesota Statutes, section 136A.101, subdivision 4, to provide multidisciplinary training programs that provide training about:

(1) the extent and causes of violence and the identification of violence, which includes physical or sexual abuse or neglect, and racial or cultural violence; and

(2) culturally and historically sensitive approaches to dealing with victims and perpetrators of violence.

The programs shall be multidisciplinary and include teachers, child protection workers, law enforcement officers, probation officers, parole officers, lawyers, physicians, nurses, mental health professionals, social workers, guidance counselors, and all other mental health and health care professionals who work with adult and child victims and perpetrators of violence and abuse.

ARTICLE 17

MISCELLANEOUS PROVISIONS

Section 1. Minnesota Statutes 1990, section 270A.03, subdivision 5, is amended to read:

Subd. 5. "Debt" means a legal obligation of a natural person to pay a fixed and certain amount of money, which equals or exceeds \$25 and which is due and payable to a claimant agency. The term includes criminal fines imposed under section 609.10 or 609.125 and restitution. A debt may arise under a contractual or statutory obligation, a court order, or other legal obligation, but need not have been reduced to judgment.

A debt does not include any legal obligation of a current recipient of assistance which is based on overpayment of an assistance grant.

A debt does not include any legal obligation to pay a claimant agency for medical care, including hospitalization if the income of the debtor at the time when the medical care was rendered does not exceed the following amount:

- (1) for an unmarried debtor, an income of \$6,400 or less;
- (2) for a debtor with one dependent, an income of \$8,200 or less;
- (3) for a debtor with two dependents, an income of \$9,700 or less;
- (4) for a debtor with three dependents, an income of \$11,000 or less;
- (5) for a debtor with four dependents, an income of \$11,600 or less; and
- (6) for a debtor with five or more dependents, an income of \$12,100 or less.

The income amounts in this subdivision shall be adjusted for inflation for debts incurred in calendar years 1991 and thereafter. The dollar amount of each income level that applied to debts incurred in the prior year shall be increased in the same manner as provided in section 290.06, subdivision 2d, for the expansion of the tax rate brackets.

Sec. 2. Minnesota Statutes 1990, section 485.018, subdivision 5, is amended to read:

Subd. 5. [COLLECTION OF FEES.] The court administrator of district court shall charge and collect all fees as prescribed by law and all such fees collected by the court administrator as court administrator of district court shall be paid to the county treasurer. Except for those portions of forfeited bail paid to victims pursuant to existing law, the county treasurer shall forward all revenue from fees and forfeited bail collected under chapters 357 and 574 to the state treasurer for deposit in the state treasury and credit to the general fund, unless otherwise provided in chapter 611A or other law, in the manner and at the times prescribed by the state treasurer, but not less often than once each month. If the defendant or probationer is located after forfeited bail proceeds have been forwarded to the state treasurer, the state treasurer shall reimburse the county, on request, for actual costs expended for extradition, transportation, or other costs necessary to return the defendant or probationer to the jurisdiction where the bail was posted, in an amount not more than the amount of forfeited bail. All other money

must be deposited in the county general fund unless otherwise provided by law. The court administrator of district court shall not retain any additional compensation, per diem or other emolument for services as court administrator of district court, but may receive and retain mileage and expense allowances as prescribed by law.

ARTICLE 18 APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund to the agencies and for the purposes specified in this article, to be available for the fiscal year ending June 30, 1993.

Sec. 2. CORRECTIONS

Total General Fund Appropriation	\$3,897,000
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Of this appropriation, \$15,000 is for the development of standards for electronic monitoring devices used to protect victims of domestic abuse.

Of this appropriation, \$500,000 is for battered women services, \$300,000 is for domestic abuse advocacy grants, \$400,000 is for sexual assault victim services, and \$200,000 is for crime victim center grants. Up to 2.5 percent of the funding for victim services may be used for administration of these programs.

Of this appropriation, \$250,000 is for the costs of increased supervised release efforts provided for in article 1, section 7. The complement of the department is increased by three positions for this purpose.

Of this appropriation, \$350,000 is for the costs of operating a sex offender program at the St. Cloud correctional facility and for research of the effectiveness of the program.

Of this appropriation, \$500,000 is for the costs of operating a sex offender program at Sauk Centre juvenile correctional facility and for research of the effectiveness of the program.

Of this appropriation, \$150,000 is for the costs of developing a sex offender treatment fund as provided for in article 8, section 4. The complement of the department is increased by two positions until July 1, 1993. The commissioner shall report to the legislature on the development of this program by January 15, 1993.

Sec. 3. HUMAN SERVICES

Total General Fund Appropriation	1,500,000
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Money appropriated for juvenile mental health screening projects may not be used to pay for out-of-home placement or to replace current funding for programs presently in operation.

The commissioner shall distribute the appropriation for family-based services as special incentive bonus payments under Minnesota Statutes, section 256F.05, subdivision 4a, or as family-based crisis service grants under Minnesota Statutes, section 256F.05, subdivision 8.

Of this appropriation, \$200,000 is for children's safety center demonstration projects.

Sec. 4. EDUCATION

Total General Fund Appropriation	2,250,000
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Up to \$50,000 of this appropriation may be used for administration of the programs funded in this section. The state complement of the department of education is increased by one position until July 1, 1993.

Up to \$500,000 of this appropriation is for ECFE and is added to the appropriation in Laws 1991, chapter 265, article 4, section 30, subdivision 5. In fiscal year 1993 only, a district receiving additional revenue for ECFE shall receive all the additional revenue as aid and shall not have its levy for ECFE programs adjusted for any of this additional revenue. One hundred percent of the aid appropriated must be paid in fiscal year 1993 according to the process established in Minnesota Statutes, section 124.195, subdivision 9.

One hundred percent of the aid appropriated for violence prevention education grants must be paid in fiscal year 1993 according to the process established in Minnesota Statutes, section 124.195, subdivision 9.

\$250,000 of this appropriation is to encourage the establishment of community violence prevention councils by cities, counties, and school boards. Councils shall identify community needs and resources for violence prevention and development services that address community needs related to violence prevention. One hundred percent of the aid appropriated for community violence prevention education grants must be paid in fiscal year 1993 according to the process established in Minnesota Statutes, section 124.195, subdivision 9.

Any of the funds in this section awarded to school districts but not expended in fiscal year 1993 shall be available to the award recipient in fiscal year 1994 for the same purposes and activities.

Sec. 5. PUBLIC SAFETY

Total General Fund Appropriation

1,352,000

Of this appropriation, \$60,000 is available immediately after enactment of

this act and is available for violence prevention efforts until July 1, 1993. The state complement of the department is increased by one position for the purposes of this act.

Of this appropriation, \$900,000 is to be distributed by the commissioner according to the recommendations of the chemical abuse prevention resource council for the programs described in article 10, sections 8, 9, 13, 14, 24, 26, and Minnesota Statutes, section 144.401.

Of this appropriation, \$50,000 is to award a child abuse prevention grant under article 10, section 27.

Sec. 6. HIGHER EDUCATION CO-ORDINATING BOARD

Total General Fund Appropriation	150,000
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Sec. 7. HEALTH

Total General Fund Appropriation	315,000
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The complement of the department is increased by one position until July 1, 1993, for the home health visit program.

Sec. 8. SUPREME COURT

Total General Fund Appropriation	225,000
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Sec. 9. DISTRICT COURTS

Total General Fund Appropriation	500,000
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Sec. 10. ATTORNEY GENERAL

Total General Fund Appropriation	75,000
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This appropriation is for the costs of managing psychopathic personality commitments. These funds shall not be used for cases in Hennepin and Ramsey counties.

Sec. 11. BOARD OF PUBLIC DEFENSE**Total General Fund Appropriation****800,000**

The appropriation for appellate services shall be annualized for the 1994-1995 biennium. The board's approved complement for appellate services is increased by six positions.

Sec. 12. DEPARTMENT OF JOBS AND TRAINING**Total General Fund Appropriation****1,475,000**

\$1,000,000 of this appropriation is for head start programs.

\$200,000 of this appropriation is to supplement youth employment, training, service, or leadership development programs currently funded under the federal Job Training Partnership Act.

\$275,000 of this appropriation is to supplement youth intervention programs under Minnesota Statutes, section 268.30.

Sec. 13. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to crime; antiviolence education, prevention and treatment; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder; increasing penalties for other violent crimes and crimes committed against children; increasing penalty for second degree assault resulting in substantial bodily harm; removing the limit on consecutive sentences for felonies; increasing supervision of sex offenders; requiring review of sex offenders for psychopathic personality commitment before prison release; providing a fund for sex offender treatment; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the commissioner of corrections to establish a challenge incarceration

program; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; requiring city and county attorneys to adopt a domestic abuse prosecution plan; creating a civil cause of action for minors used in a sexual performance; providing for a variety of antiviolence education, prevention, and treatment programs; requiring training of peace officers regarding crimes of violence and sensitivity to victims; creating an advisory task force on the juvenile justice system; providing for chemical dependency treatment for children, high-risk youth, and pregnant women, and women with children; providing for violence prevention training and campus safety and security; appropriating money; amending Minnesota Statutes 1990, sections 8.01; 121.882, by adding a subdivision; 127.46; 135A.15; 169.791; 169.792; 169.793; 169.796; 171.07, subdivision 1a; 171.19; 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, 3, 6, and by adding a subdivision; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 245.4871, by adding a subdivision; 253B.18, subdivision 2; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 259.11; 260.125, subdivision 3a; 260.151, subdivision 1; 260.155, subdivision 1, and by adding a subdivision; 260.161, subdivision 1, and by adding a subdivision; 260.172, subdivision 1; 260.181, by adding a subdivision; 260.185, subdivisions 1, 4, and by adding a subdivision; 260.311, by adding a subdivision; 270A.03, subdivision 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivisions 7, 13, and by adding subdivisions; 526.10; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.055; 609.10; 609.101, by adding a subdivision; 609.125; 609.135, subdivision 5, and by adding a subdivision; 609.1351; 609.1352, subdivisions 1 and 5; 609.15, subdivision 2; 609.152, subdivisions 2 and 3; 609.184, subdivisions 1 and 2; 609.185; 609.19; 609.222; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1; 609.746, subdivision 2; 609.748, subdivision 5; 611.271; 611A.03, subdivision 1; 611A.0311, subdivisions 2 and 3; 611A.034; 611A.04, subdivisions 1 and 1a; 611A.52, subdivision 6; 624.7131, subdivisions 1 and 6; 624.7132, subdivision 1; 624.714, subdivisions 3 and 7; 626.5531, subdivision 1; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; and 631.035; Minnesota Statutes 1991 Supplement, sections 8.15; 121.882, subdivision 2; 124A.29, subdivision 1, as amended; 126.70, subdivisions 1, as amended, and 2a; 168.041, subdivision 4; 169.795; 171.29, subdivision 1; 171.30, subdivision 1; 244.05, subdivision 6; 244.12, subdivision 3; 245.484; 245.4884, subdivision 1; 260.161, subdivision 3; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 2 and 2a; 299A.36; 357.021, subdivision 2; 481.10; 518B.01, subdivisions 3a, 4, 6, and 14; 609.101, subdivision 1; 609.135,

subdivision 2; 609.748, subdivisions 3 and 4; and 611A.32, subdivision 1; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapters 126; 145; 145A; 169; 241; 244; 256; 256F; 260; 299A; 299C; 480; 526; 609; 611A; 617; 624; and 629; repealing Minnesota Statutes 1990, sections 65B.67; 65B.68; 65B.69; and 169.792, subdivision 9; Minnesota Statutes 1991 Supplement, section 168.041, subdivision 1a."

We request adoption of this report and repassage of the bill.

House Conferees: KATHLEEN VELLENGA, LOREN A. SOLBERG, ART SEABERG, JEAN WAGENIUS AND THOMAS W. PUGH.

Senate Conferees: ALLAN H. SPEAR, RANDY C. KELLY, PATRICK D. MCGOWAN, JANE B. RANUM AND JOHN MARTY.

The Speaker called Krueger to the Chair.

Vellenga moved that the report of the Conference Committee on H. F. No. 1849 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1849, A bill for an act relating to crime; anti-violence education, prevention and treatment; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder; increasing penalties for other violent crimes and crimes committed against children; increasing supervision of sex offenders; providing a fund for sex offender treatment; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the commissioner of corrections to establish a "boot camp" program; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; providing for HIV testing of certain sex offenders; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; authorizing secure confinement of dangerous juvenile offenders; creating a civil cause of action for minors used in a sexual performance; providing for a variety of anti-violence education, prevention, and treatment programs; authorizing the issuance of state bonds for a variety of projects; appropriating money; amending Minnesota Statutes 1990, sections 13.87, subdivision 2; 72A.20, by adding a subdivision; 121.882, by adding a subdivision; 127.46; 135A.15; 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, 3, 6, and by adding a subdivision; 242.19, subdivision 2; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1,

3, 4, 5, and by adding subdivisions; 245.4871, by adding a subdivision; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 259.11; 260.151, subdivision 1; 260.155, subdivision 1, and by adding a subdivision; 260.172, by adding a subdivision; 260.181, by adding a subdivision; 260.185, subdivisions 1 and 4; 260.311, by adding a subdivision; 270A.03, subdivision 5; 299A.37; 299A.40, subdivision 3; 332.51, subdivisions 1 and 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivisions 7 and 13; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5, and by adding subdivisions; 609.1352, subdivisions 1 and 5; 609.152, subdivisions 2 and 3; 609.184, subdivision 2; 609.19; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1, and by adding a subdivision; 609.40, subdivision 1; 609.605, by adding a subdivision; 609.747, subdivision 2; 611A.03, subdivision 1; 611A.52, subdivision 8; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 3.873, subdivisions 1, 5, 7, and by adding a subdivision; 8.15; 121.882, subdivision 2; 124A.29, subdivision 1; 126.70, subdivisions 1 and 2a; 243.166, subdivisions 1, 2, and 3; 244.05, subdivision 6; 244.12, subdivision 3; 245.484; 245.4884, subdivision 1; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 2 and 2a; 299A.36; 518B.01, subdivisions 3a, 6, and 14; 609.135, subdivision 2; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapters 126; 145; 145A; 169; 241; 244; 256; 256F; 260; 299A; 609; 611A; 617; and 629.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

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

There being no objection, the order of business reverted to Messages from the Senate.

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. 2000, A bill for an act relating to probate; changing provisions relating to merger of trusts, certificates of trust, affidavits of trustees, and powers of attorney; amending Minnesota Statutes 1990, sections 508.62; 508A.62; 523.02; 523.03; 523.07; 523.08; 523.09; 523.11, subdivisions 1 and 2; 523.17; 523.18; 523.19; 523.21; 523.22; 523.23, subdivisions 1, 2, 3, and by adding subdivisions; 523.24, subdivisions 1, 7, 8, and 9; Minnesota Statutes 1991 Supplement, section 518.58, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapters 501B; and 523; repealing Minnesota Statutes 1990, section 523.25.

H. F. No. 2649, A bill for an act relating to real estate foreclosures; establishing a voluntary foreclosure process with waiver of deficiency claims and equity; proposing coding for new law in Minnesota Statutes, chapter 582.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 1701, A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

The Senate has appointed as such committee:

Messrs. DeCramer, Langseth and Terwilliger.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 1903, 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.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2031, A bill for an act relating to taxation; property; providing for the valuation and assessment of vacant platted property; excluding certain unimproved land sales from sales ratio studies; amending Minnesota Statutes 1990, section 124.2131, subdivision 1; Minnesota Statutes 1991 Supplement, section 273.11, subdivision 1.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2269, A bill for an act relating to metropolitan government; requiring the metropolitan airports commission to budget for noise mitigation; requiring a recommendation to the legislature; amending Minnesota Statutes 1990, section 473.661, subdivision 1, and by adding a subdivision.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2280, A bill for an act relating to state lands; authorizing a conveyance of state lands to the city of Biwabik; authorizing the private sale of certain tax-forfeited land in St. Louis county; authorizing the sale of tax-forfeited land in the city of Duluth; authorizing the sale of certain land in the Chisago county.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2586, A bill for an act providing for a study of the civic and cultural functions of downtown Saint Paul.

The Senate has repassed said bill in accordance with the recom-

mendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2608, A bill for an act relating to consumer protection; requiring certain creditors to file credit card disclosure reports with the state treasurer; providing rulemaking authority; proposing coding for new law in Minnesota Statutes, chapter 325G.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2800, A bill for an act relating to health care; providing health coverage for low-income uninsured persons; establishing statewide and regional cost containment programs; reforming requirements for health insurance companies; establishing rural health system initiatives; creating quality of care and data collection programs; revising malpractice laws; transferring authority for regulation of health maintenance organizations from the commissioner of health to the commissioner of commerce; giving the commissioner of health certain duties; creating a health care access account; imposing taxes; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, by adding a subdivision; 43A.17, subdivision 9; 43A.316, by adding subdivisions; 60B.03, subdivision 2; 60B.15; 60B.20; 62A.02, subdivisions 1, 2, 3, and by adding subdivisions; 62D.01, subdivision 2; 62D.02, subdivision 3, and by adding a subdivision; 62D.03; 62D.04; 62D.05, subdivision 6; 62D.06, subdivision 2; 62D.07, subdivisions 2, 3, and 10; 62D.08; 62D.09, subdivisions 1 and 8; 62D.10, subdivision 4; 62D.11; 62D.12, subdivisions 1, 2, and 9; 62D.121, subdivisions 2, 3a, 4, 5, and 7; 62D.14; 62D.15; 62D.16; 62D.17; 62D.18; 62D.19; 62D.20, subdivision 1; 62D.21; 62D.211; 62D.22, subdivision 10; 62D.24; and 62D.30, subdivisions 1 and 3; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 9, and by adding a subdivision; 62H.01; 136A.1355, subdivisions 2 and 3; 144.581, subdivision 1; 144.699, subdivision 2; 145.682, subdivision 4; 256.936, subdivisions

1, 2, 3, 4, and by adding subdivisions; 256B.057, by adding a subdivision; 290.01, subdivision 19b; 290.06, by adding a subdivision; 290.62; and 447.31, subdivisions 1 and 3; Minnesota Statutes 1991 Supplement, sections 62A.31, subdivision 1; 62D.122; 145.61, subdivision 5; 145.64, subdivision 2; 256.936, subdivision 5; and 297.02, subdivision 1; 297.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 43A; 62A; 62E; 62J; 136A; 137; 144; 214; 256; 256B; and 604; proposing coding for new law as Minnesota Statutes, chapter 62L; repealing Minnesota Statutes 1990, sections 43A.316, subdivisions 1, 2, 3, 4, 5, 6, 7, and 10; 62A.02, subdivisions 4 and 5; 62D.041, subdivision 4; 62D.042, subdivision 3; 62E.51; 62E.52; 62E.53; 62E.54; and 62E.55; Minnesota Statutes 1991 Supplement, section 43A.316, subdivisions 8 and 9.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate refuses to adopt the Conference Committee report on House File No. 2884, and requests that H. F. No. 2884 be returned to the Conference Committee as formerly constituted:

H. F. No. 2884, A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; and 474A.091, subdivisions 2 and 3.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

MOTION FOR RECONSIDERATION

Rest moved that the House accede to the request of the Senate regarding H. F. No. 2884, that the vote whereby the bill was repassed as amended by the Conference Committee be reconsidered, that the action whereby the bill was given a third reading be reconsidered, that the vote whereby the Conference Committee report was adopted be reconsidered, and that the bill be returned to the Conference Committee as formerly constituted. The motion prevailed.

The Speaker resumed the Chair.

Madam Speaker:

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

S. F. No. 1893.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1893, A bill for an act relating to local government; authorizing placement of community identification signs; amending fees for highway advertising devices; restricting the commissioner's authority over business zoning; amending Minnesota Statutes 1990, sections 173.08, subdivision 1; and 173.16, subdivision 5; Minnesota Statutes 1991 Supplement, section 173.13, subdivision 4.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Waltman moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1893 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Waltman moved that the Rules of the House be so far suspended that S. F. No. 1893 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1893 was read for the second time.

S. F. No. 1893, A bill for an act relating to local government; authorizing placement of community identification signs; amending fees for highway advertising devices; restricting the commissioner's authority over business zoning; amending Minnesota Statutes 1990, sections 173.08, subdivision 1; and 173.16, subdivision 5; Minnesota Statutes 1991 Supplement, section 173.13, subdivision 4.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Kinkel	Olson, E.	Smith
Anderson, I.	Frerichs	Knickerbocker	Olson, K.	Solberg
Anderson, R.	Garcia	Koppendrayner	Omann	Sparby
Anderson, R. H.	Girard	Krambeer	Onnen	Stanisus
Battaglia	Goodno	Krinkie	Orenstein	Steensma
Bauerly	Greenfield	Krueger	Orfield	Svigum
Beard	Gruenes	Lasley	Osthoff	Swenson
Begich	Gutknecht	Leppik	Ostrom	Thompson
Bertram	Hanson	Lieder	Ozment	Tompkins
Bettermann	Hartle	Limmer	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	Welker
Dauner	Jaros	Morrison	Runbeck	Welle
Davids	Jefferson	Murphy	Sarna	Wenzel
Dawkins	Jennings	Nelson, K.	Schafer	Winter
Dempsey	Johnson, A.	Nelson, S.	Schreiber	Spk. Long
Dille	Johnson, R.	Newinski	Seaberg	
Dorn	Johnson, V.	O'Connor	Segal	
Erhardt	Kalis	Ogren	Simoneau	
Farrell	Kelso	Olsen, S.	Skoglund	

Those who voted in the negative were:

Kahn Wejcman

The bill was passed and its title agreed to.

SPECIAL ORDERS

There being no objection, S. F. No. 2233, as amended, which was continued earlier today on Special Orders was again reported to the House.

MOTIONS FOR RECONSIDERATION

Rukavina moved that the action whereby S. F. No. 2233, as amended, was given its third reading be now reconsidered. The motion prevailed.

Rukavina moved that the vote whereby the Rukavina amendment to S. F. No. 2233, which was adopted earlier today on Special Orders, be now reconsidered. The motion prevailed.

S. F. No. 2233 was again reported to the House.

Rukavina withdrew his first amendment to S. F. No. 2233.

Rukavina moved to amend S. F. No. 2233, as follows:

Page 1, after line 12, insert:

“Section 1. Minnesota Statutes 1990, section 84.83, is amended by adding a subdivision to read:

Subd. 4. [PROVISIONS APPLICABLE TO FUNDING RECIPIENTS.] Recipients of Minnesota trail assistance program funds must be afforded the same protection and be held to the same standard of liability as a political subdivision under chapter 466 for activities associated with the administration, design, construction, maintenance, and grooming of snowmobile trails.”

Renumber remaining sections in sequence

Page 2, line 26, after “installed” insert “or factory specified replacement”

Page 3, line 9, delete “1 and 3” and insert “2 and 4”

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2233, A bill for an act relating to natural resources; 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; allowing towing of persons with personal watercraft equipped with rearview mirrors; amending Minnesota Statutes 1990, sections 84.87, by adding a subdivision; and 84A.55, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 86B.313, subdivision 1.

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

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Hausman	Kahn	Orfield	Skoglund	Wejcman
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The bill was passed, as amended, and its title agreed to.

S. F. No. 651, A bill for an act relating to insurance; regulating utilization review services; providing standards and procedures; regulating appeals of determinations not to certify; regulating prior authorization of services; prescribing staff and program qualifications; proposing coding for new law as Minnesota Statutes, chapter 62M.

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

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

The bill was passed and its title agreed to.

S. F. No. 2396 was reported to the House.

O'Connor moved that S. F. No. 2396 be continued on Special Orders. The motion prevailed.

S. F. No. 2509, A bill for an act relating to motor fuels; weights and measures; regulating octane and oxygenated fuels; amending Minnesota Statutes 1990, sections 41A.09, subdivision 2, and by adding a subdivision; 239.75; 239.79; 239.80; 296.01, subdivisions 1, 2, 3, 4, 4a, 4b, 15, 24, and by adding subdivisions; 296.02, subdivisions 1, 2, and 7; Minnesota Statutes 1991 Supplement, section 239.05, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, sections 239.75, subdivisions 3 and 4; 239.76, as amended; 239.79, subdivisions 1 and 2; 296.01, subdivision 2a; and 325E.09.

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

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

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

S. F. No. 1898 was reported to the House.

Hasskamp moved to amend S. F. No. 1898, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 144.413, subdivision 2, is amended to read:

Subd. 2. [PUBLIC PLACE.] "Public place" means any enclosed, indoor area used by the general public or serving as a place of work, including, but not limited to, restaurants, retail stores, offices and other commercial establishments, public conveyances, educational facilities other than public schools, as defined in section 120.05, subdivision 2, hospitals, nursing homes, auditoriums, arenas and meeting rooms, but excluding private, enclosed offices occupied exclusively by smokers even though such offices may be visited by nonsmokers.

Sec. 2. [144.4165] [TOBACCO PRODUCTS PROHIBITED IN PUBLIC SCHOOLS.]

No person shall at any time smoke or use any other tobacco product in a public school, as defined in section 120.05, subdivision 2. This prohibition extends to all facilities, whether owned, rented, or leased, all school grounds, and all vehicles that a school district owns, leases, rents, contracts for, or controls. This prohibition does not apply to a technical college.

Sec. 3. Minnesota Statutes 1990, section 144.417, subdivision 2, is amended to read:

Subd. 2. [PENALTIES.] Any person who violates section 144.414 or 144.4165 is guilty of a petty misdemeanor.

Sec. 4. Minnesota Statutes 1990, section 144.417, subdivision 3, is amended to read:

Subd. 3. [INJUNCTION.] The state commissioner of health, a board of health as defined in section 145A.02, subdivision 2, or any affected party may institute an action in any court with jurisdiction to enjoin repeated violations of section 144.416 or 144.4165.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective August 15, 1993."

Delete the title and insert:

"A bill for an act relating to education; prohibiting the use of all tobacco products in public elementary and secondary schools; amending Minnesota Statutes 1990, sections 144.413, subdivision 2; and 144.417, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 144."

The motion prevailed and the amendment was adopted.

Hasskamp moved to amend S. F. No. 1898, as amended, as follows:

Page 1, line 25, delete "all school grounds,"

The motion prevailed and the amendment was adopted.

Kahn and Hasskamp moved to amend S. F. No. 1898, as amended, as follows:

Page 1, after line 19, insert:

"Sec. 2. Minnesota Statutes 1990, section 144.414, subdivision 3, is amended to read:

Subd. 3. [HEALTH CARE FACILITIES AND CLINICS.] (a) Smoking is prohibited in any area of a hospital, health care clinic, doctor's office, or other health care-related facility, other than a nursing home, boarding care facility, or licensed residential facility, except as allowed in this subdivision.

(b) Smoking by patients in a chemical dependency treatment program or mental health program may be allowed in a separated well-ventilated area pursuant to a policy established by the administrator of the program that identifies circumstances in which

prohibiting smoking would interfere with the treatment of persons recovering from chemical dependency or mental illness.

(e) **Smoking by a patient may be allowed if authorized in writing by the patient's attending physician."**

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1898, A bill for an act relating to education; prohibiting the use of all tobacco products in public elementary and secondary schools; amending Minnesota Statutes 1990, section 144.413, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144.

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 121 yeas and 12 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.	Begich	Omann	Stanius
Anderson, R. H.	Frerichs	Rukavina	Vanasek
Bauerly	Jaros	Smith	Welker

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

S. F. No. 304 was reported to the House.

Thompson moved that S. F. No. 304 be continued on Special Orders. The motion prevailed.

H. F. No. 2042, A bill for an act relating to education; abolishing the higher education board; amending Minnesota Statutes 1991 Supplement, sections 15A.081, subdivision 7b; and 179A.10, subdivision 2; repealing Minnesota Statutes 1991 Supplement, sections 136E.01; 136E.02; 136E.03; 136E.04; and 136E.05; and Laws 1991, chapter 356, article 9, sections 8, 9, 10, 11, 12, 13, and 14.

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

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey	Haukoos	Kelso	Orenstein	Weaver
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The bill was passed and its title agreed to.

S. F. No. 1693, A bill for an act relating to crimes; providing that certain health care providers who administer medications to relieve another person's pain do not violate the law making it a crime to aid or attempt aiding suicide; authorizing certain licensure disciplinary options against physicians, physician assistants, nurses, dentists, and pharmacists who are convicted of aiding or attempting to aid suicide; amending Minnesota Statutes 1990, sections 147.091, subdivision 1; 148.261, subdivision 1; 150A.08, subdivision 1; 151.06, subdivision 1; and 609.215, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 147.

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 119 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R. H.	Dorn	Kahn	Schreiber	Simoneau
Bishop	Greenfield	Olson, K.	Segal	Wejcman

The bill was passed and its title agreed to.

S. F. No. 695, A bill for an act relating to transportation; making technical and clarifying changes; permitting a town board by resolution to take certain actions relating to abandoned roads; establishing comprehensive regulation of personal transportation service vehicles; defining terms; providing for maximum weight per inch of tire width; modifying axle weight limitations; allowing commissioner of transportation to adopt rules assessing administrative penalties for violations of special transportation service standards; providing for regulation of motor vehicles having a gross vehicle weight of 10,000 pounds or more and operated by motor carriers; requiring certain carriers to comply with rules on driver qualifications and maximum hours of service after August 1, 1994; applying federal regulations on drug testing to intrastate motor carriers; regulating transportation of hazardous materials, substances, and waste; specifying identification information required on power units; authorizing small fee for motor carrier identification stamps; regulating building movers; authorizing release of criminal history data for purposes of special transportation license endorsements; appropriating money; amending Minnesota Statutes 1990, sections 164.06; 168.011, by adding a subdivision; 169.01, subdivision 55; 169.825, subdivisions 11 and 14; 174.30, subdivision 2; 221.011, subdivisions 20, 21, 25, and by adding subdivisions; 221.021; 221.031, subdivisions 1, 2, 2a, 3, 3a, 6, and by adding subdivisions; 221.033, subdivisions 1, 2, and by adding subdivisions; 221.034, subdivisions 1 and 3; 221.035, subdivisions 1, 2, and by adding a subdivision; 221.121, subdivisions 1 and 7; 221.131, subdivisions 1, 2, and 6; 221.161, subdivision 1; 221.60, subdivision 2; 221.605, subdivision 1; and 221.81, subdivisions 2, 4, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 169.781, subdivisions 1 and 5; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 221.025; 221.091; 221.84, subdivision 2; and 364.09; proposing coding for new law in Minnesota Statutes, chapters 168; and 221.

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

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

The bill was passed and its title agreed to.

S. F. No. 2144 was reported to the House.

Lasley, Jennings and Koppendrayner offered an amendment to S. F. No. 2144.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.09 that the Lasley et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

S. F. No. 2144, A bill for an act relating to metropolitan government; authorizing the acquisition and betterment of transit facilities and equipment and providing financing for their cost; stating the intent of the legislature; requiring a report; amending Minnesota Statutes 1990, section 473.39.

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 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Bodahl	Clark
Anderson, I.	Bauerly	Bettermann	Boo	Cooper
Anderson, R.	Beard	Bishop	Carlson	Dauner
Anderson, R. H.	Begich	Blatz	Carruthers	Daids

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

Those who voted in the negative were:

Brown	Gutknecht	McPherson	Sviggun
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The bill was passed and its title agreed to.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2884

A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; and 474A.091, subdivisions 2 and 3.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 2884, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2884 be further amended as follows:

Delete everything after the enacting clause and insert:

**“ARTICLE 1
BOND ALLOCATION**

Section 1. Minnesota Statutes 1990, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$250,000,000~~ \$350,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 2. Minnesota Statutes 1991 Supplement, section 462A.073, subdivision 1, is amended to read:

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

(b) “Existing housing” means single-family housing that (i) has been previously occupied prior to the first day of the origination period; or (ii) has been available for occupancy for at least 12 months but has not been previously occupied.

(c) “Metropolitan area” means the metropolitan area as defined in section 473.121, subdivision 2.

(d) “New housing” means single-family housing that has not been previously occupied.

(e) “Origination period” means the period that loans financed with the proceeds of qualified mortgage revenue bonds are available for the purchase of single-family housing. The origination period begins when financing actually becomes available to the borrowers for loans.

(f) “Redevelopment area” means a compact and contiguous area within which the ~~agency~~ city finds by resolution that 70 percent of the parcels are occupied by buildings, streets, utilities, or other improvements and more than 25 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

(g) “Single-family housing” means dwelling units eligible to be

financed from the proceeds of qualified mortgage revenue bonds under federal law.

(h) "Structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light, ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

Sec. 3. Minnesota Statutes 1991 Supplement, section 474A.03, subdivision 4, is amended to read:

Subd. 4. [APPLICATION FEE.] Every entitlement issuer and other issuer shall pay to the commissioner a nonrefundable application fee to offset the state cost of program administration. The application fee is ~~\$100~~ \$20 for each ~~\$500,000~~ \$100,000 of entitlement or allocation requested, with the request rounded to the nearest ~~\$500,000~~ \$100,000. The minimum fee is ~~\$100~~ \$20. Fees received by the commissioner must be credited to the general fund.

Sec. 4. Minnesota Statutes 1991 Supplement, section 474A.04, subdivision 1a, is amended to read:

Subd. 1a. [ENTITLEMENT RESERVATIONS; CARRYFORWARD; DEDUCTION.] Except as provided in Laws 1987, chapter 268, article 16, section 41, subdivision 2, paragraph (a), any amount returned by an entitlement issuer before the last Monday in July shall be reallocated through the housing pool. Any amount returned on or after the last Monday in July shall be reallocated through the unified pool. An amount returned after the last Monday in November shall be reallocated to the Minnesota housing finance agency. ~~Beginning with entitlement allocations received in 1987 under Minnesota Statutes 1986, section 474A.08, subdivision 1, paragraphs (2) and (3), there shall be deducted from an entitlement issuer's allocation for the subsequent year an amount equal to the entitlement allocation under which bonds are not issued, returned on or before the last Monday in December, or carried forward under federal tax law.~~ Except for the Minnesota housing finance agency, any amount of bonding authority that an entitlement issuer carries forward under federal tax law that is not permanently issued by the end of the succeeding calendar year shall be deducted from the entitlement allocation for that entitlement issuer for the next succeeding calendar year. Any amount deducted from an entitlement issuer's allocation under this subdivision shall be divided equally for allocation through the manufacturing pool and the housing pool.

Sec. 5. Minnesota Statutes 1991 Supplement, section 474A.047, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] An issuer may only use the proceeds from residential rental bonds if the proposed project meets one of the following:

(a) The proposed project is a single room occupancy project and all the units of the project will be occupied by individuals whose incomes at the time of their initial residency in the project are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development; ~~or~~

(b) The proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and ~~(1)~~ at least one-third of the 75 percent have three or more bedrooms; or ~~(2)~~

(c) The proposed project is a multifamily project that meets the following requirements:

(i) the proposed project is the rehabilitation of an existing multifamily building which meets the requirements for minimum rehabilitation expenditures in section 42(e)(2) of the Internal Revenue Code;

(ii) the developer of the proposed project includes a managing general partner which is a nonprofit organization under chapter 317A and meets the requirements for a qualified nonprofit organization in section 42(h)(5) of the Internal Revenue Code; and

(iii) the proposed project involves participation by a local unit of government in the financing of the acquisition or rehabilitation of the project. At least 75 percent of the units of the multifamily project must be occupied by individuals or families whose incomes at the time of their initial residency in the project are 60 percent or less of the greater of the: (1) statewide median income or (2) county or metropolitan statistical area median income, adjusted for household size as determined by the federal Department of Housing and Urban Development.

The maximum rent for a proposed single room occupancy unit under paragraph (a) is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for at least 75 percent of the units of a multifamily project under paragraph (b) is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with one person per bedroom.

Sec. 6. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in July, or in the amount of two percent of the requested allocation on or after the last Monday in July, and (5) a public purpose scoring worksheet for manufacturing project applications. The issuer must pay the application deposit by a check made payable to the department of finance. The Minnesota housing finance agency ~~and~~, the Minnesota rural finance authority, and the Minnesota higher education coordinating board may apply for and receive an allocation under this section without submitting an application deposit.

(b) An entitlement issuer may not apply for an allocation from the housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6. This paragraph does not apply to an application from the Minnesota housing finance agency for an allocation under subdivision 2a for cities who choose to have the agency issue bonds on their behalf.

(c) If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.

Sec. 7. Minnesota Statutes 1991 Supplement, section 474A.061, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an allocation under this section may retain any unused portion of the allocation after the first Tuesday in August only if the issuer has submitted to the department before the first Tuesday in August a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained. Subdivision 4 applies to an allocation

made under this section. The Minnesota housing finance agency and the Minnesota rural finance authority may retain an unused portion of an allocation after the first Tuesday in August without submitting an additional deposit.

Sec. 8. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Issuers ~~other than the Minnesota rural finance authority~~ may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for manufacturing applications. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in August. Notwithstanding the restrictions imposed on unified pool allocations after September 1 under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency may be awarded allocations for mortgage bonds from the unified pool after September 1. The Minnesota housing finance agency, the Minnesota higher education coordinating board, and the Minnesota rural finance authority may apply for and receive an allocation under this section without submitting an application deposit.

Sec. 9. Minnesota Statutes 1991 Supplement, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in August through and on the last Monday in November. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

(b) On or before September 1, allocations shall be awarded from the unified pool in the following order of priority:

- (1) applications for small issue bonds;
- (2) applications for residential rental project bonds;
- (3) applications for public facility projects funded by public facility bonds;
- (4) applications for redevelopment bonds;
- (5) applications for mortgage bonds; and
- (6) applications for governmental bonds.

Allocations for residential rental projects may only be made during the first allocation in August. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority, based upon the number of points received. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first.

(c)(1) On the first Monday in August, \$5,000,000 of bonding authority is reserved within the unified pool for agricultural development bond loan projects of the Minnesota rural finance authority and \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the small issue pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the small issue pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in September, \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for both small issue bonds manufacturing projects and public facility bonds agricultural development bond loan projects, seven-eighths of the remaining

available bonding authority is reserved for small issue bonds and one-eighth of the remaining available bonding authority is reserved for public facility bonds must be distributed between the two reservations on a pro rata basis, based upon the amounts each would have received if sufficient authority was available.

(2) The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:

- (i) \$10,000,000 for any one city; or
- (ii) \$20,000,000 for any number of cities in any one county.

An allocation for mortgage bonds may be used for mortgage credit certificates.

After September 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds to finance publicly owned facility projects, and residential rental project bonds.

(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 10. [HIGHER EDUCATION COORDINATING BOARD.]

Subdivision 1. [1992 MANUFACTURING POOL RESERVATION.] On the first Monday in May of 1992, \$15,000,000 of bonding authority is reserved within the manufacturing pool and \$5,000,000 of bonding authority is reserved within the public facilities pool for student loan bonds issued by the higher education coordinating board. On the day after the last Monday in July of 1992, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the unified pool and must be reallocated as provided in Minnesota Statutes, section 474A.091. If a common pool is established as provided under section 11, any bonding authority remaining unallocated from the student loan bond reservations is transferred to the common pool on June 1, 1992.

Subd. 2. [1992 CARRYFORWARD.] Notwithstanding Minnesota Statutes, section 474A.091, subdivision 4, the commissioner of finance may allocate a portion of remaining available bonding

authority to the higher education coordinating board for student loan bonds on December 1 of 1992.

Subd. 3. [1993 UNIFIED POOL RESERVATION.] On the first Monday in August of 1993, up to \$10,000,000 of bonding authority is reserved within the unified pool for student loan bonds issued by the higher education coordinating board; provided that the total amount of the unified pool reservation authorized under this subdivision and the carryforward authorized under subdivision 2 may not exceed \$20,000,000 of bonding authority.

Sec. 11. [SUNSET OF QUALIFIED BONDS.]

Subdivision 1. [TRANSFER.] Notwithstanding Minnesota Statutes, sections 474A.061 and 474A.091, if federal tax law is not amended by May 31, 1992, to permit the issuance of tax exempt mortgage bonds or small issue bonds after June 30, 1992, any bonding authority remaining in the small issue, housing, and public facilities pools is transferred on June 1, 1992, to a common pool and is available for allocation as provided in this section. The commissioner of finance shall set aside \$30,000,000 of bonding authority from the common pool from June 1, 1992, to July 1, 1992. After July 1, the set-aside is available for allocation as provided under subdivision 2.

Subd. 2. [ALLOCATION.] For the period from June 1, 1992, through November 30, 1992, the commissioner of finance may allocate any available bonding authority in the common pool for any purpose authorized under federal tax law. The application and allocation procedures established in Minnesota Statutes, section 474A.091, and the limits on mortgage bonds established in Minnesota Statutes, section 474A.091, subdivision 3, paragraph (c)(2), apply to allocations from the common pool. The reserve and priority requirements established under Minnesota Statutes, section 474A.091, do not apply to allocations from the common pool.

Subd. 3. [CARRYFORWARD.] Notwithstanding Minnesota Statutes, section 474A.091, on December 1, 1992, the commissioner may allocate any bonding authority remaining in the common pool to any issuer authorized by federal law to carry forward bonding authority.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment.

ARTICLE 2

PUBLIC FINANCE

Section 1. Minnesota Statutes 1990, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. An employer may establish financial ability to pay compensation by: (1) providing financial statements of the employer to the commissioner of commerce; or (2) filing a surety bond or bank letter of credit with the commissioner of commerce in an amount equal to the anticipated annual compensation costs of the employer, but in no event less than \$100,000. Upon ten days' written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter, consistent with subdivision 2b. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require the treasurer to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the

commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines consistent with subdivision 2b to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation,

operation, administration, and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision.

Sec. 2. Minnesota Statutes 1990, section 176.181, is amended by adding a subdivision to read:

Subd. 2b. [ACCEPTABLE SECURITIES.] The following are acceptable securities and surety bonds for the purpose of funding self-insurance plans and group self-insurance plans:

(1) direct obligations of the United States government except mortgage-backed securities of the Government National Mortgage Association;

(2) bonds, notes, debentures, and other instruments which are obligations of agencies and instrumentalities of the United States including, but not limited to, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank, the Student Loan Marketing Association, and the Farm Credit System, and their successors, but not including collateralized mortgage obligations or mortgage pass-through instruments;

(3) bonds or securities that are issued by the state of Minnesota and that are secured by the full faith and credit of the state;

(4) certificates of deposit which are insured by the Federal Deposit Insurance Corporation and are issued by a Minnesota depository institution;

(5) obligations of, or instruments unconditionally guaranteed by, Minnesota depository institutions whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies;

(6) surety bonds issued by a corporate surety authorized by the commissioner of commerce to transact such business in the state;

(7) obligations of or instruments unconditionally guaranteed by Minnesota insurance companies, whose long-term debt rating is at least AA-, Aa3, or their equivalent, by at least two nationally recognized rating agencies and whose rating is A+ by A. M. Best, Inc.; and

(8) any guarantee from the United States government whereby the payment of the workers' compensation liability of a self-insurer is

guaranteed; and bonds which are the general obligation of the Minnesota housing finance agency.

Sec. 3. [RULE CHANGE.]

The commissioner of commerce shall amend Minnesota Rules, part 2780.0400, so that it is consistent with the changes in section 2.

Sec. 4. Minnesota Statutes 1990, section 429.091, subdivision 2, is amended to read:

Subd. 2. [TYPES OF OBLIGATIONS PERMITTED.] The council may by resolution adopted prior to the sale of obligations pledge the full faith, credit, and taxing power of the municipality for the payment of the principal and interest. Such obligations shall be called improvement bonds and the council shall pay the principal and interest out of any fund of the municipality when the amount credited to the specified fund is insufficient for the purpose and shall each year levy a sufficient amount to take care of accumulated or anticipated deficiencies, which levy shall not be subject to any statutory or charter tax limitation. Obligations for the payment of which the full faith and credit of the municipality is not pledged shall be called ~~improvement warrants~~ assessment revenue notes or, in the case of bonds for fire protection, revenue bonds and shall contain a promise to pay solely out of the proper special fund or funds pledged to their payment. It shall be the duty of the municipal treasurer to pay maturing principal and interest on warrants or revenue bonds out of funds on hand in the proper funds and not otherwise.

Sec. 5. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land ~~not that is~~ either owned by the authority for redevelopment purposes or not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes,

~~and but the contract~~ provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034 or from nongovernmental sources;

(ii) the project is either located on land that is not owned or is being acquired by the authority at the time the contract is entered into, or is owned by the authority only for development purposes, and or is not owned by the authority at the time the contract is entered into but the contract provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond in the case of a contract described in paragraph (a), clause (1).

Sec. 6. Minnesota Statutes 1991 Supplement, section 469.155, subdivision 12, is amended to read:

Subd. 12. [REFUNDING.] It may issue revenue bonds to refund, in whole or in part, bonds previously issued by the municipality or redevelopment agency under authority of sections 469.152 to 469.165, and interest on them. The municipality or redevelopment agency may issue revenue bonds to refund, in whole or in part, bonds previously issued by any other municipality or redevelopment agency on behalf of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, under authority of sections 469.152 to 469.155, and interest on them, but only with the consent of the original issuer of such bonds. The municipality or redevelopment agency may issue and sell warrants which give to their holders the right to purchase refunding bonds issuable under this subdivision prior to a stipulated date. The warrants are not required to be sold at public sale and all or any agreed portion of the proceeds of the warrants may be paid to

the contracting party under the revenue agreement required by subdivision 5 or to its designee under the conditions the municipality or redevelopment agency shall agree upon. Warrants shall not be issued which obligate a municipality or redevelopment agency to issue refunding bonds that are or will be subject to federal tax law as defined in section 474A.02, subdivision 8. The warrants may provide a stipulated exercise price or a price that depends on the tax exempt status of interest on the refunding bonds at the time of issuance. The average interest rate on refunding bonds issued upon the exercise of the warrants to refund fixed rate bonds shall not exceed the average interest rate on fixed rate bonds to be refunded. The municipality or redevelopment agency may appoint a bank or trust company to serve as agent for the warrant holders and enter into agreements deemed necessary or incidental to the issuance of the warrants.

Sec. 7. Minnesota Statutes 1991 Supplement, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, or in certificates of deposit secured by letters of credit issued by federal home loan banks,

(b) in shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose only investments are in (i) securities described in the preceding clause, (ii) general obligation tax-exempt securities rated A or better by a national bond rating service, and (iii) repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks,

(c) in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities, or (2) a general obligation of another state or local government with taxing powers which is rated A or better by a national bond rating service, or ~~(2)~~ (3) a general obligation of the Minnesota housing finance agency, or ~~(3)~~ (4) a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, or ~~(4)~~ (5) a general or revenue obligation of any agency or authority of the state of Minnesota other than a general obligation of the Minnesota housing finance agency; ~~provided that~~ Investments under clauses ~~(2)~~ (3) and

(3) (4) must be in obligations that are rated A or better by a national bond rating service and ~~provided that~~ investments under clause (4) (5) must be in obligations that are rated AA or better by a national bond rating service,

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System,

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less, or

(f) in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with the senior unsecured debt obligations of the issuer or guarantor and, (1) in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis or a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 3 are effective March 1, 1993. Sections 4 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public finance; changing procedures for allocating bonding authority; defining acceptable securities for use by self-insurers for workers' compensation; providing an exemption from competitive bidding for certain HRA projects; correcting and clarifying provisions relating to public obligations; amending Minnesota Statutes 1990, sections 136A.29, subdivision 9; 176.181, subdivision 2, and by adding a subdivision; 429.091, subdivision 2; 469.015, subdivision 4; Minnesota Statutes 1991 Supplement, 462A.073, subdivision 1; 469.155, subdivision 12; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.047, subdivision 1; 474A.061, subdivisions 1 and 3; 474A.091, subdivisions 2 and 3; and 475.66, subdivision 3."

We request adoption of this report and repassage of the bill.

House Conferees: ANN H. REST, JOHN J. SARNA AND JERRY J. BAUERLY.

Senate Conferees: LAWRENCE J. POGEMILLER, EMBER D. REICHGOTT AND LEROY A. STUMPF.

Rest moved that the report of the Conference Committee on H. F. No. 2884 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2884, A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; and 474A.091, subdivisions 2 and 3.

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 133 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bishop	Carlson	Dauids
Anderson, I.	Beard	Blatz	Carruthers	Dawkins
Anderson, R.	Begich	Bodahl	Clark	Dille
Anderson, R. H.	Bertram	Boo	Cooper	Dorn
Battaglia	Bettermann	Brown	Dauner	Erhardt

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

Those who voted in the negative were:

Dempsey

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 155

A bill for an act relating to traffic regulations; authorizing immediate towing of certain unlawfully parked vehicles; amending Minnesota Statutes 1990, section 169.041, subdivision 4.

April 13, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 155, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H. F. No. 155 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 169.041, subdivision 4, is amended to read:

Subd. 4. [TOWING ALLOWED.] A towing authority may tow a motor vehicle without regard to the four-hour waiting period if:

(1) the vehicle is parked in violation of snow emergency regulations;

(2) the vehicle is parked in a rush-hour restricted parking area;

(3) the vehicle is blocking a driveway, alley, or fire hydrant;

(4) the vehicle is parked in a bus lane ~~where~~, or at a bus stop,
during hours when parking is prohibited;

(5) the vehicle is parked within 30 feet of a stop sign and visually blocking the stop sign;

(6) the vehicle is parked in a handicap transfer zone or handicapped parking space without a handicapped parking certificate or handicapped license plates;

(7) the vehicle is parked in an area that has been posted for temporary restricted parking at least 24 hours in advance;

(8) the vehicle is parked within the right-of-way of a controlled access highway or within the traveled portion of a public street when travel is allowed there;

(9) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by fire, police, public safety, or emergency vehicles;

(10) the vehicle is unlawfully parked on property at the Minneapolis-St. Paul International Airport owned by the metropolitan airports commission;

(11) a law enforcement official has probable cause to believe that the vehicle is stolen, or that the vehicle constitutes or contains evidence of a crime and impoundment is reasonably necessary to obtain or preserve the evidence;

(12) the driver, operator, or person in physical control of the vehicle is taken into custody and the vehicle is impounded for safekeeping;

(13) a law enforcement official has probable cause to believe that the owner, operator, or person in physical control of the vehicle has failed to respond to five or more citations for parking or traffic offenses; ~~or~~

(14) the vehicle is unlawfully parked in a zone that is restricted by posted signs to use by taxicabs;

(15) the vehicle is unlawfully parked and prevents egress by a lawfully parked vehicle; or

(16) the vehicle is parked, on a school day during prohibited hours, in a school zone on a public street where official signs prohibit parking."

Delete the title and insert:

"A bill for an act relating to traffic regulations; authorizing immediate towing of certain unlawfully parked vehicles; amending Minnesota Statutes 1990, section 169.041, subdivision 4."

We request adoption of this report and repassage of the bill.

House Conferees: DAVE BISHOP, JEAN D. WAGENIUS AND HENRY J. KALIS.

Senate Conferees: NANCY BRATAAS AND CAROL FLYNN.

Bishop moved that the report of the Conference Committee on H. F. No. 155 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 155, A bill for an act relating to traffic regulations; authorizing immediate towing of certain unlawfully parked vehicles; amending Minnesota Statutes 1990, section 169.041, subdivision 4.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 1701

A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

April 16, 1992

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H. F. No. 1701, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1701 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) The following vehicles are exempt from the

provisions of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision;

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions;

(3) vehicles used solely in driver education programs at nonpublic high schools;

(4) vehicles owned by nonprofit charities and used exclusively to transport disabled persons for educational purposes;

(5) vehicles owned and used by honorary consul or consul general of foreign governments; and

(6) ambulances owned by ambulance services licensed under section 144.802, the general appearance of which is unmistakable.

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work and arson investigations, and passenger automobiles, pickup trucks, and buses owned or operated by the department of corrections shall be registered and shall display appropriate license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) Unmarked vehicles used by the department of revenue in conducting seizures or criminal investigations must be registered and must display passenger vehicle classification license number plates which shall be furnished at cost by the registrar. Original and renewal applications for these passenger vehicle license plates must be accompanied by a certification signed by the commissioner of

revenue. The certification must be on a form prescribed by the commissioner and state that the vehicles will be used exclusively for the purposes authorized by this section.

(e) All other motor vehicles shall be registered and display tax-exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates shall have the name of the state department or political subdivision, or the nonpublic high school operating a driver education program, on the vehicle plainly displayed on both sides thereof in letters not less than 2-1/2 inches high and one-half inch wide; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required identification on the sides of the vehicle, and county social service agencies may have vehicles used for child and vulnerable adult protective services without the required identification on the sides of the vehicle. Such identification shall be in a color giving contrast with that of the part of the vehicle on which it is placed and shall endure throughout the term of the registration. The identification must not be on a removable plate or placard and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program.

Sec. 2. Minnesota Statutes 1990, section 168.012, is amended by adding a subdivision to read:

Subd. 12. [FEES CREDITED TO HIGHWAY USER FUND.] Administrative fees and fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 3. Minnesota Statutes 1991 Supplement, section 168.041, is amended by adding a subdivision to read:

Subd. 11. [FEES CREDITED TO HIGHWAY USER FUND.] Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 4. Minnesota Statutes 1990, section 168.042, is amended by adding a subdivision to read:

Subd. 15. [FEES CREDITED TO HIGHWAY USER FUND.] Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 5. Minnesota Statutes 1991 Supplement, section 168.10, subdivision 1b, is amended to read:

Subd. 1b. [COLLECTOR'S VEHICLE, CLASSIC CAR LICENSE.] Any motor vehicle manufactured between and including the years 1925 and 1948, and designated by the registrar of motor vehicles as a classic car because of its fine design, high engineering standards, and superior workmanship, and owned and operated solely as a collector's item shall be listed for taxation and registration as follows: An affidavit shall be executed stating the name and address of the owner, the name and address of the person from whom purchased, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. If the registrar is satisfied that the affidavit is true and correct and that the motor vehicle qualifies to be classified as a classic car, and the owner pays a \$25 tax, the registrar shall list such vehicle for taxation and registration and shall issue number plates.

The number plates so issued shall bear the inscription "Classic Car," "Minnesota," and the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but no date. The number plates are valid without renewal as long as the vehicle is in existence and shall be issued for the applicant's use only for such vehicle. The registrar has the power to revoke said plates for failure to comply with this subdivision.

The following cars built between and including 1925 and 1948 are classic:

A.C. Adler Alfa Romeo Alvis Amilcar Aston Martin Auburn	Speed 20, 25, and 4.3 litre. All 8-cylinder and 12-cylinder models.
Audi Austro-Daimler Avions Voisin 12 Bentley Blackhawk B.M.W. Brewster (Heart-front Ford) Bugatti Buick	Models 327, 328, and 335 only. 1931 through 1942: series 90 only.

Cadillac	<p>All 1925 through 1935. <u>All 12's and 16's.</u> <u>1936-1948: Series 63, 65, 67, 70,</u> <u>72, 75, 80, 85 and 90 only.</u> <u>1938-1941 1938-1947: 60 special only.</u> <u>1940-1947: All 62 Series.</u></p>
Chrysler	<p>1926 through 1930: Imperial 80. 1929: Imperial L. 1931: Imperial 8 Series CG. 1932: Series CG, CH and CL. 1933: Series CL. 1934: Series CW. 1935: Series CW. 1931 through 1937: Imperial Series CG, CH, CL, and CW. All Newport and Thunderbolts. 1934 CX. 1935 C-3. 1936 C-11. 1937 through 1948: Custom Imperial, Crown Imperial Series C-15, C-20, C-24, C-27, C-33, C-37, and C-40.</p>
Cord	
Cunningham	
Dagmar	Model 25-70 only.
Daimler	
Delage	
Delahaye	
Doble	
Dorris	
Duesenberg	
du Pont	
Franklin	All models except 1933-34 Olympic Sixes.
Frazer Nash	
Graham	1930-1931: Series 137.
Graham-Paige	1929-1930: Series 837.
Hispano Suiza	
Horch	
Hotchkiss	
Invicta	
Isotta Fraschini	
Jaguar	
Jordan	Speedway Series 'Z' only.
Kissel	<p>1925, 1926 and 1927: Model 8-75. 1928: Model 8-90, and 8-90 White Eagle. 1929: Model 8-126, and 8-90 White Eagle. 1930: Model 8-126.</p>

	1931: Model 8-126.
Lagonda Lancia La Salle Lincoln	1927 through 1933 only. All models K, L, KA, and KB. 1941: Model 168H. 1942: Model 268H.
Lincoln Continental Locomobile	1939 through 1948. All models 48 and 90. 1927: Model 8-80. 1928: Model 8-80. 1929: Models 8-80 and 8-88. All 16-cylinder models. 1925: Model 74. 1926: Model 74. 1927: Model 75. 1928: Model E75. 1930: Big 8 model. 1931: Model 88, and Big 8.
Marmon	
Maybach McFarlan Mercedes Benz Mercer M.G. Minerva Nash	All models 2.2 litres and up. 6-cylinder models only. <u>1931: Series 8-90.</u> <u>1932: Series 9-90,</u> <u>Advanced 8, and Ambassador 8.</u> <u>1933-1934: Ambassador 8.</u>
Packard	1925 through 1934: All models. 1935 through 1942: Models 1200, 1201, 1202, 1203, 1204, 1205, 1207, 1208, 1400, 1401, 1402, 1403, 1404, 1405, 1407, 1408, 1500, 1501, 1502, 1506, 1507, 1508, 1603, 1604, 1605, 1607, 1608, 1705, 1707, 1708, 1806, 1807, 1808, 1906, 1907, 1908, 2006, 2007, and 2008 only. 1946 and 1947: Models 2106 and 2126 only.
Peerless	1926 through 1928: Series 69. 1930-1931: Custom 8. 1932: Deluxe Custom 8.
Pierce Arrow Railton Renault Reo	Grand Sport model only. 1930-1931: Royale Custom 8, and Series 8-35 and 8-52 Elite 8. 1933: Royale Custom 8.
Revere Roamer	1925: Series 8-88, 6-54e, and 4-75. 1926: Series 4-75e, and 8-88.

1927-1928: Series 8-88.
 1929: Series 8-88, and 8-125.
 1930: Series 8-125.

Rohr
 Rolls Royce
 Ruxton
 Salmson
 Squire
 Stearns Knight
 Stevens Duryea
 Steyr
Studebaker

1929-1933: President,
except model 82.

Stutz
 Sunbeam
 Talbot
Triumph
Vauxhall
Voisin
Wills Saint Claire

Dolomite 8 and Gloria 6.
Series 25-70 and 30-98 only.

No commercial vehicles such as hearses, ambulances, or trucks are considered to be classic cars.

Sec. 6. Minnesota Statutes 1990, section 168.12, subdivision 2, is amended to read:

Subd. 2. [AMATEUR RADIO STATION LICENSEE; SPECIAL LICENSE PLATES.] Any applicant who is an owner or joint owner of a passenger automobile, van or pickup truck, or a self-propelled recreational vehicle, and a resident of this state, and who holds an official amateur radio station license, or a citizens radio service class D license, in good standing, issued by the Federal Communications Commission shall upon compliance with all laws of this state relating to registration and the licensing of motor vehicles and drivers, be furnished with license plates for the motor vehicle, as prescribed by law, upon which, in lieu of the numbers required for identification under subdivision 1, shall be inscribed the official amateur call letters of the applicant, as assigned by the Federal Communications Commission. The applicant shall pay in addition to the registration tax required by law, the sum of \$10 for the special license plates, and at the time of delivery of the special license plates the applicant shall surrender to the registrar the current license plates issued for the motor vehicle. This provision for the issue of special license plates shall apply only if the applicant's vehicle is already registered in Minnesota so that the applicant has valid regular Minnesota plates issued for that vehicle under which to operate it during the time that it will take to have the necessary special license plates made. If owning or jointly owning more than one motor vehicle of the type specified in this subdivision, the applicant may apply for special plates for each of not more than two

vehicles, and, if each application complies with this subdivision, the registrar shall furnish the applicant with the special plates, inscribed with the official amateur call letters and other distinguishing information as the registrar considers necessary, for each of the two vehicles. And the registrar may make reasonable rules governing the use of the special license plates as will assure the full compliance by the owner and holder of the special plates, with all existing laws governing the registration of motor vehicles, the transfer and the use thereof.

Despite any contrary provision of subdivision 1, the special license plates issued under this subdivision may be transferred to another motor vehicle upon the payment of a fee of \$5. ~~The fee must be paid into the state treasury and credited to the highway user tax distribution fund.~~ The registrar must be notified of the transfer and may prescribe a form for the notification.

Fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 7. Minnesota Statutes 1990, section 168.12, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL FEE.] In addition to any fee otherwise authorized or any tax otherwise imposed upon any motor vehicle, the payment of which is required as a condition to the issuance of any number license plate or plates, the commissioner of public safety may impose a fee of \$2 for a that is calculated to cover the cost of manufacturing and issuing the license plate for a ~~motorcycle, motorized bicycle, or motorized sidecar, and \$2 for license or plates, other than except for license plates issued to disabled veterans as defined in section 168.031 and license plates issued pursuant to section 168.124 or 168.27, subdivisions 16 and 17, for passenger automobiles. Graphic design license plates shall only be issued for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.~~

Fees collected under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 8. Minnesota Statutes 1990, section 168.128, is amended by adding a subdivision to read:

Subd. 4. [FEES CREDITED TO HIGHWAY USER FUND.] Fees collected from the sale of license plates under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 9. Minnesota Statutes 1990, section 168.187, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS.] ~~The commission may,~~ Subject to agreements or arrangements made or entered into pursuant to subdivision 7, the commissioner may issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 120 hours in compliance with rules promulgated pursuant to subdivision 23 and upon payment of a fee of \$15.

Sec. 10. Minnesota Statutes 1990, section 168.187, subdivision 26, is amended to read:

Subd. 26. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section and section ~~296.17, subdivision 9a,~~ 3 is delinquent in either ~~the filing or payment of paying~~ the international fuel tax agreement reports for more than 30 days, or ~~the payment of paying~~ the international registration plan billing for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Sec. 11. Minnesota Statutes 1990, section 168.29, is amended to read:

168.29 [DUPLICATE REPLACEMENT PLATES.]

In the event of the defacement, loss or destruction of any number plates or validation stickers, the registrar, upon receiving and filing a sworn statement of the vehicle owner, setting forth the circumstances of the defacement, loss, destruction or theft of the number plates or validation stickers, together with any defaced plates or stickers and the payment of ~~the a fee of \$5 calculated to cover the cost of replacement,~~ shall issue a new set of plates, except for duplicate personalized license plates provided for in section 168.12, subdivision 2a. ~~The registrar shall impose a fee to replace personalized plates not to exceed the actual cost of producing the plates or stickers.~~

The registrar shall then note on the registrar's records the issue of ~~such~~ new number plates and shall proceed in such manner as the registrar may deem advisable to cancel and call in the original plates so as to insure against their use on another motor vehicle.

Duplicate registration certificates plainly marked as duplicates may be issued in like cases upon the payment of a \$1 fee.

Fees collected under this section must be paid into the state treasury and credited to the highway user tax distribution fund.

Sec. 12. Minnesota Statutes 1990, section 169.67, subdivision 1, is amended to read:

Subdivision 1. [MOTOR VEHICLES.] Every motor vehicle, other than a motorcycle, when operated upon a highway, shall be equipped with brakes adequate to control the movement of and to stop and hold such vehicle, including two separate means of applying the brakes, each of which means shall be effective to apply the brakes to at least two wheels. If these two separate means of applying the brakes are connected in any way, they shall be so constructed that failure of any one part of the operating mechanism shall not leave the motor vehicle without brakes on at least two wheels. The requirement in this subdivision for separate braking systems does not apply to a commercial motor vehicle described in section 169.781, subdivision 5, paragraph (d).

Sec. 13. Minnesota Statutes 1991 Supplement, section 169.781, subdivision 5, is amended to read:

Subd. 5. [INSPECTION DECALS.] (a) A person inspecting a commercial motor vehicle shall issue an inspection decal for the vehicle if each inspected component of the vehicle complies with federal motor carrier safety regulations. The decal must state that in the month specified on the decal the vehicle was inspected and each inspected component complied with federal motor carrier safety regulations. The decal is valid for 12 months after the month specified on the decal. The commissioners of public safety and transportation shall make decals available, at a fee of not more than \$2 for each decal, to persons certified to perform inspections under subdivision 3, paragraph (b).

(b) Minnesota inspection decals may be affixed only to commercial motor vehicles bearing Minnesota-based license plates.

(c) Notwithstanding paragraph (a), a person inspecting (1) a vehicle of less than 57,000 pounds gross vehicle weight and registered as a farm truck, ~~or~~ (2) a storage semitrailer, or (3) a building mover vehicle must issue an inspection decal to the vehicle unless the vehicle has one or more defects that would result in the vehicle being declared out of service under the North American Uniform Driver, Vehicle, and Hazardous Materials Out-of-Service Criteria issued by the federal highway administration and the commercial motor vehicle safety alliance. A decal issued to a vehicle described in clause (1) ~~or~~, (2), or (3) is valid for two years from the date of issuance. A decal issued to such a vehicle must clearly indicate that it is valid for two years from the date of issuance.

(d) Notwithstanding paragraph (a), a commercial motor vehicle that (1) is registered as a farm truck, (2) is not operated more than 75 miles from the owner's home post office, and (3) was manufactured before 1979 that has a dual transmission system, is not required to comply with a requirement in an inspection standard that requires that the service brake system and parking brake system be separate systems in the motor vehicle.

Sec. 14. Minnesota Statutes 1990, section 171.02, is amended by adding a subdivision to read:

Subd. 2a. [RESTRICTED COMMERCIAL DRIVERS' LICENSES.] (a) The commissioner may issue restricted commercial drivers' licenses and take the following actions to the extent that the actions are authorized by regulation of the United States Department of Transportation entitled "waiver for farm-related service industries" as published in the Federal Register, April 17, 1992:

(1) prescribe examination requirements and other qualifications for the license;

(2) prescribe classes of vehicles that may be operated by holders of the license;

(3) specify commercial motor vehicle operation that is authorized by the license, and prohibit other commercial vehicle operation by holders of the license; and

(4) prescribe the period of time during which the license is valid.

(b) Restricted commercial drivers' licenses are subject to sections 171.165 and 171.166 in the same manner as other commercial drivers' licenses.

(c) Actions of the commissioner under this subdivision are not subject to sections 14.05 to 14.47 of the administrative procedure act.

Sec. 15. Minnesota Statutes 1991 Supplement, section 171.07, subdivision 3, is amended to read:

Subd. 3. [IDENTIFICATION CARD; FEE.] Upon payment of the required fee, the department shall issue to every applicant therefor a Minnesota identification card. The department may not issue a Minnesota identification card to a person who has a driver's license, other than an instruction permit or a limited license. The card must bear a distinguishing number assigned to the applicant, a colored photograph or an electronically produced image, the full name, date of birth, residence address, a description of the applicant in the manner as the commissioner deems necessary, and a space upon which the applicant shall write the usual signature and the date of birth of the applicant with pen and ink.

Each Minnesota identification card must be plainly marked "Minnesota identification card – not a driver's license."

The fee for a Minnesota identification card issued to a person who is mentally retarded, as defined in section 252A.02, subdivision 2, or

to a physically disabled person, as defined in section 169.345, subdivision 2, is 50 cents.

Sec. 16. Minnesota Statutes 1990, section 222.50, subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track; or

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A;

(f) To pay for the maintenance of rail lines and rights-of-way acquired for the state rail bank under section 222.63, subdivision 2c; and

(g) To pay the state matching portion of federal grants for rail-highway grade crossing improvement projects.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 17. Minnesota Statutes 1990, section 222.63, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] A state rail bank shall be established for the acquisition and preservation of abandoned rail lines and ~~right-of-way rights-of-way, and of rail lines and rights-of-way proposed for abandonment in a railroad company's system diagram map, for~~ future public use including trail use, or for disposition for commer-

cial use in serving the public, by providing transportation of persons or freight or transmission of energy, fuel, or other commodities. Abandoned rail lines and rights-of-way may be acquired for trail use by another state agency or department or by a political subdivision only if (1) no future commercial transportation use is identified by the commissioner, and (2) the commissioner and the owner of the abandoned rail line have not entered into or are not conducting good-faith negotiations for acquisition of the property.

Sec. 18. Minnesota Statutes 1990, section 222.63, subdivision 2a, is amended to read:

Subd. 2a. [ACQUISITION.] The commissioner of transportation may acquire by purchase all or part of any abandoned rail line or right-of-way or rail line or right-of-way proposed for abandonment in a railroad company's system diagram map which is necessary for preservation in the state rail bank to meet the future public and commercial transportation and transmission needs of the state. The commissioner shall not may acquire any by eminent domain under chapter 117 an interest in ~~an~~ abandoned rail line ~~lines or right-of-way for inclusion in the state rail bank rights-of-way except that the commissioner may not acquire by eminent domain except to quiet title or when all owners as defined in section 117.025 that are known to the court have no objection to the taking rail lines or rights-of-way that are not abandoned or are owned by a political subdivision of the state or by another state. All property taken by exercise of the power of eminent domain under this subdivision is declared to be taken for a public governmental purpose and as a matter of public necessity.~~

Sec. 19. Minnesota Statutes 1990, section 222.63, subdivision 4, is amended to read:

Subd. 4. [DISPOSITION PERMITTED.] The commissioner may lease any rail line or right-of-way held in the state rail bank or enter into an agreement with any person for the operation of any rail line or right-of-way for any of the purposes set forth in subdivision 2 in accordance with a fee schedule to be developed by the commissioner ~~in consultation with the advisory task force established in section 222.65.~~ The commissioner may after consultation convey any rail line or right-of-way, for consideration or for no consideration and upon other terms as the commissioner may determine to be in the public interest, to any other state agency or to a governmental subdivision of the state having power by law to utilize it for any of the purposes set forth in subdivision 2.

Sec. 20. [296.171] [FUEL TAX COMPACTS.]

Subdivision 1. [AUTHORITY.] The commissioner of public safety has the powers granted to the commissioner of revenue under section 296.17. The commissioner of public safety may enter into an agreement or arrangement with the duly authorized representative

of another state or make an independent declaration, granting to owners of vehicles properly registered or licensed in another state, benefits, privileges, and exemptions from paying, wholly or partially, fuel taxes, fees, or other charges imposed for operating the vehicles under the laws of Minnesota. The agreement, arrangement, or declaration may impose terms and conditions not inconsistent with Minnesota laws.

Subd. 2. [RECIPROCAL PRIVILEGES AND TREATMENT.] An agreement or arrangement must be in writing and provide that when a vehicle properly licensed for fuel in Minnesota is operated on highways of the other state, it must receive exemptions, benefits, and privileges of a similar kind or to a similar degree as are extended to a vehicle properly licensed for fuel in that state, when operated in Minnesota. A declaration must be in writing and must contemplate and provide for mutual benefits, reciprocal privileges, or equitable treatment of the owner of a vehicle registered for fuel in Minnesota and the other state. In the judgment of the commissioner of public safety, an agreement, arrangement, or declaration must be in the best interest of Minnesota and its citizens and must be fair and equitable regarding the benefits that the agreement brings to the economy of Minnesota.

Subd. 3. [COMPLIANCE WITH MINNESOTA LAWS.] Agreements, arrangements, and declarations made under authority of this section must contain a provision specifying that no fuel license, or exemption issued or accruing under the license, excuses the operator or owner of a vehicle from compliance with Minnesota laws.

Subd. 4. [EXCHANGES OF INFORMATION.] The commissioner of public safety may make arrangements or agreements with other states to exchange information for audit and enforcement activities in connection with fuel tax licensing. The filing of fuel tax returns under this section is subject to the rights, terms, and conditions granted or contained in the applicable agreement or arrangement made by the commissioner under the authority of this section.

Subd. 5. [BASE STATE FUEL COMPACT.] The commissioner of public safety may ratify and effectuate the international fuel tax agreement or other fuel tax agreement. The commissioner's authority includes, but is not limited to, collecting fuel taxes due, issuing fuel licenses, issuing refunds, conducting audits, assessing penalties and interest, issuing fuel trip permits, issuing decals, and suspending or denying licensing.

Subd. 6. [MINNESOTA-BASED INTERSTATE CARRIERS.] Notwithstanding the exemption contained in section 296.17, subdivision 9, as the commissioner of public safety enters into interstate fuel tax compacts requiring base state licensing and filing and eliminating filing in the nonresident compact states, the Minnesota-

based motor vehicles registered under section 168.187 will be required to license under the fuel tax compact in Minnesota.

Subd. 7. [DELINQUENT FILING OR PAYMENT.] If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the fleet owner, after ten days' written notice, is subject to suspension of the apportioned license plates and the international fuel tax agreement license.

Subd. 8. [TRANSFERRING FUNDS TO PAY DELINQUENT FEES.] If a fleet owner licensed under this section is delinquent in either filing or paying the international fuel tax agreement reports for more than 30 days, or paying the international registration plan billing under section 168.187 for more than 30 days, the commissioner may authorize any credit in either the international fuel tax agreement account or the international registration plan account to be used to offset the liability in either the international registration plan account or the international fuel tax agreement account.

Subd. 9. [FUEL COMPACT FEES.] License fees paid to the commissioner of public safety under the international fuel tax agreement must be deposited in the highway user tax distribution fund. The commissioner shall charge the fuel license fee of \$30 established under section 296.17, subdivision 10, in annual installments of \$15 and an annual application filing fee of \$13 for quarterly reporting of fuel tax.

Subd. 10. [FUEL DECAL FEES.] The commissioner of public safety may issue and require the display of a decal or other identification to show compliance with subdivision 5. The commissioner may charge a fee to cover the cost of issuing the decal or other identification. Decal fees paid to the commissioner under this subdivision must be deposited in the highway user tax distribution fund.

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, sections 222.63, subdivision 5; and 296.17, subdivision 9a, are repealed."

Delete the title and insert:

"A bill for an act relating to transportation; exempting certain vehicles of county social services agencies from the requirement to display identification; authorizing issuance of restricted commercial

drivers' licenses; crediting license plate fees to highway uses tax distribution; updating collector vehicle list for vehicle registration purposes; exempting certain farm trucks from requirement for separate braking systems; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; authorizing fuel tax compacts; providing for fees; amending Minnesota Statutes 1990, sections 168.012, subdivision 1, and by adding a subdivision; 168.042, by adding a subdivision; 168.12, subdivisions 2 and 5; 168.128, by adding a subdivision; 168.187, subdivisions 17 and 26; 168.29; 169.67, subdivision 1; 171.02, by adding a subdivision; 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; Minnesota Statutes 1991 Supplement, sections 168.041, by adding a subdivision; 168.10, subdivision 1b; 169.781, subdivision 5; 171.07, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 296; repealing Minnesota Statutes 1990, sections 222.63, subdivision 5; and 296.17, subdivision 9a."

We request adoption of this report and repassage of the bill.

House Conferees: ANDY STEENSMA, JAMES I. RICE AND HENRY J. KALIS.

Senate Conferees: GARY M. DECramer, KEITH LANGSETH AND ROY W. TERWILLIGER.

Steensma moved that the report of the Conference Committee on H. F. No. 1701 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1701, A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

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 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Jennings Rodosovich Welker

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

SPECIAL ORDERS, Continued

S. F. No. 2565, A bill for an act relating to the bureau of mediation services; eliminating the Minnesota public employment relations board; modifying arbitration procedures; amending Minnesota Statutes 1990, sections 14.03, subdivision 2; 43A.06, subdivision 2; 179A.03, subdivisions 3, 5, and 17; 179A.10, subdivisions 1 and 3; 179A.12, subdivision 3; 179A.13, subdivision 3; 179A.16, subdivisions 3, 5, and 8; 179A.17; 179A.18, subdivision 1; 179A.20, subdivision 1; 179A.21, subdivisions 2 and 3; 179A.22, subdivision 4; and 179A.25; Minnesota Statutes 1991 Supplement, sections 179A.04, subdivision 3; 179A.13, subdivision 2; and 179A.16, subdivisions 4, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 179A; repealing Minnesota Statutes 1990, section 179A.05, 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 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Simoneau

The bill was passed and its title agreed to.

S. F. No. 2376 was reported to the House.

Reding, Sparby and Stanis moved to amend S. F. No. 2376, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 84.085, is amended by adding a subdivision to read:

Subd. 1a. [ADVANCE OF MATCHING FUNDS.] The commissioner may advance funds appropriated for fish and wildlife programs to government agencies, the National Fish and Wildlife Foundation, federally recognized Indian tribes and bands, and private, nonprofit organizations for the purposes of securing non-state matching funds for projects involving acquisition and improve-

ment of fish and wildlife habitat and research and management relating to the same. The commissioner shall execute agreements or contracts with the matching parties under section 16B.06 prior to advancing any state funds. The agreement or contract shall contain provisions for return of the state's share and the match funds within a period of time specified by the commissioner. The state's funds and the nonstate matching funds shall be deposited in a separate account and expended solely for the purposes set forth in the agreement or contract. The commissioner shall enter into agreements or contracts only with the National Fish and Wildlife Foundation, federal and nonprofit authorities deemed by the commissioner to be dedicated to the purposes of the project.

Sec. 2. Minnesota Statutes 1990, section 84.091, subdivision 1, is amended to read:

Subdivision 1. [OWNERSHIP.] The state is the owner of wild rice and other aquatic vegetation growing in public waters. A person may not acquire a property interest in wild rice or other aquatic vegetation or destroy wild rice or aquatic vegetation, except as authorized under this chapter or chapter 103G.

Sec. 3. Minnesota Statutes 1991 Supplement, section 84.091, subdivision 2, is amended to read:

Subd. 2. [LICENSE REQUIRED; EXCEPTION.] (a) Except as provided in paragraph (b), a person may not harvest, buy, sell, transport, or possess aquatic plants wild rice or wild ginseng without a license required under this chapter. A license shall be issued in the same manner as provided under the game and fish laws.

(b) A resident under the age of 16 years may harvest wild rice without a license, if accompanied by a person with a wild rice license.

Sec. 4. Minnesota Statutes 1990, section 84.091, subdivision 3, is amended to read:

Subd. 3. [LICENSE FEES.] (a) The fees for the following licenses, to be issued to residents only, are:

(1) for harvesting wild rice, \$12.50;

(2) ~~for buying and selling wild ginseng, \$5;~~

~~(3) for a wild rice dealer's license to buy and sell 50,000 pounds or less, \$70; and~~

(4) (3) for a wild rice dealer's license to buy and sell more than 50,000 pounds, \$250.

(b) The weight of the wild rice shall be determined in its raw state.

Sec. 5. Minnesota Statutes 1990, section 84.093, is amended to read:

84.093 [WILD GINSENG; REGULATION OF ACTIVITIES RELATED TO HARVEST AND SALE; LICENSES AND FEES; RECORDS AND REPORTS.]

Subdivision 1. [REGULATION.] For the purpose of protecting wild ginseng (Panax quinquefolium) from excessive and indiscriminate harvest and therefore protect the plant and its habitat from endangerment and possible extinction, it is in the public interest and serves a public purpose to regulate ginseng of any kind, whether wild or not, as provided in this section. In furtherance of those objectives, the commissioner, by order published under section 3.846, may establish rules including seasons and limitations for harvesting to conserve wild, possessing, transporting, buying, and selling ginseng.

Subd. 2. [LICENSES AND FEES.] (a) A person may not harvest wild ginseng without an annual harvester license. The annual fee for this license is \$12.50. The license authorizes the licensee to harvest wild ginseng for resale, sell wild dried or green ginseng to licensed dealers, and possess and transport ginseng for sale.

(b) Except as otherwise provided in this subdivision, no person may possess, transport, buy, or sell wild ginseng without a dealer's license. The annual fee for a resident dealer is \$35. The annual fee for a nonresident dealer is \$75. The commissioner shall deposit fees required by this subdivision in the game and fish fund.

(c) This subdivision does not apply to a person who harvests, possesses, transports, or buys less than ten ounces of wild ginseng of any kind for personal use.

Subd. 3. [RECORDS AND REPORTS.] The commissioner may require persons who are required to be licensed under this section to maintain records and submit reports in a format that the commissioner prescribes. The records required under this section must be available for inspection by the commissioner or the commissioner's employees at all reasonable times, and must be preserved and available for three years after the expiration of a license that required them.

Subd. 4. [PENALTIES.] A person who violates any provision of

this section or any commissioner's rule adopted under this section is guilty of a misdemeanor.

Sec. 6. Minnesota Statutes 1990, section 86A.05, is amended by adding a subdivision to read:

Subd. 14. [AQUATIC MANAGEMENT AREAS.] (a) Aquatic management areas may be established to protect, develop, and manage lakes, rivers, streams, and adjacent wetlands and lands that are critical for fish and other aquatic life, for water quality, and for their intrinsic biological value, public fishing, or other compatible outdoor recreational uses.

(b) No unit may be authorized unless it meets one or more of the following criteria:

- (1) provides angler or management access;
- (2) protects fish spawning, rearing, or other unique habitat;
- (3) protects aquatic wildlife feeding and nesting areas;
- (4) protects critical shoreline habitat; or
- (5) provides a site for research on natural history.

(c) Aquatic management areas must be administered by the commissioner of natural resources in a manner consistent with the purposes of this subdivision to perpetuate and, if necessary, reestablish high quality aquatic habitat for production of fish, wildlife, and other aquatic species. Public fishing and other uses shall be consistent with the limitations of the resource, including the need to preserve adequate populations and prevent long-term habitat injury or excessive fish population reduction or increase. Public access to aquatic management areas may be closed during certain time periods. Physical development may provide access to an aquatic management area, but intrusion on the natural environment must be minimized.

Sec. 7. Minnesota Statutes 1990, section 86A.09, subdivision 1, is amended to read:

Subdivision 1. [MASTER PLAN REQUIRED.] No construction of new facilities or other development of an authorized unit, other than repairs and maintenance, shall commence until the managing agency has prepared and submitted to the commissioner of trade and economic development and the commissioner of trade and economic development has reviewed, pursuant to this section, a master plan for administration of the unit in conformity with this section. No master plan is required for wildlife management areas that do not

have resident managers, for water access sites, for aquatic management areas, or for rest areas.

Sec. 8. [97A.026] [AGRICULTURAL CROP PROTECTION ASSISTANCE.]

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this section, "agricultural crops" means annually seeded crops, legumes, fruit orchards, tree farms and nurseries, turf farms, and apiaries.

(b) For the purposes of this section, "specialty crops" means fruit orchards, vegetables, tree farms and nurseries, turf farms, and apiaries.

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioner shall establish a statewide program to provide technical assistance to persons for the protection of agricultural crops from destruction by wild animals. As part of the program, the commissioner shall develop and identify the latest and most effective abatement techniques; acquire appropriate demonstration supplies and materials required to meet specialized needs; train property owners, field staff, public land managers, extension agents, pest control operators, and others; provide technical manuals and brochures; and provide field personnel with supplies and materials for damage abatement demonstrations and short-term assistance and for the establishment of food or lure crops where appropriate.

Subd. 3. [EMERGENCY DETERRENT MATERIALS ASSISTANCE.] (a) For the purposes of this subdivision, "cooperative damage management agreement" means an agreement between a landowner and the commissioner that establishes a program for addressing the problem of destruction of specialty crops by wild animals on the landowner's property.

(b) A person may apply to the commissioner for emergency deterrent materials assistance in controlling destruction of specialty crops by wild animals. Subject to the availability of money appropriated for this purpose, the commissioner shall provide suitable deterrent materials, up to \$1,500 in value per individual or corporation, when the commissioner determines that:

(1) immediate action is necessary to prevent significant damage from continuing; and

(2) a cooperative damage management agreement cannot be implemented immediately.

(c) As a condition of receiving emergency deterrent materials assistance under this subdivision, a landowner shall enter into a cooperative damage management agreement with the commis-

sioner. The cooperative damage management agreement shall provide for public access, for hunting and trapping, to control those wild animals doing the damage except in lands closed to the discharge of firearms, bow and arrow and the use of trapping by local ordinance.

(d) Deterrent materials provided by the commissioner may include repellents, fencing materials, or other materials recommended in the agreement to alleviate the damage problem.

(e) A landowner may not receive emergency deterrent materials assistance under this subdivision more than once. A landowner who receives emergency deterrent materials assistance under this subdivision shall comply with the terms of the cooperative damage management agreement.

Sec. 9. Minnesota Statutes 1990, section 97A.045, subdivision 7, is amended to read:

Subd. 7. [DUTY TO ENCOURAGE STAMP DESIGN AND PURCHASES.] (a) The commissioner shall encourage the purchase of:

(1) Minnesota migratory waterfowl stamps by nonhunters interested in the migratory waterfowl preservation and habitat development;

(2) pheasant stamps by persons interested in pheasant habitat improvement; and

(3) trout and salmon stamps by persons interested in trout and salmon stream and lake improvement.

(b) The commissioner shall make rules governing contests for selecting a design for each stamp.

Sec. 10. Minnesota Statutes 1990, section 97A.091, subdivision 2, is amended to read:

Subd. 2. [WHEN HUNTING ALLOWED.] (a) The commissioner may allow hunting of a protected wild animal species within any portion of a state game refuge, including a state park, during the next regular open season. Hunting in a refuge may be allowed only if the commissioner finds:

(1) the population of the species exceeds the refuge's carrying capacity;

(2) the species is causing substantial damage to agricultural or forest crops in the vicinity;

(3) the species or other protected wild animals are threatened by the species population; or

(4) a harvestable surplus of the species exists.

(b) The commissioner may prescribe rules for any hunting allowed within a refuge.

In any selection process to award licenses or permits to take deer within a refuge, 30 percent of the licenses or permits shall be granted to applicants age 65 or over or disabled hunters possessing permits issued under section 97B.055.

Sec. 11. [97A.127] [FINANCING WATERFOWL DEVELOPMENT.]

The commissioner may use funds appropriated for fish and wildlife programs for the purpose of developing, preserving, restoring, and maintaining waterfowl breeding grounds in Canada under agreement or contract with any nonprofit organization dedicated to the construction, maintenance, and repair of projects that are acceptable to the governmental agency having jurisdiction over the land and water affected by the projects. The commissioner may execute agreements and contracts if the commissioner determines that use of the funds will benefit the migration of waterfowl into the state.

Sec. 12. Minnesota Statutes 1990, section 97A.421, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The license of a person convicted of a violation of the game and fish laws relating to the license or wild animals covered by the license is void when:

(1) a second conviction occurs within three years under a license to take small game or to take fish by angling or spearing;

(2) a third conviction occurs within one year under a minnow dealer's license; or

(3) a second conviction occurs within three years for incomplete or illegible entries in records required of persons who buy or sell wild animals, tan or dress raw furs, or engage in taxidermy or taxidermy-related businesses, that are not falsifications or intentional omissions of information required to be recorded or attempts to conceal unlawful acts within the records; or

(4) the conviction occurs under a license not described in clause (1) or (2).

(b) Except for big game licenses and as otherwise provided in this section, for one year after the conviction the person may not obtain the kind of license relating to the game and fish law violation.

Sec. 13. Minnesota Statutes 1990, section 97A.441, is amended by adding a subdivision to read:

Subd. 7. [OWNERS OR TENANTS OF AGRICULTURAL LAND.] (a) The commissioner may issue, without an additional fee, a license to take a second deer with firearms under section 97B.301, subdivision 4, to a person who is an owner or tenant and lives on at least 40 acres of agricultural land, as defined in section 97B.001, in an area where the commissioner has made these licenses available. Landowners and tenants applying for a license under this subdivision must receive preference over other applicants for the licenses.

(b) Persons who obtain a license under paragraph (a) must allow public deer hunting on their land during that deer hunting season.

Sec. 14. Minnesota Statutes 1991 Supplement, section 97A.475, subdivision 2, is amended to read:

Subd. 2. [RESIDENT HUNTING.] Fees for the following licenses, to be issued to residents only, are:

- (1) for persons under age 65 to take small game, \$10;
- (2) for persons age 65 or over, \$5;
- (3) to take turkey, \$16;
- (4) for persons age 16 or over to take deer with firearms, \$22;
- (5) for persons under age 16 to take deer with firearms, \$11;
- (6) for persons age 16 or over to take deer by archery, \$22;
- ~~(6)~~ (7) for persons under age 16 to take deer by archery, \$11;
- (8) to take moose, for a party of not more than six persons, \$275;
- ~~(7)~~ (9) to take bear, \$33;
- ~~(8)~~ (10) to take elk, for a party of not more than two persons, \$220;
and
- ~~(9)~~ (11) to take antlered deer in more than one zone, \$4.

Sec. 15. Minnesota Statutes 1990, section 97A.505, subdivision 4, is amended to read:

Subd. 4. [STORAGE OF PROTECTED WILD ANIMALS.] A person that stores protected wild animals for others must plainly mark the package, in ink, with the date of receipt, name and address of the owner, the license number of the person taking the animal, and the number and species in the package. A person may not use a commercial cold storage warehouse for protected wild animals, except lawfully taken fish and furs.

Sec. 16. [97A.507] [SALE OF NONMIGRATORY BIRD FEATHERS.]

The feathers, excluding the whole skin, of ruffed and spruce grouse, sharp-tailed grouse, gray partridge, and pheasants, lawfully taken, may be possessed, transported, bought, and sold without license for the following purposes:

- (1) the making of fishing flies;
- (2) the making of clothing or bedding; or
- (3) ornamental purposes.

The skins of nonmigratory birds may not be possessed, transported, bought, or sold except as allowed under the game and fish laws.

Sec. 17. [97A.512] [SALE OF INEDIBLE PORTIONS OF CERTAIN ANIMALS AND GAME BIRDS.]

Subdivision 1. [LAWFUL PORTIONS.] Except as otherwise provided by the game and fish laws and as restricted in this section, a person may possess, transport, buy, and sell the following inedible portions of lawfully taken or acquired big game animals, furbearing animals, and game birds other than migratory waterfowl:

- (1) bones, including skulls;
- (2) sinews;
- (3) hides;
- (4) hooves;
- (5) teeth;
- (6) claws; and

(7) antlers.

Subd. 2. [UNLAWFUL PORTIONS.] No person may buy or sell the following inedible portions of big game animals:

(1) bear gall bladders; and

(2) bear paws, unless attached to the hide.

Sec. 18. Minnesota Statutes 1990, section 97B.005, subdivision 2, is amended to read:

Subd. 2. [RESTRICTION ON AMMUNITION WHILE TRAINING.] A person ~~that is training a dog afield and carrying a firearm~~ may only have blank cartridges and shells in personal possession when the season is not open for any game bird, except as provided in subdivision 3.

Sec. 19. Minnesota Statutes 1990, section 97B.005, subdivision 3, is amended to read:

Subd. 3. [PERMITS FOR ORGANIZATIONS AND INDIVIDUALS TO USE GAME BIRDS AND FIREARMS.] The commissioner may issue special permits, without a fee, to organizations and individuals to use firearms and live ammunition on domesticated birds or banded game birds from game farms for holding field trials and training retrieving hunting dogs.

Sec. 20. Minnesota Statutes 1990, section 97B.071, is amended to read:

97B.071 [RED OR BLAZE ORANGE REQUIREMENTS.]

A person may not hunt or trap during the open season in a zone or area where deer may be taken by firearms, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is bright red or blaze orange. Blaze orange includes a camouflage pattern of at least 50 percent blaze orange within each foot square. This section does not apply to migratory waterfowl hunters on waters of this state or in a stationary blind.

Sec. 21. Minnesota Statutes 1990, section 97B.621, subdivision 1, is amended to read:

Subdivision 1. [SEASON.] The statewide open season for raccoon may be ~~prescribed~~ set by the commissioner ~~between October 15 and December 31.~~

Sec. 22. Minnesota Statutes 1990, section 97C.355, subdivision 2, is amended to read:

Subd. 2. [LICENSE REQUIRED.] A person may not take fish from a dark house or fish house unless the house is licensed and has a metal license tag attached to the exterior as prescribed by the commissioner, except as provided in this subdivision. The commissioner must issue a metal tag that is at least two inches in diameter with a 3/16 inch hole in the center with a dark house or fish house license. The metal tag must be stamped with a number to correspond with the license and the year of issue. A dark house or fish house license is not required of a resident on boundary waters where the adjacent state does not charge a fee for the same activity.

Sec. 23. Minnesota Statutes 1990, section 97C.375, is amended to read:

97C.375 [TAKING ROUGH FISH BY SPEARING OR ARCHERY.]

A resident or nonresident may take rough fish by spearing or archery during the times, in waters, and in the manner prescribed by the commissioner.

Sec. 24. Minnesota Statutes 1990, section 97C.405, is amended to read:

97C.405 [MUSKELLUNGE SIZE LIMITS.]

(a) Except as allowed under paragraph (b), if a person catches a muskellunge less than 36 40 inches long ~~in waters north of trunk highway No. 210~~, the person must immediately release the fish into the waters.

(b) The commissioner may designate lakes ~~north of trunk highway No. 210~~ where muskellunge less than 36 40 inches, but not less than 30 inches long, may be retained.

Sec. 25. Minnesota Statutes 1990, section 97C.701, subdivision 1, is amended to read:

97C.701 [TAKING, POSSESSION, PURCHASE, AND SALE OF MUSSELS.]

Subdivision 1. [COMMISSIONER'S AUTHORITY.] The commissioner may prescribe by rule conditions for taking, possession, purchase, and sale of mussels.

Sec. 26. Minnesota Statutes 1990, section 97C.705, subdivision 1, is amended to read:

Subdivision 1. [OPEN SEASON.] The open season for taking mussels is from May 16 ~~to~~ through the last day of February.

Sec. 27. Minnesota Statutes 1990, section 97C.711, is amended to read:

97C.711 [MUSSEL SIZE LIMITS.]

A person may not take mussels less than 1-3/4 inches in the greatest dimension, except pigtoes. The commissioner may prescribe size limits for the taking of mussels from the waters of the state. A person must return undersized mussels to the water without injury.

Sec. 28. Laws 1991, chapter 242, section 11, is amended to read:

Sec. 11. [PILOT PROJECT FOR TAKING TWO DEER.]

(a) Notwithstanding Minnesota Statutes, section 97B.301, in the 1991 and 1992 hunting season, the commissioner must allow a person to take two deer per season, one by firearm and one by archery, in the counties of Marshall, Kittson, Lake of the Woods, Pine, and Roseau. A person taking two deer under this section must obtain a license for each method of hunting.

(b) The commissioner shall conduct a study on the provisions of paragraph (a) including, but not limited to, a review of the impact on the deer population, the participation and satisfaction of hunters, and the success ratio. By February 15, 1993, the commissioner must report on the study to the house and senate committees with jurisdiction over natural resources.

Sec. 29. [REPORT TO LEGISLATURE.]

The department shall report the effects of Minnesota Statutes, section 97A.512, subdivisions 1 and 2, on big game, furbearing animals, game birds other than migratory waterfowl, and law enforcement to the legislature by November 15, 1996.

Sec. 30. [RULEMAKING.]

The commissioner may establish rules for taxidermy that include requirements for reporting, record keeping, and marking requirements.

Sec. 31. [APPROPRIATIONS.]

(a) \$250,000 is appropriated from the game and fish fund to the commissioner of natural resources to implement the technical assistance program under section 8, subdivision 2.

(b) \$200,000 is appropriated from the general fund to the commissioner of natural resources to purchase deterrent materials to be provided to landowners under section 8, subdivision 3.

(c) \$180,000 is appropriated from the game and fish fund from the sale of waterfowl stamp sets for fiscal year 1992 for the purposes of section 9.

(d) The approved complement of the department of natural resources is increased by two game and fish fund positions.

Sec. 32. [REPEALER.]

Minnesota Statutes 1990, sections 97C.209; 97C.701, subdivisions 4 and 5; and 97C.705, subdivision 2, are repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 14 and 28 are effective for the licensing year beginning March 1, 1992, and for each licensing year thereafter. Section 1 is effective July 1, 1992. Sections 4, 5, 12, 13, 15 to 17, and 24 are effective March 1, 1993."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Reding moved to amend S. F. No. 2376, as amended, as follows:

Pages 6 and 7, delete section 10

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sparby moved to amend S. F. No. 2376, as amended, as follows:

Page 12, delete Sections 25 to 27

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2376, A bill for an act relating to game and fish; management of aquatic vegetation and ginseng; rules for stamp design contests; deer license fees for residents under age 16 and for licenses to take a second deer; use of live ammunition in dog training; red or blaze orange hunting clothing; nonresident rough fish taking; raccoon seasons; dark house and fish house licenses on certain boundary waters; and muskie size limits; providing for agricultural crop protection assistance; authorizing advance of matching funds; appropriating money; amending Minnesota Statutes 1990, sections 84.091, subdivisions 1 and 3; 97A.045, subdivision 7; 97A.441, by adding a subdivision; 97B.005, subdivisions 2 and 3; 97B.071; 97B.301, subdivision 4; 97B.621, subdivision 1; 97C.355, subdivision 2; 97C.375; and 97C.405; Minnesota Statutes 1991 Supplement, sections 84.085, by adding a subdivision; 84.091, subdivision 2; and 97A.475, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 97A.

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 130 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Knickerbocker Limmer Simoneau

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

S. F. No. 976 was reported to the House.

Trimble moved that S. F. No. 976 be continued on Special Orders. 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 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 116 yeas and 16 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Girard	Koppendrayner	Runbeck
Dauids	Haukoos	Krinkie	Smith
Erhardt	Hufnagle	Leppik	Tompkins
Frerichs	Hugoson	Limmer	Welker

The bill was passed and its title agreed to.

S. F. No. 2011, A bill for an act relating to waters; granting sheriffs power to bar vehicles from unsafe ice; eliminating the appeal to the commissioner of natural resources from a sheriff's decision; amending Minnesota Statutes 1990, section 86B.121; proposing coding for new law in Minnesota Statutes, chapter 86B.

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 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Omann	Weaver	Welker
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The bill was passed and its title agreed to.

S. F. No. 2227 was reported to the House.

Jennings moved that S. F. No. 2227 be continued on Special Orders. The motion prevailed.

S. F. No. 1841, A bill for an act relating to commerce; consumer protection; regulating the sale of dogs and cats by pet dealers; prescribing penalties; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

The question was taken on the passage of the bill and the roll was called. There were 71 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Erhardt	Kahn	O'Connor	Segal
Battaglia	Farrell	Kelso	Ogren	Simoneau
Beard	Garcia	Kinkel	Orenstein	Skoglund
Begich	Greenfield	Krambeer	Orfield	Swenson
Blatz	Gutknecht	Lasley	Osthoff	Thompson
Bodahl	Hanson	Leppik	Ostrom	Trimble
Boo	Hasskamp	Lourey	Ozment	Vellenga
Brown	Hausman	Macklin	Peterson	Wagenius
Carlson	Heir	Mariani	Pugh	Wejcman
Clark	Jacobs	McEachern	Reding	Welle
Cooper	Janezich	McGuire	Rest	Spk. Long
Dauner	Jaros	Milbert	Rice	
Dawkins	Jefferson	Munger	Rukavina	
Dempsey	Johnson, A.	Murphy	Sarna	
Dorn	Johnson, R.	Nelson, S.	Schreiber	

Those who voted in the negative were:

Abrams	Goodno	Krinkie	Onnen	Sviggun
Anderson, I.	Gruenes	Krueger	Pauly	Tompkins
Anderson, R. H.	Hartle	Lieder	Pellow	Tunheim
Bertram	Haukoos	Limmer	Pelowski	Uphus
Bettermann	Henry	Lynch	Runbeck	Valento
Bishop	Hufnagle	Marsh	Schafer	Vanasek
Carruthers	Hugoson	Morrison	Seaberg	Waltman
Davids	Jennings	Newinski	Smith	Weaver
Dille	Johnson, V.	Olsen, S.	Solberg	Welker
Frederick	Kalis	Olson, E.	Sparby	Wenzel
Frerichs	Knickerbocker	Olson, K.	Stanius	Winter
Girard	Koppendray	Omann	Steensma	

The bill was passed and its title agreed to.

S. F. No. 2418, A bill for an act relating to retirement; St. Paul police relief association; validating a change in the date on which personal and benefit payments are made.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1794 was reported to the House.

Reding moved that S. F. No. 1794 be continued on Special Orders. The motion prevailed.

S. F. No. 2213 was reported to the House.

Skoglund moved to amend S. F. No. 2213, as follows:

Delete section 18 of Article 1 and insert:

"Sec. 18. 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.~~

Page 27, line 22, after “to” insert “a location outside of”

Delete sections 25 to 28 of Article 1

Page 36, line 8, delete “CREDIT UNIONS” and insert “STATE DEPOSITS AND INVESTMENTS”

Page 36, after line 8, insert:

“Section 1. Minnesota Statutes 1990, section 9.031, is amended by adding a subdivision to read:

Subd. 13. [REQUIRED COMMUNITY REINVESTMENT RATING.] Banks and trust companies designated as depositories must have received ratings of “outstanding” or “satisfactory” as their most recent rating under section 47.83 or under United States Code, title 12, section 2906. If a state depository receives a rating that is below “satisfactory,” the executive council shall revoke its designation as a depository. The executive council may delay the effective date of the revocation if necessary to allow a reasonable period of time to arrange for a replacement depository.”

Page 36, line 22, after “by” insert “(i)”

Page 36, line 23, restore the stricken language and delete the new language

Page 36, line 27, after the semicolon insert “or (ii) credit unions in amounts up to the limit of insurance coverage provided by the National Credit Union Administration;”

Delete sections 2 to 16 of Article 2

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sparby moved to amend S. F. No. 2213, as amended, as follows:

Page 35, after line 31, insert:

"Sec. 32. Minnesota Statutes 1990, section 336.9-402, is amended to read:

336.9-402 [FORMAL REQUISITES OF FINANCING STATEMENT; AMENDMENTS; MORTGAGE AS FINANCING STATEMENT.]

(1) A financing statement is sufficient if it gives the name of the debtor and the secured party, is signed by the debtor, gives an address of the secured party from which information concerning the security interest may be obtained, gives a mailing address of the debtor, gives the social security number of the debtor or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of the debtor, and contains a statement indicating the types or describing the items, of collateral. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches. When the financing statement covers crops growing or to be grown, the statement must also contain a description of the real estate concerned and the name of the record owner thereof and the crop years that are covered by the financing statement. When the financing statement covers timber to be cut or covers minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or when the financing statement is filed as a fixture filing (section 336.9-313) and the collateral is goods which are or are to become fixtures, the statement must also comply with subsection (5). A copy of the security agreement is sufficient as a financing statement if it contains the above information and is signed by the debtor. A carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement if the security agreement so provides or if the original has been filed in this state.

(2) A financing statement which otherwise complies with subsection (1) is sufficient when it is signed by the secured party instead of the debtor when it is filed to perfect a security interest in

(a) collateral already subject to a security interest in another jurisdiction when it is brought into this state, or when the debtor's location is changed to this state. Such a financing statement must state that the collateral was brought into this state or that the debtor's location was changed to this state under such circumstances; or

(b) proceeds under section 336.9-306 if the security interest in the original collateral was perfected. Such a financing statement must describe the original collateral; or

(c) collateral as to which the filing has lapsed within one year; or

(d) collateral acquired after a change of name, identity or corporate structure of the debtor (subsection (7)); or

(e) a lien filed pursuant to chapter 514; or

(f) collateral which is subject to a filed judgment.

(2a) Except for documents filed under clauses (e) and (f), the reason for the omission of the debtor signature must be stated on the front of the financing statement.

(3) A form substantially as follows is sufficient to comply with subsection (1):

Name of debtor (or assignor)

.....

Address

.....

Debtor's Social Security Number or I.R.S. Tax I.D. Number

.....

Name of secured party (or assignee)

.....

Address

.....

1. This financing statement covers the following types (or items) of property:

(Describe)

.....

2. (If collateral is crops) The above described crops are growing or are to be grown on:

(Describe real estate and the name of the record owner thereof)

.....

3. (If applicable) The above goods are to become fixtures on

(Describe real estate) and this financing statement is to be filed for record in the real estate records. (If the debtor does not have an interest of record) The name of a record owner is

4. (If products of collateral are claimed)

Products of the collateral are also covered.

Use whichever signature line is applicable.

Signature of debtor (or assignor)

.....

Signature of secured party (or assignee)

.....

(4) A financing statement may be amended by filing a writing signed by both the debtor and the secured party. If the sole purpose of the amendment is to change the name or address of the secured party, only the secured party need sign the amendment. A writing is sufficient if it sets forth the name and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment, the file number and date of filing of the financing statement. An amendment does not extend the period of effectiveness of a financing statement. If any amendment adds collateral, it is effective as to the added collateral only from the filing date of the amendment. In this article, unless the context otherwise requires, the term "financing statement" means the original financing statement and any amendments.

(5) A financing statement covering timber to be cut or covering minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or a financing statement filed as a fixture filing (section 336.9-313) where the debtor is not a transmitting utility, must show that it covers this type of collateral, must recite that it is to be filed for record in the real estate records, and the financing statement must contain a description of the real estate sufficient if it were contained in a mortgage of the real estate to give constructive notice of the mortgage under the law of this state. If the debtor does not have an interest of record in the real estate, the financing statement must show the name of a record owner. No description of the real estate or the name of the record owner thereof is required for a fixture filing where the debtor is a transmitting utility. Notwithstanding the foregoing a general description of the real estate is sufficient for a fixture filing where a

railroad is the record owner of the real estate on which the fixtures are or are to be located; and for the purposes of this subsection, the requirement of a general description is satisfied if the fixture filing (1) identifies the section, township and range numbers of the county in which the land is located; (2) identifies the quarter-quarter of the section that the land is located in; (3) indicates the name of the record owner of the real estate; and (4) states the street address of the real estate if one exists.

(6) A mortgage is effective as a financing statement filed as a fixture filing from the date of its recording if (a) the goods are described in the mortgage by item or type, (b) the goods are or are to become fixtures related to the real estate described in the mortgage, (c) the mortgage complies with the requirements for a financing statement in this section other than a recital that it is to be filed in the real estate records, and (d) the mortgage is duly recorded. No fee with reference to the financing statement is required other than the regular recording and satisfaction fees with respect to the mortgage.

(7) A financing statement sufficiently shows the name of the debtor if it gives the individual, partnership or corporate name of the debtor, whether or not it adds other trade names or the names of partners, and gives the social security number of the debtor or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of the debtor. Where the debtor so changes a personal name or in the case of an organization its name, identity or corporate structure that a filed financing statement becomes seriously misleading, the filing is not effective to perfect a security interest in collateral acquired by the debtor more than four months after the change, unless a new appropriate financing statement is filed before the expiration of that time. A filed financing statement remains effective with respect to collateral transferred by the debtor even though the secured party knows of or consents to the transfer.

(8) A financing statement, amendment, continuation, assignment, release, or termination substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading. The omission or any inaccuracy in stating the debtor's social security or federal tax identification number is not, standing alone, a seriously misleading error.

Sec. 33. Minnesota Statutes 1990, section 336.9-403, is amended to read:

336.9-403 [WHAT CONSTITUTES FILING; DURATION OF FILING; EFFECT OF LAPSED FILING; DUTIES OF FILING OFFICER.]

(1) Presentation for filing of a financing statement and tender of

the filing fee or acceptance of the statement by the filing officer constitutes filing under this article.

(2) Except as provided in subsection (6) a filed financing statement is effective for a period of five years from the date of filing. The effectiveness of a filed financing statement lapses on the expiration of the five-year period unless a continuation statement is filed prior to the lapse. If a security interest perfected by filing exists at the time insolvency proceedings are commenced by or against the debtor, the security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five-year period, whichever occurs later regardless of whether the financing statement filed as to that security interest is destroyed by the filing officer pursuant to subsection (3). Upon lapse the security interest becomes unperfected, unless it is perfected without filing. If the security interest becomes unperfected upon lapse, it is deemed to have been unperfected as against a person who became a purchaser or lien creditor before lapse.

(3) A continuation statement may be filed by the secured party within six months prior to the expiration of the five-year period specified in subsection (2). Any such continuation statement must be signed by the secured party, set forth the name, social security number or other tax identification number of the debtor, and address of the debtor and secured party as those items appear on the original financing statement or the most recently filed amendment, identify the original statement by file number and filing date, and state that the original statement is still effective. A continuation statement signed by a person other than the secured party of record must be accompanied by a separate written statement of assignment signed by the secured party of record and complying with subsection (2) of section 336.9-405, including payment of the required fee. Upon timely filing of the continuation statement, the effectiveness of the original statement is continued for five years after the last date to which the filing was effective whereupon it lapses in the same manner as provided in subsection (2) unless another continuation statement is filed prior to such lapse. Succeeding continuation statements may be filed in the same manner to continue the effectiveness of the original statement. Unless a statute on disposition of public records provides otherwise, the filing officer may remove a lapsed statement from the files and destroy it immediately if the officer has retained a microfilm or other photographic record, or in other cases after one year after the lapse. The filing officer shall so arrange matters by physical annexation of financing statements to continuation statements or other related filings, or by other means, that if the officer physically destroys the financing statements of a period more than five years past, those which have been continued by a continuation statement or which are still effective under subsection (6) shall be retained. If insolvency proceedings are commenced by or against the debtor, the secured party shall notify

the filing officer both upon commencement and termination of the proceedings, and the filing officer shall not destroy any financing statements filed with respect to the debtor until termination of the insolvency proceedings. The security interest remains perfected until termination of the insolvency proceedings and thereafter for a period of 60 days or until expiration of the five-year period, whichever occurs later.

(4) Except as provided in subsection (7) a filing officer shall mark each statement with a file number and with the date and hour of filing and shall hold the statement or a microfilm or other photographic copy thereof for public inspection. In addition the filing officer shall index the statements according to the name of the debtor and shall note in the index the file number and, the address of the debtor given in the statement, and the social security number or other tax identification number of the debtor given in the statement.

(5) The secretary of state shall prescribe uniform forms for statements and samples thereof shall be furnished to all filing officers in the state. The uniform fee for filing and indexing and for stamping a copy furnished by the secured party to show the date and place of filing for an original financing statement or for a continuation statement shall be \$7 if the statement is in the standard form prescribed by the secretary of state and otherwise shall be \$10, plus in each case, if the financing statement is subject to subsection (5) of section 336.9-402, \$5. An additional fee of \$7 shall be collected if more than one name is required to be indexed or if the secured party chooses to show a trade name for any debtor listed. The uniform fee collected for the filing of an amendment to a financing statement if the amendment is in the standard form prescribed by the secretary of state and does not add additional debtor names to the financing statement shall be \$7. The fee for an amendment adding additional debtor names shall be \$14 if the amendment is in the form prescribed by the secretary of state and, if otherwise, \$17. The fee for an amendment which is not in the form prescribed by the secretary of state but which does not add additional names shall be \$10.

The secretary of state shall adopt rules for filing, amendment, continuation, termination, removal, and destruction of financing statements.

(6) If the debtor is a transmitting utility (subsection (5) of section 336.9-401) and a filed financing statement so states, it is effective until a termination statement is filed. A real estate mortgage which is effective as a fixture filing under subsection (6) of section 336.9-402 remains effective as a fixture filing until the mortgage is released or satisfied of record or its effectiveness otherwise terminates as to the real estate.

(7) When a financing statement covers timber to be cut or covers

minerals or the like (including oil and gas) or accounts subject to subsection (5) of section 336.9-103, or is filed as a fixture filing, it shall be filed for record and the filing officer shall index it under the names of the debtor and any owner of record shown on the financing statement in the same fashion as if they were the mortgagors in a mortgage of the real estate described, and, to the extent that the law of this state provides for indexing of mortgages under the name of the mortgagee, under the name of the secured party as if the secured party were the mortgagee thereunder, or, for filing offices other than the secretary of state, where indexing is by description in the same fashion as if the financing statement were a mortgage of the real estate described. If requested of the filing officer on the financing statement, a financing statement filed for record as a fixture filing in the same office where nonfixture filings are made is effective, without a dual filing, as to collateral listed thereon for which filing is required in such office pursuant to section 336.9-401 (1) (a); in such case, the filing officer shall also index the recorded statement in accordance with subsection (4) using the recording data in lieu of a file number.

(8) The fees provided for in this article shall supersede the fees for similar services otherwise provided for by law except in the case of security interests filed in connection with a certificate of title on a motor vehicle."

Page 36, line 6, after the period insert "Sections 32 and 33 are effective January 1, 1993, and apply to financing statements and continuation statements filed on or after that date."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Gruenes and Skoglund moved to amend S. F. No. 2213, as amended, as follows:

Page 4, after line 24, insert:

"Sec. 6. Minnesota Statutes 1990, section 47.015, is amended by adding a subdivision to read:

Subd. 4. [PERMISSIVE CLOSING ON GOOD FRIDAY.] A financial institution may close for up to three hours on Good Friday. The

financial institution shall post on its premises a written notice of the closing."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2213, A bill for an act relating to commerce; 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; regulating investments in share certificates; authorizing credit unions to make reverse mortgage loans; regulating credit unions as depositories of various funds; authorizing the establishment of additional detached facilities in the cities of Duluth, Dover, Millville, and New Scandia; modifying real estate appraiser requirements; amending Minnesota Statutes 1990, sections 41B.19, subdivision 6; 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; 47.54; 47.55; 47.58, subdivision 1; 48.02; 48.64; 48.86; 48.89, subdivision 5; 49.34, subdivision 2; 50.14, subdivision 13; 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; 61A.09, subdivision 3; 62B.02, by adding a subdivision; 62B.04, subdivisions 1 and 2; 80A.14, subdivision 9; 82B.13, as amended; 116J.8765, subdivision 4; 118.01, subdivision 1; 118.10; 136.31, subdivision 6; 300.23; 300.52, subdivision 1; 332.13, subdivision 2; 356A.06, subdivision 6; 427.01; 446A.11, subdivision 9; 475.67, subdivision 5; Minnesota Statutes 1991 Supplement, sections 11A.24, subdivision 4; 48.512, subdivision 4; 52.04, subdivision 1; 82B.11, subdivisions 3 and 4; and 82B.14; repealing Minnesota Statutes 1990, section 48.03, subdivisions 4 and 5.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R. H.	Frerichs	Lasley	Onnen	Welker
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The bill was passed, as amended, and its title agreed to.

S. F. No. 2328 was reported to the House.

Seaberg moved that S. F. No. 2328 be continued on Special Orders. 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 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 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bishop	Carruthers	Dille
Anderson, I.	Beard	Blatz	Clark	Dorn
Anderson, R.	Begich	Bodahl	Cooper	Erhardt
Anderson, R. H.	Bertram	Boo	Dauner	Farrell
Battaglia	Bettermann	Carlson	Dawkins	Frederick

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

Those who voted in the negative were:

Davids Ostrom

The bill was passed and its title agreed to.

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 third time and placed upon its final passage.

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

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

S. F. No. 2314.

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. 2314

A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2314, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

We request adoption of this report and repassage of the bill.

Senate Conferees: CARL W. KROENING, LAWRENCE J. POGEMILLER AND CAROL FLYNN.

House Conferees: JAMES I. RICE, JOHN J. SARNA AND PHYLLIS KAHN.

Rice moved that the report of the Conference Committee on S. F. No. 2314 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2314, A bill for an act relating to the city of Minneapolis; requiring an equitable participation by planning districts in neighborhood revitalization programs; amending Minnesota Statutes 1990, section 469.1831, by adding a subdivision.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

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

Madam Speaker:

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

S. F. No. 1691.

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. 1691

A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, 8, and by adding subdivisions; 488A.12, subdivision 3; 488A.15, subdivision 2; 488A.16, subdivision 1; 488A.17, subdivision 10; 488A.29, subdivision 3; 488A.32, subdivision 2; 488A.33, subdivision 1; 488A.34, subdivision 9; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; 488A.31, subdivision 6.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1691, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1691 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not

exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal;

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or

the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause; or

(14) the delivery of legal services by a specialized legal assistant in accordance with a specialty license issued by the supreme court before July 1, 1995; or

(15) an officer, shareholder, director, partner, or employee from appearing on behalf of a corporation, partnership, sole proprietorship, or association in conciliation court in accordance with section 8 or in district court in an action that was removed from conciliation court.

Sec. 2. Minnesota Statutes 1990, section 487.30, subdivision 1, is amended to read:

Subdivision 1. [JURISDICTION; GENERAL.] (a) ~~Except as provided in paragraph (b),~~ The conciliation court shall hear and determine civil claims if the amount of money or property which is the subject matter of the claim does not exceed ~~\$4,000~~ \$5,000 for the determination thereof without jury trial and by a simple and informal procedure. The rules of the supreme court shall provide for a right of appeal from the decision of the conciliation court to the ~~county~~ district court for a trial on the merits. Except as otherwise provided in this section, the territorial jurisdiction of a conciliation court shall be coextensive with the county in which the court is established.

~~(b) If the claim involves a consumer credit transaction, the amount of money or property that is the subject matter of the claim may not exceed \$2,500. "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:~~

~~(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;~~

~~(2) the buyer is a natural person;~~

~~(3) the claimant is the seller or lender in the transaction; and~~

~~(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose. The summons in an action under subdivisions 3a to 4 may be served anywhere within the state.~~

(b) If the controversy concerns the ownership or possession of personal property the value of which does not exceed \$5,000, the

court may determine the ownership and possession of the property and order any party to deliver the property to another party. The order is enforceable by the sheriff of the county in which the property is located without further legal process.

Sec. 3. Minnesota Statutes 1990, section 487.30, subdivision 3a, is amended to read:

Subd. 3a. [JURISDICTION; STUDENT LOANS.] ~~Notwithstanding the provisions of subdivision 1 or any rule of court to the contrary,~~ The conciliation court also has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of the county under the following conditions:

(a) the student loan or loans were originally awarded in the county in which the conciliation court is located;

(b) the loan or loans are overdue at the time the action is commenced;

(c) the amount sought in any single action does not exceed \$4,000;

(d) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and

(e) (c) the notice states that the educational institution may commence a conciliation court action in the county where the loan was awarded to recover the amount of the loan.

~~Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this subdivision may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued.~~

Sec. 4. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3b. [JURISDICTION; FOREIGN DEFENDANTS.] (a) A conciliation court action may be commenced against a foreign corporation doing business in this state in the county where the corporation's registered agent is located; in the county where the cause of action arises, if the corporation has a place of business in that county; or, if the corporation does not appoint or maintain a

registered agent in this state, in the county in which the plaintiff resides.

(b) In the case of a nonresident other than a foreign corporation, if this state has jurisdiction under section 543.19, a conciliation court action may be commenced against the nonresident in the county in which the plaintiff resides.

Sec. 5. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3c. [JURISDICTION; MULTIPLE DEFENDANTS.] A conciliation court action may be commenced by a plaintiff against two or more defendants in the county in which one or more of the defendants resides. Counterclaims may be commenced in the county where the original action was commenced.

Sec. 6. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 3d. [JURISDICTION; CERTAIN CLAIMS ARISING OUT OF RENTAL PROPERTY.] An action under section 504.20 for the recovery of a deposit on rental property, or an action under section 504.245, 504.255, or 504.26, also may be brought in the county in which the rental property is located.

Sec. 7. Minnesota Statutes 1990, section 487.30, subdivision 4, is amended to read:

Subd. 4. [JURISDICTION; DISHONORED CHECKS.] The conciliation court also has jurisdiction to determine a civil action commenced by a plaintiff, resident of the county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of the county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This subdivision does not apply to a check that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this subdivision may be served anywhere within the state of Minnesota. The court administrator of conciliation court shall attach a copy of the dishonored check to the summons before it is issued.

Sec. 8. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 4a. [ATTORNEYS; REPRESENTATION.] (a) A party to a

conciliation court action may appear without an attorney or may be represented by an attorney when the conciliation court, in its discretion, finds the interests of justice would best be served by that representation, and it is limited to the extent and in the manner that the judge considers helpful. The court shall adopt simplified procedures to allow parties to represent themselves.

(b) A corporation, partnership, sole proprietorship, or association may be represented by an officer or partner who is not an attorney or may appoint an employee who is not an attorney to appear on its behalf or settle a claim in conciliation court. If all the partners or shareholders of a partnership, association, or corporation are attorneys, an officer, partner, or employee who is an attorney may represent the partnership, association, or corporation. In the case of an employee, an authorized power of attorney or other evidence of authority acceptable to the court must be filed with the claim or presented at the hearing.

Sec. 9. Minnesota Statutes 1990, section 487.30, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF COSTS ON REMOVAL.] A notice of order for judgment shall contain a statement that if the cause is removed to ~~county~~ district court, the court may, ~~in its discretion,~~ allow the prevailing party to recover from the aggrieved party an amount not to exceed \$50 as costs if the prevailing party on appeal is not the aggrieved party in the original action. The notice must also contain a statement that if the removing party does not prevail, the opposing party will be awarded costs as provided under subdivision 8, and must include the actual dollar amount of costs applicable to the case.

Sec. 10. Minnesota Statutes 1990, section 487.30, subdivision 8, is amended to read:

Subd. 8. [COSTS AND DISBURSEMENTS ON REMOVAL.] (a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.

(b) If the removing party prevails in district court, the removing party may recover costs from the opposing party as provided by rules of the supreme court. If the removing party does not prevail, the court shall award the opposing party an additional ~~\$200~~ \$250 as costs.

(c) The removing party prevails in district court if:

(1) the removing party recovers at least \$500 or 50 percent of the

amount or value of property that the removing party requested on removal, whichever is less, when the removing party was denied any recovery in conciliation court;

(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;

(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party recovered in conciliation court by at least \$500 or 50 percent, whichever is less; or

(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from the amount or value of property that the opposing party recovered in conciliation court by at least \$500 or 50 percent, whichever is less.

(d) Costs or disbursements in conciliation or district court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision.

Sec. 11. Minnesota Statutes 1990, section 487.30, is amended by adding a subdivision to read:

Subd. 10. [JUDGMENT DEBTOR DISCLOSURE.] If a cause is removed to district court, judgment is entered by the district court and has been docketed for at least 30 days, the judgment is not satisfied, and the parties have not otherwise agreed, the district court shall, upon request of the judgment creditor, order the judgment debtor to mail to the judgment creditor the information on the judgment debtor's assets, liabilities, and personal earnings specified in subdivision 5 on the form provided by that subdivision. The remedies provided for a violation of subdivision 5 apply to a violation of this subdivision.

Sec. 12. Minnesota Statutes 1990, section 488A.12, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try, and determine civil actions at law where the amount in controversy does not exceed the sum of \$4,000, except that if the action involves a consumer credit transaction, the amount in controversy may not exceed \$2,000. "Consumer credit transaction" has the meaning given in section 487.30, subdivision 1. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Hennepin.

(b) Notwithstanding the provisions of paragraph (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons in the action may be served anywhere within the state of Minnesota.

(c) Notwithstanding the provisions of paragraph (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff, a resident of Hennepin county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of Hennepin county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This clause does not apply to a check that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check to the summons before it is issued.

(d) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of Hennepin county under the following conditions:

(1) the student loan or loans were originally awarded in Hennepin county;

(2) the loan or loans are overdue at the time the action is commenced;

(3) the amount sought in any single action does not exceed \$3,500;

(4) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and

(5) the notice states that the educational institution may commence a conciliation court action in Hennepin county to recover the amount of the loan.

Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued. The provisions of section 487.30 dealing with jurisdiction of conciliation courts apply in Hennepin county.

Sec. 13. Minnesota Statutes 1990, section 488A.16, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ORDER.] The court administrator shall promptly mail to each party a notice of the order for judgment which the judge enters. The notice shall state the number of days allowed for obtaining an order to vacate where there has been a default or for removing the cause to municipal court. The notice shall contain a statement that if the cause is removed to municipal court, the court may, in its discretion, allow the prevailing party to recover from the aggrieved party an amount not to exceed \$50 as costs if the prevailing party on appeal is not the aggrieved party in the original action. The provisions of section 487.30 dealing with the notice of order apply in Hennepin county.

Sec. 14. Minnesota Statutes 1990, section 488A.17, subdivision 10, is amended to read:

Subd. 10. [COSTS AND DISBURSEMENTS ON REMOVAL.] (a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.

(b) If the removing party prevails in district court, the removing party may recover \$5 as costs from the opposing party, together with disbursements in conciliation and district court. If the removing party does not prevail, the court shall award the opposing party an additional \$200 as costs, together with disbursements.

(c) The removing party prevails in district court if:

(1) the removing party recovers at least \$500 or 50 percent of the amount or value of property that the removing party requested on removal, whichever is less, when the removing party was denied any recovery in conciliation court;

(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;

(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party recovered in conciliation court by at least \$500 or 50 percent, whichever is less; or

(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from the amount or value of property that the opposing party recovered in conciliation court by at least \$500 or 50 percent, whichever is less.

(d) Costs or disbursements in conciliation or district court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision. The provisions of section 487.30 dealing with costs and disbursements on removal apply in Hennepin county.

Sec. 15. Minnesota Statutes 1990, section 488A.17, is amended by adding a subdivision to read:

Subd. 11a. [JUDGMENT DEBTOR DISCLOSURE.] If a cause is removed to the municipal court, judgment is entered by the municipal court and has been docketed for at least 30 days, the judgment is not satisfied, and the parties have not otherwise agreed, the municipal court shall upon request of the judgment creditor, order the judgment debtor to mail to the judgment creditor the information on the judgment debtor's assets, liabilities, and personal earnings specified in section 488A.16, subdivision 8, on the form provided by that subdivision. The remedies provided for a violation of section 488A.16, subdivision 8, apply to a violation of this subdivision.

Sec. 16. Minnesota Statutes 1990, section 488A.29, subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of \$4,000, except that if the action involves a consumer credit transaction, the amount in controversy may not exceed \$2,000. "Consumer credit transaction" has the meaning given in section 487.30, subdivision 1. The territorial jurisdiction of the court is coterminous with the geographic boundaries of the county of Ramsey.

(b) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota.

(c) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff, resident of Ramsey county, to recover the amount of a dishonored check issued in the county, even though the defendant or defendants are not residents of Ramsey county, if the notice of nonpayment or dishonor described in section 609.535, subdivision 3, is sent to the maker or drawer as specified therein and the notice states that the payee or holder of the check may commence a conciliation court action in the county where the dishonored check was issued to recover the amount of the check. This clause does not apply to a check that has been dishonored by a stop payment order. Notwithstanding any law or rule of civil procedure to the contrary, the summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the dishonored check to the summons before it is issued.

(d) Notwithstanding the provisions of paragraph (a) or any rule of court to the contrary, the conciliation court of Ramsey county has jurisdiction to determine a civil action commenced by a plaintiff educational institution, including but not limited to, a state university or community college, with administrative offices in the county in which the conciliation court is located, to recover the amount of a student loan or loans even though the defendant or defendants are not residents of Ramsey county under the following conditions:

(1) the student loan or loans were originally awarded in Ramsey county;

(2) the loan or loans are overdue at the time the action is commenced;

(3) the amount sought in any single action does not exceed \$4,000;

(4) notice that payment on the loan is overdue has previously been sent by first class mail to the borrower to the last known address reported by the borrower to the educational institution; and

(5) the notice states that the educational institution may commence a conciliation court action in Ramsey county to recover the amount of the loan.

Notwithstanding any law or rule or civil procedure to the contrary, a summons in any action commenced under this clause may be served anywhere within the state of Minnesota. The conciliation court administrator shall attach a copy of the overdue loan or loans to the summons before it is issued. The provisions of section 487.30 dealing with jurisdiction of conciliation courts apply in Ramsey county.

Sec. 17. Minnesota Statutes 1990, section 488A.33, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF ORDER.] The administrator shall promptly mail to each party a notice of the order for judgment which the judge enters. The notice shall state the number of days allowed for obtaining an order to vacate where there has been a default or for removing the cause to municipal court. The notice shall also contain a statement that if the cause is removed to municipal court, the court may, in its discretion, allow the prevailing party to recover from the aggrieved party an amount not to exceed \$50 as costs if the prevailing party on appeal is not the aggrieved party in the original action. The provisions of section 487.30 dealing with the notice of order apply in Ramsey county.

Sec. 18. Minnesota Statutes 1990, section 488A.34, subdivision 9, is amended to read:

Subd. 9. [COSTS AND DISBURSEMENTS ON REMOVAL.] (a) For the purpose of this subdivision, "removing party" means the party who demands removal to district court or the first party who serves or files a demand for removal, if another party also demands removal. "Opposing party" means any party as to whom the removing party seeks a reversal in whole or in part.

(b) If the removing party prevails in district court, the removing party may recover costs and disbursements from the opposing party as though the action were commenced in district court. If the removing party does not prevail, the court shall award the opposing party an additional \$200 as costs, together with disbursements.

(c) The removing party prevails in district court if:

(1) the removing party recovers at least \$500 or 50 percent of the amount or value of property that the removing party requested on removal, whichever is less, when the removing party was denied any recovery in conciliation court;

(2) the opposing party does not recover any amount or any property from the removing party in district court when the opposing party recovered some amount or some property in conciliation court;

(3) the removing party recovers an amount or value of property in district court that exceeds the amount or value of property that the removing party recovered in conciliation court by at least \$500 or 50 percent, whichever is less; or

(4) the amount or value of property that the opposing party recovers from the removing party in district court is reduced from

the amount or value of property that the opposing party recovered in conciliation court by at least \$500 or 50 percent, whichever is less.

(d) ~~Costs or disbursements in conciliation or district court shall not be considered in determining whether there was a recovery by either party in either court or in determining the difference in recovery under this subdivision. The provisions of section 487.30 dealing with costs and disbursements on removal apply in Ramsey county.~~

Sec. 19. Minnesota Statutes 1990, section 488A.34, is amended by adding a subdivision to read:

Subd. 10a. [JUDGMENT DEBTOR DISCLOSURE.] If a cause is removed to the municipal court, judgment is entered by the municipal court and has been docketed for at least 30 days, the judgment is not satisfied, and the parties have not otherwise agreed, the municipal court shall, upon request of the judgment creditor, order the judgment debtor to mail to the judgment creditor the information on the judgment debtor's assets, liabilities, and personal earnings specified in section 488A.33, subdivision 7, on the form provided by that subdivision. The remedies provided for a violation of section 488A.33, subdivision 7, apply to a violation of this subdivision.

Sec. 20. Minnesota Statutes 1990, section 549.02, is amended to read:

549.02 [COSTS IN DISTRICT COURTS.]

In actions commenced in the district court, costs shall be allowed as follows:

To plaintiff: (1) Upon a judgment in the plaintiff's favor of \$100 or more in an action for the recovery of money only, ~~when no issue of fact or law is joined, \$5; when issue is joined, \$10~~ \$100. (2) In all other actions, including an action by a public employee for wrongfully denied or withheld employment benefits or rights, except as otherwise specially provided, ~~\$10~~ \$100.

To defendant: ~~(1) Upon discontinuance or dismissal, \$5. (2) or when judgment is rendered in the defendant's favor on the merits, \$10~~ \$100.

To the prevailing party: (1) \$5.50 for the cost of filing a satisfaction of the judgment.

This section does not apply to actions removed to district court from conciliation court.

Sec. 21. [CONCILIATION COURT JURISDICTION AMOUNTS.]

Subdivision 1. [INCREASE IN LIMITS.] The conciliation court jurisdictional limit contained in Minnesota Statutes, section 487.30, subdivision 1, increases to \$6,000 on July 1, 1993, and \$7,500 on July 1, 1994.

Subd. 2. [REVISOR'S INSTRUCTION.] The revisor of statutes shall make the changes in the jurisdictional amounts provided in subdivision 1 in Minnesota Statutes 1993 Supplement and subsequent editions of the statutes.

Sec. 22. [REPEALER.]

Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; and 488A.31, subdivision 6, are repealed.

Sec. 23. [EFFECTIVE DATE.]

Section 2 is effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, 8, and by adding subdivisions; 488A.12, subdivision 3; 488A.16, subdivision 1; 488A.17, subdivision 10, and by adding a subdivision; 488A.29, subdivision 3; 488A.33, subdivision 1; 488A.34, subdivision 9, and by adding a subdivision; and 549.02; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; and 488A.31, subdivision 6."

We request adoption of this report and repassage of the bill.

Senate Conferees: RANDY C. KELLY, RICHARD J. COHEN AND FRITZ KNAAK.

House Conferees: THOMAS W. PUGH, KRIS HASSKAMP AND DAVE BISHOP.

Pugh moved that the report of the Conference Committee on S. F. No. 1691 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1691, A bill for an act relating to courts; authorizing certain appearances in conciliation court; modifying and clarifying conciliation court jurisdiction and procedures; increasing jurisdictional amounts; amending Minnesota Statutes 1990, sections 487.30, subdivisions 1, 3a, 4, 7, 8, and by adding subdivisions; 488A.12, subdivision 3; 488A.15, subdivision 2; 488A.16, subdivision 1; 488A.17, subdivision 10; 488A.29, subdivision 3; 488A.32, subdivision 2; 488A.33, subdivision 1; 488A.34, subdivision 9; Minnesota Statutes 1991 Supplement, section 481.02, subdivision 3; repealing Minnesota Statutes 1990, sections 487.30, subdivision 3; 488A.14, subdivision 6; 488A.31, subdivision 6.

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 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey

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

Madam Speaker:

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

S. F. No. 2194.

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. 2194

A bill for an act relating to governmental operations; authorizing two additional deputies in the state auditor's office; setting conditions for certain state laws; regulating payments; fixing local accounting procedures; prohibiting the use of pictures of elected officials for certain local government purposes; providing for investments and uses of public facilities; requiring that airline travel credit accrue to the issuing body; amending Minnesota Statutes 1990, sections 6.02; 11A.24, subdivision 6; 13.76, by adding a subdivision; 15A.082, by adding a subdivision; 367.36, subdivision 1; 412.222; 471.49, by adding a subdivision; 471.66; 471.68, by adding a subdivision; 471.696; 471.697; 477A.017, subdivision 2; and 609.415, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 279; and 609; repealing Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2194, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2194 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 6.02, is amended to read:

6.02 [~~DEPUTY~~ DEPUTIES, EMPLOYEES.]

The state auditor shall appoint a deputy, who may perform all the duties of the office when the auditor is absent or disabled. The state auditor may employ and at pleasure dismiss two additional deputies and a private secretary. This section does not increase the complement of the state auditor.

Sec. 2. Minnesota Statutes 1990, section 11A.24, subdivision 6, is amended to read:

Subd. 6. [OTHER INVESTMENTS.] (a) In addition to the investments authorized in subdivisions 1 to 5, and subject to the provisions in clause (b), the state board may invest funds in:

(1) venture capital investment businesses through participation in limited partnerships and corporations;

(2) real estate ownership interests or loans secured by mortgages or deeds of trust through investment in limited partnerships, bank sponsored collective funds, trusts, and insurance company commingled accounts, including separate accounts;

(3) regional and mutual funds through bank sponsored collective funds and open-end investment companies registered under the Federal Investment Company Act of 1940;

(4) resource investments through limited partnerships, private placements and corporations; and

(5) ~~debt obligations not subject to subdivision 3; and~~

~~(6)~~ international securities.

(b) The investments authorized in clause (a) must conform to the following provisions:

(1) the aggregate value of all investments made according to clause (a) may not exceed 35 percent of the market value of the fund for which the state board is investing;

(2) there must be at least four unrelated owners of the investment other than the state board for investments made under paragraph (a), clause (1), (2), (3), or (4);

(3) state board participation in an investment vehicle is limited to 20 percent thereof for investments made under paragraph (a), clause (1), (2), (3), or (4); and

(4) state board participation in a limited partnership does not include a general partnership interest or other interest involving

general liability. The state board may not engage in any activity as a limited partner which creates general liability.

Sec. 3. Minnesota Statutes 1990, section 13.76, is amended by adding a subdivision to read:

Subd. 3. [BUSINESSES SEEKING STATE INCENTIVES.] Notwithstanding subdivision 1, any business seeking \$250,000 or more in financial assistance from the state of Minnesota in the form of grants, loans, or tax incentives shall make available for public inspection its audited financial statements for the three most recent years. These statements shall include all information that would be required by the United States Securities and Exchange Commission prior to any public stock offering. This subdivision does not apply to financial assistance sought from the iron range resources and rehabilitation board or from a political subdivision of the state, including home rule charter and statutory cities, towns, counties, and all agencies, commissions, and councils established under chapter 473, as well as any authority or agency of such a political subdivision.

Sec. 4. Minnesota Statutes 1990, section 15A.082, is amended by adding a subdivision to read:

Subd. 4a. [CONSTITUTIONAL OFFICERS.] No constitutional officer whose compensation is set under this section may receive monetary compensation for unused vacation or sick leave accruals.

Sec. 5. [279.025] [PAYMENT OF DELINQUENT PROPERTY TAXES, SPECIAL ASSESSMENTS.]

Payment of delinquent property tax and related interest and penalties and special assessments shall be paid to the county auditor with United States currency or by check or money order drawn on a bank or other financial institution in the United States.

Sec. 6. Minnesota Statutes 1990, section 367.36, subdivision 1, is amended to read:

Subdivision 1. [INCUMBENT TREASURER; ANNUAL AUDIT.] In a town in which option D is adopted, the incumbent treasurer shall continue in office until the expiration of the term. Thereafter the duties of the treasurer prescribed by law shall be performed by the clerk who shall be referred to as the clerk-treasurer. If the offices of clerk and treasurer are combined, the town board shall provide for an annual audit of the town's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor. Upon completion of an audit by a public accountant, the public accountant shall forward a copy of the audit to the state auditor. For purposes of this subdivision, "public

accountant" means a certified public accountant, a certified public accounting firm, or a licensed public accountant, all licensed by the board of accountancy under sections 326.17 to 326.23.

Sec. 7. Minnesota Statutes 1990, section 412.222, is amended to read:

412.222 [PUBLIC ACCOUNTANTS IN STATUTORY CITIES.]

The council of any city may employ public accountants on a monthly or yearly basis for the purpose of auditing, examining, and reporting upon the books and records of account of such city. For the purpose of this section ~~public accountants are defined as any individuals who for a period of five years prior to the date of such employment have been actively engaged exclusively in the practice of public accounting,~~ "public accountant" means a certified public accountant, a certified public accounting firm, or a licensed public accountant, all licensed by the board of accountancy under sections 326.17 to 326.23. All expenditures for these purposes shall be within the statutory limits upon tax levies in such cities.

Sec. 8. Minnesota Statutes 1990, section 462.396, subdivision 4, is amended to read:

Subd. 4. The commission shall keep an accurate account of its receipts and disbursement. Disbursements of funds of the commission shall be made by check signed by the chair or vice-chair or secretary of the commission and countersigned by the executive director or an authorized deputy thereof after such auditing and approval of the expenditure as may be provided by rules of the commission. The state auditor shall audit the books and accounts of the commission once each year, or as often as funds and personnel of the state auditor permit. The commission shall pay to the state the total cost and expenses of such examination, including the salaries paid to the auditors while actually engaged in making such examination. The general fund shall be credited with all collections made for any such examination. In lieu of an annual audit by the state auditor, the commission may contract with a certified public accountant for the annual audit of the books and accounts of the commission. If a certified public accountant performs the audit, the commission shall send a copy of the audit to the state auditor.

Sec. 9. Minnesota Statutes 1990, section 471.49, is amended by adding a subdivision to read:

Subd. 10. [PUBLIC ACCOUNTANT.] "Public accountant" means a certified public accountant, a certified public accounting firm, or a licensed public accountant, all licensed by the board of accountancy under sections 326.17 to 326.23.

Sec. 10. Minnesota Statutes 1990, section 471.66, is amended to read:

471.66 [VACATIONS.]

Subdivision 1. Hereafter The governing body of each city and town in the state of Minnesota, however organized, may by resolution or ordinance provide for the granting of vacations, with or without pay, to all its regularly employed employees or officers, upon such terms and under such conditions as said governing body may determine, and subject to such requirements as to length of service with such municipality as said governing body may require.

Subd. 2. Nothing in ~~the foregoing provisions~~ subdivision 1 shall be construed as retroactive in its purpose or intent so as to give the governing body of any such city or town the right to grant vacations based on service of its employees or officers rendered prior to the enactment of such ordinance or resolution.

Subd. 3. No elected official of a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, may receive monetary compensation for unused vacation or sick leave accruals. Nothing in this subdivision shall restrict an elected official from taking vacation or sick leave time that may be provided for by resolution or ordinance of the governing body of a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state.

Sec. 11. Minnesota Statutes 1990, section 471.68, is amended by adding a subdivision to read:

Subd. 3. [PICTURES PROHIBITED.] When a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision of this state, issues a report or other publication for public distribution to inform the general public of the activities of the political subdivision, the report or publication must not include pictures of elected officials nor any other pictorial or graphic device that would tend to attribute the publication to an individual or groups of individuals instead of the political subdivision. Directories of public services provided by the political subdivision are exempt from this subdivision.

Sec. 12. Minnesota Statutes 1990, section 471.696, is amended to read:

471.696 [FISCAL YEAR; DESIGNATION.]

Beginning in 1979, the fiscal year of a city and all of its funds shall be the calendar year, except that a city may, by resolution, provide

that the fiscal year for city-owned nursing homes be the reporting year designated by the commissioner of human services. Beginning in 1994, the fiscal year of a town and all of its funds shall be the calendar year. The state auditor may upon request of a city town and a showing of inability to conform, extend the deadline for compliance with this section for one year; except that a city may, by resolution, provide that the fiscal year for city owned nursing homes be the reporting year designated by the commissioner of human services.

Sec. 13. Minnesota Statutes 1990, section 471.697, is amended to read:

471.697 [FINANCIAL REPORTING; AUDITS; CITIES AND TOWNS OF MORE THAN 2,500 POPULATION.]

Subdivision 1. In any city with a population of more than 2,500 according to the latest federal census, or town with a population of more than 2,500 according to the latest federal census with an annual revenue of \$500,000 or more, the city clerk or, chief financial officer, town clerk, or town clerk-treasurer shall:

(a) Prepare a financial report covering the city's or town's operations including operations of municipal hospitals and nursing homes, liquor stores, and public utility commissions during the preceding fiscal year after the close of the fiscal year and. Cities shall publish the report or a summary of the report, in a form as prescribed by the state auditor, in a qualified newspaper of general circulation in the city or, if there is none, post copies in three of the most public places in the city, no later than 30 days after the report is due in the office of the state auditor. The report shall contain financial statements and disclosures which present the city's or town's financial position and the results of city or town operations in conformity with generally accepted accounting principles. The report shall include such information and be in such form as may be prescribed by the state auditor;

(b) File the financial report in the clerk's or financial officer's office for public inspection and present it to the city council or town board after the close of the fiscal year. One copy of the financial report shall be furnished to the state auditor after the close of the fiscal year; and

(c) Submit to the state auditor audited financial statements which have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may upon request of a city or town and a showing of inability to conform, extend the deadline. The state auditor may accept this report in lieu of the report required in clause (b) above.

A municipal hospital or nursing home established before June 6,

1979 whose fiscal year is not a calendar year on August 1, 1980 is not subject to this subdivision but shall submit to the state auditor a detailed statement of its financial affairs audited by a certified public accountant, a public accountant or the state auditor no later than 120 days after the close of its fiscal year. It may also submit a summary financial report for the calendar year.

Subd. 2. The state auditor shall continue to audit cities of the first class pursuant to section 6.49.

Sec. 14. Minnesota Statutes 1990, section 471.6985, is amended to read:

471.6985 [FINANCIAL STATEMENT PUBLICATION REPORTING; AUDITS; MUNICIPAL LIQUOR STORE.]

Subdivision 1. Any city operating a municipal liquor store shall publish a balance sheet using generally accepted accounting procedures and a statement of operations of the liquor store within 90 days after the close of the fiscal year in the official newspaper of the city. The statement shall be headlined, in a type size no smaller than 18-point: "Analysis of(city)..... municipal liquor store operations for(year)...." and shall be written in clear and easily understandable language. It shall contain the following information: total sales, cost of sales, gross profit, profit as percent of sales, operating expenses, operating income, contributions to and from other funds, capital outlay, interest paid and debt retired. The form and style of the statement shall be prescribed by the state auditor. Nonoperating expenses may not be extracted on the reporting form prior to determination of net profits for reporting purposes only. Administrative expenses charged to the liquor store by the city must be actual operating expenses and not used for any other public purpose prior to the determination of net profits. The publication requirements of this section shall be in addition to any publication or posting requirements for financial reports contained in sections 471.697 and 471.698. The statement may at the option of the city council be incorporated into the reports published pursuant to sections 471.697 and 471.698, in accordance with a form and style prescribed by the state auditor.

Subd. 2. Any city operating a municipal liquor store with total annual sales in excess of \$350,000 shall submit to the state auditor audited financial statements for the liquor store that have been attested to by a certified public accountant, public accountant, or the state auditor within 180 days after the close of the fiscal year, except that the state auditor may extend the deadline upon request of a city and a showing of inability to conform. The state auditor may accept this report in lieu of the report required by subdivision 1.

Sec. 15. Minnesota Statutes 1990, section 477A.017, subdivision 2, is amended to read:

Subd. 2. [STATE AUDITOR'S DUTIES.] The state auditor shall prescribe uniform financial accounting and reporting standards in conformity with national standards to be applicable to cities and towns of more than 2,500 population and uniform reporting standards to be applicable to cities of less than 2,500 population.

Sec. 16. Minnesota Statutes 1990, section 609.415, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in sections 609.415 to 609.465, and 609.515,

(1) "Public officer" means:

(a) an executive or administrative officer of the state or of a county, municipality or other subdivision or agency of the state;

(b) a member of the legislature or of a governing board of a county, municipality, or other subdivision of the state, or other governmental instrumentality within the state;

(c) a judicial officer;

(d) a hearing officer;

(e) a law enforcement officer; or

(f) any other person exercising the functions of a public officer.

(2) "Public employee" means a person employed by or acting for the state or a county, municipality, or other subdivision or governmental instrumentality of the state for the purpose of exercising their respective powers and performing their respective duties, and who is not a public officer.

(3) "Judicial officer" means a judge, court commissioner, referee, or any other person appointed by a judge or court to hear or determine a cause or controversy.

(4) "Hearing officer" means any person authorized by law or private agreement to hear or determine a cause or controversy who is not a judicial officer.

(5) "Political subdivision" means a county, town, statutory or home rule charter city, school district, special service district, or other municipal corporation of the state of Minnesota.

Sec. 17. [609.456] [REPORTING TO STATE AUDITOR REQUIRED.]

Whenever a public employee or public officer of a political subdivision discovers evidence of theft, embezzlement, or unlawful use of public funds or property, the employee or elected official shall, except when to do so would knowingly impede or otherwise interfere with an ongoing criminal investigation, promptly report in writing to the state auditor a detailed description of the alleged incident or incidents.

Sec. 18. [PROPERTY TAXES AND SPECIAL ASSESSMENTS; HRA AGREEMENT.]

If before August 1, 1990, a housing and redevelopment authority has entered into an agreement with the owner to improve the property in the redevelopment area, all property taxes and special assessments payable to the political subdivisions on that property in the redevelopment area are not subject to the limitation in Laws 1991, chapter 336, article 2, section 11, clause (9).

Sec. 19. [NEWSPAPER; QUALIFICATION.]

A newspaper otherwise in compliance with Minnesota Statutes, section 331A.02, subdivision 1, between September 1, 1991, and December 31, 1991, shall not be deemed to have lost its qualified status because any issue published between September 1, 1991, and December 31, 1991, failed to include the minimum number of column-inches required by Minnesota Statutes, section 331A.02, subdivision 1.

Sec. 20. [AIRLINE TRAVEL CREDIT.]

(a) Whenever public funds are used to pay for airline travel by an elected official or public employee, any credits or other benefits issued by any airline must accrue to the benefit of the public body providing the funding. In the event the issuing airline will not honor a transfer or assignment of any credit or benefit, the individual passenger shall report receipt of the credit or benefit to the public body issuing the initial payment within 90 days of receipt.

(b) By July 1, 1993, the appropriate authorities in the executive, legislative, and judicial branches of the state and the governing body of each political subdivision shall develop and implement policies covering accrual of credits or other benefits issued by an airline whenever public funds are used to pay for airline travel by a public employee or an elected or appointed official. The policies must apply to all airline travel, regardless of where or how tickets are purchased. The policies must include procedures for reporting receipt of credits or other benefits.

Sec. 21. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2, is repealed.

Sec. 22. [EFFECTIVE DATE.]

Section 19 is effective the day following enactment. Section 18 is effective June 30, 1992."

Delete the title and insert:

"A bill for an act relating to authorizing two additional deputies in the state auditor's office; regulating certain investments; providing for certain audits, reports, and payments; prohibiting monetary compensation for unused vacation or sick leave to certain state and local officers; setting conditions for certain state laws; prohibiting the use of pictures of elected officials in certain local government publications; requiring that airline travel credit accrue to the issuing public body and requiring policies covering the benefits issued by airlines for travel paid for by public funds; amending Minnesota Statutes 1990, sections 6.02; 11A.24, subdivision 6; 13.76, by adding a subdivision; 15A.082, by adding a subdivision; 367.36, subdivision 1; 412.222; 462.396, subdivision 4; 471.49, by adding a subdivision; 471.66; 471.68, by adding a subdivision; 471.696; 471.697; 471.6985; 477A.017, subdivision 2; 609.415, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 279; and 609; repealing Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2."

We request adoption of this report and repassage of the bill.

Senate Conferees: EMBER D. REICHGOTT, GENE WALDORF AND DENNIS R. FREDERICKSON.

House Conferees: THOMAS W. PUGH, ROBERT P. MILBERT AND RON ABRAMS.

Pugh moved that the report of the Conference Committee on S. F. No. 2194 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2194, A bill for an act relating to governmental operations; authorizing two additional deputies in the state auditor's office; setting conditions for certain state laws; regulating payments; fixing local accounting procedures; prohibiting the use of pictures of elected officials for certain local government purposes; providing for investments and uses of public facilities; requiring that airline travel credit accrue to the issuing body; amending Minnesota Statutes 1990, sections 6.02; 11A.24, subdivision 6; 13.76, by adding

a subdivision; 15A.082, by adding a subdivision; 367.36, subdivision 1; 412.222; 471.49, by adding a subdivision; 471.66; 471.68, by adding a subdivision; 471.696; 471.697; 477A.017, subdivision 2; and 609.415, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 279; and 609; repealing Minnesota Statutes 1991 Supplement, section 128B.10, subdivision 2.

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 118 yeas and 13 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.	Girard	Hufnagle	Onnen	Welker
Bettermann	Goodno	Knickerbocker	Smith	
Frerichs	Gruenes	Marsh	Stanius	

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

Madam Speaker:

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

S. F. No. 2199.

The Senate has repassed said bill in accordance with the recom-

mendation 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. 2199

A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; moving from the office of waste management to the environmental quality board the responsibility for supplementary review of waste facility siting; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; expanding fee exemptions for waste residue from certain construction debris processing facilities; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; changing provisions relating to financial responsibility requirements and low-level radioactive waste; requiring labeling of rechargeable batteries; prohibiting the imposition of fees on the generation of certain hazardous wastes that are reused or recycled; requiring studies on automobile waste, construction debris, and used motor oil; requiring an assessment of regional waste management needs; and making various other amendments and additions related to solid waste management; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1990, sections 16B.121; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.32; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.87; 115A.93, by adding a subdivision; 115A.981; 116.12, subdivision 2; 325E.12; 325E.125, subdivision 1; 400.08, subdivisions 4 and 5; 400.161; 473.811, subdivision 5b; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivisions 4 and 5; 115A.919, subdivision 3; 115A.93, subdivision 3; 115A.931; 116.07, subdivision 4h; 116.90; 116C.852; and 473.849; Laws 1990, chapter 600, section 7; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; and 325E.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2199, 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. 2199 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

Section 1. Minnesota Statutes 1990, section 16B.121, is amended to read:

16B.121 [PURCHASE OF RECYCLED, REPAIRABLE, AND DURABLE MATERIALS.]

The commissioner shall take the recycled content and recyclability of commodities to be purchased into consideration in bid specifications. ~~The commissioner shall apply weighting factors to the recycled content and recyclability criteria in order to give a preferential treatment to those criteria. State agencies shall purchase recycled materials when specifications allow the practical use of the recycled materials and the price does not exceed the price of nonrecycled materials by more than ten percent. If possible, state agencies should purchase materials recycled from waste generated in this state. When feasible and when the price of recycled materials does not exceed the price of nonrecycled materials by more than ten percent, the commissioner, and state agencies when purchasing under delegated authority, shall purchase recycled materials. In order to maximize the quantity and quality of recycled materials purchased, the commissioner, and state agencies when purchasing under delegated authority, may also use other appropriate procedures to acquire recycled materials at the most economical cost to the state.~~

When purchasing commodities and services, the commissioner, and state agencies when purchasing under delegated authority, shall apply and promote the preferred waste management practices listed in section 115A.02, with special emphasis on reduction of the quantity and toxicity of materials in waste. The commissioner, and state agencies when purchasing under delegated authority, in developing bid specifications, shall consider the extent to which a commodity or product is durable, reusable, or recyclable and marketable through the state resource recovery program.

Sec. 2. Minnesota Statutes 1991 Supplement, section 16B.122, subdivision 2, is amended to read:

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

- (1) purchase uncoated office paper and printing paper;
 - (2) purchase recycled content paper with at least ten percent postconsumer material by weight;
 - (3) purchase paper which has not been dyed with colors, excluding pastel colors;
 - (4) purchase recycled content paper that is manufactured using little or no chlorine bleach or chlorine derivatives;
 - (5) use no more than two colored inks, standard or processed, except in formats where they are necessary to convey meaning;
 - (6) use reusable binding materials or staples and bind documents by methods that do not use glue;
 - (7) use soy-based inks; and
 - (8) produce reports, publications, and periodicals that are readily recyclable within the state ~~resources~~ resource recovery program.
- (b) Paragraph (a), clause (1), does not apply to coated paper that is made with at least 50 percent fiber that ~~has been recycled after use by a consumer~~ postconsumer material.
- (c) A public entity shall print documents on both sides of the paper where commonly accepted publishing practices allow.

Sec. 3. [16B.123] [PACKING MATERIALS.]

Whenever technically feasible, a public entity shall purchase and use degradable loose foam packing material manufactured from vegetable starches or other renewable resources, unless the cost of the packing material is more than ten percent greater than the cost of packing material made from nonrenewable resources. For the purposes of this section, "packing material" means loose foam material, other than an exterior packaging shell, that is used to stabilize, protect, cushion, or brace the contents of a package.

Sec. 4. Minnesota Statutes 1991 Supplement, section 115A.02, is amended to read:

115A.02 [LEGISLATIVE DECLARATION OF POLICY; PURPOSES.]

(a) It is the goal of this chapter to improve waste management in the state to serve the following purposes:

- (1) Reduction in the amount and toxicity of waste generated;
- (2) Separation and recovery of materials and energy from waste;
- (3) Reduction in indiscriminate dependence on disposal of waste;
- (4) Coordination of solid waste management among political subdivisions; and
- (5) Orderly and deliberate development and financial security of waste facilities including disposal facilities.

(b) The waste management goal of the state is to foster an integrated waste management system in a manner appropriate to the characteristics of the waste stream. The following waste management practices are in order of preference:

- (1) waste reduction and reuse;
- (2) waste recycling;
- (3) composting of yard waste and food waste;
- (4) resource recovery through mixed municipal solid waste composting or incineration; and
- (5) land disposal.

Sec. 5. Minnesota Statutes 1990, section 115A.03, is amended by adding a subdivision to read:

Subd. 6a. [COMMISSIONER.] "Commissioner" means the commissioner of the pollution control agency.

Sec. 6. Minnesota Statutes 1990, section 115A.03, is amended by adding a subdivision to read:

Subd. 24b. [POSTCONSUMER MATERIAL.] "Postconsumer material" means a finished material that would normally be discarded as a solid waste having completed its life cycle as a consumer item.

Sec. 7. Minnesota Statutes 1990, section 115A.03, subdivision 36a, is amended to read:

Subd. 36a. [WASTE REDUCTION; SOURCE REDUCTION.] "Waste reduction" or "source reduction" means an activity that

prevents generation of waste or the inclusion of toxic materials in waste, including:

- (1) reusing a product in its original form;
- (2) increasing the life span of a product;
- (3) reducing material or the toxicity of material used in production or packaging; or
- (4) changing procurement, consumption, or waste generation habits to result in smaller quantities or lower toxicity of waste generated.

Sec. 8. [115A.034] [ENFORCEMENT.]

Chapter 115A may be enforced under section 116.072.

Sec. 9. Minnesota Statutes 1990, section 115A.07, is amended by adding a subdivision to read:

Subd. 3. [UNIFORM WASTE STATISTICS; RULES.] The director, after consulting with the commissioner, the metropolitan council, local government units, and other interested persons, may adopt rules to establish uniform methods for collecting and reporting waste reduction, generation, collection, transportation, storage, recycling, processing, and disposal statistics necessary for proper waste management and for reporting required by law. Prior to publishing proposed rules, the director shall submit draft rules to the legislative commission on waste management for review and comment. Rules adopted under this subdivision apply to all persons and units of government in the state for the purpose of collecting and reporting waste-related statistics requested under or required by law.

Sec. 10. Minnesota Statutes 1991 Supplement, section 115A.15, subdivision 9, is amended to read:

Subd. 9. [RECYCLING GOAL.] By December 31, 1993, the commissioner shall recycle at least 40 percent by weight of the solid waste generated by state offices and other state operations located in the metropolitan area. By ~~August~~ March 1 of each year the commissioner shall report to the office and the metropolitan council the estimated recycling rates by county for state offices and other state operations in the metropolitan area for the previous ~~fiscal~~ calendar year. The office shall incorporate these figures into the reports submitted by the counties under section 115A.557, subdivision 3, to determine each county's progress toward the goal in section 115A.551, subdivision 2.

Each state agency in the metropolitan area shall work to meet the recycling goal individually. If the goal is not met by an agency, the commissioner shall notify that agency that the goal has not been met and the reasons the goal has not been met and shall provide information to the employees in the agency regarding recycling opportunities and expectations.

Sec. 11. Minnesota Statutes 1990, section 115A.32, is amended to read:

115A.32 [RULES.]

The ~~office~~ board shall promulgate rules pursuant to chapter 14 to govern its activities under sections 115A.32 to 115A.39. For the purposes of sections 115A.32 to 115A.39, "board" means the environmental quality board established in section 116C.03. In all of its activities and deliberations under sections 115A.32 to 115A.39, the board shall consult with the director of the office of waste management.

Sec. 12. Minnesota Statutes 1991 Supplement, section 115A.411, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; PURPOSE.] The director with assistance from the commissioner shall prepare and adopt a report on solid waste management policy excluding the metropolitan area. The report must be submitted by the director to the legislative commission on waste management by ~~November 15~~ July 1 of each even-numbered year and may include reports required under sections 115A.551, subdivision 4, and 115A.557, subdivision 4.

Sec. 13. [115A.5501] [REDUCTION OF PACKAGING IN WASTE.]

Subdivision 1. [STATEWIDE WASTE PACKAGING REDUCTION GOAL.] It is the goal of the state that there be a minimum 25 percent statewide per capita reduction in the amount of discarded packaging delivered to solid waste composting, incineration, refuse derived fuel and disposal facilities by December 31, 1995, based on a reasonable estimate of the amount of packaging that was delivered to solid waste composting, incineration, and disposal facilities in calendar year 1992.

Subd. 2. [MEASUREMENT; PROCEDURES.] To measure the overall percentage of packaging in the statewide solid waste stream, the commissioner and the chair of the metropolitan council, in consultation with the director, shall each conduct an annual four-season solid waste composition study in the nonmetropolitan and metropolitan areas respectively or shall develop an alternative

method that is as statistically reliable as a waste composition study to measure the percentage of packaging in the waste stream.

Beginning in 1993, the chair of the council shall submit the results from the metropolitan area to the commissioner by March 1 of each year. The commissioner shall average the nonmetropolitan and metropolitan results and submit the statewide percentage, along with a statistically reliable margin of error, to the director by April 1 of each year. The director shall report the information to the legislative commission on waste management by July 1 of each year.

Subd. 3. [FACILITY COOPERATION AND REPORTS.] The owner or operator of a solid waste composting, incineration, refuse derived fuel or disposal facility shall allow access upon reasonable notice to authorized office, agency, or metropolitan council staff for the purpose of conducting waste composition studies or otherwise assessing the amount of total packaging in the waste delivered to the facility under this section.

Beginning in 1993, by February 1 of each year the owner or operator of a facility governed by this subdivision shall submit a report to the commissioner, on a form prescribed by the commissioner, information specifying the total amount of solid waste received by the facility between January 1 and December 31 of the previous year. The commissioner shall calculate the total amount of solid waste delivered to solid waste facilities from the reports received from the facility owners or operators and shall report the aggregate amount to the director by April 1 of each year. The commissioner shall assess a nonforgivable administrative penalty under section 116.072 of \$500 plus any forgivable amount necessary to enforce this subdivision on any owner or operator who fails to submit a report required by this subdivision.

Subd. 4. [REPORT.] The director shall apply the statewide percentage determined under subdivision 2 to the aggregate amount of solid waste determined under subdivision 3 to determine the amount of packaging in the waste stream. By July 1, 1996, the director shall submit to the legislative commission on waste management an analysis of the extent to which the waste packaging reduction goal in subdivision 1 has been met. In determining whether the goal has been met, the margin of error must be applied in favor of meeting the goal.

Sec. 14. Minnesota Statutes 1991 Supplement, section 115A.551, subdivision 2a, is amended to read:

Subd. 2a. [SUPPLEMENTARY RECYCLING GOALS.] By July December 31, 1996, each county will have as a goal to recycle the following amounts:

(1) for a county outside of the metropolitan area, 30 percent by weight of total solid waste generation;

(2) for a metropolitan county, 45 percent by weight of total solid waste generation.

Each county will develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or in any other law may be construed to prohibit a county from establishing a higher recycling goal. For the purposes of this subdivision “recycle” and “total solid waste generation” ~~has~~ have the meaning meanings given it them in subdivision 1, except that ~~it does not include neither includes~~ yard waste.

Sec. 15. Minnesota Statutes 1991 Supplement, section 115A.551, subdivision 4, is amended to read:

Subd. 4. [INTERIM MONITORING.] The office, for counties outside of the metropolitan area, and the metropolitan council, for counties within the metropolitan area, shall monitor the progress of each county toward meeting the recycling goal ~~goals in subdivision subdivisions 2 and 2a~~ and shall report to the legislative commission on waste management on the progress of the counties by November 15 of each year. If the office or the council finds that a county is not progressing toward the ~~goal goals in subdivision subdivisions 2 and 2a~~, it shall negotiate with the county to develop and implement solid waste management techniques designed to assist the county in meeting the ~~goal goals~~, such as organized collection, curbside collection of source-separated materials, and volume-based pricing.

In even-numbered years the progress report may be included in the solid waste management policy report required under section 115A.411.

Sec. 16. Minnesota Statutes 1990, section 115A.551, subdivision 5, is amended to read:

Subd. 5. [FAILURE TO MEET GOAL.] (a) A county failing to meet the interim goals in subdivision 3 shall, as a minimum:

(1) notify county residents of the failure to achieve the goal and why the goal was not achieved; and

(2) provide county residents with information on recycling programs offered by the county.

(b) If, based on the recycling monitoring described in subdivision 4, the office or the metropolitan council finds that a county will be unable to meet the recycling ~~goal goals~~ established in ~~subdivision~~

subdivisions 2 and 2a, the office or council shall, after consideration of the reasons for the county's inability to meet the goal goals, recommend legislation for consideration by the legislative commission on waste management to establish mandatory recycling standards and to authorize the office or council to mandate appropriate solid waste management techniques designed to meet the standards in those counties that are unable to meet the goal goals.

Sec. 17. Minnesota Statutes 1990, section 115A.557, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY TO RECEIVE MONEY.] (a) To be eligible to receive money distributed by the office under this section, a county shall within one year of October 4, 1989:

(1) create a separate account in its general fund to credit the money; and

(2) set up accounting procedures to ensure that money in the separate account is spent only for the purposes in subdivision 2.

(b) In each following year, each county shall also:

(1) have in place an approved solid waste management plan or master plan including a recycling implementation strategy under section 115A.551, subdivision 7, or 473.803, subdivision 1e, and a household hazardous waste management plan under section 115A.96, subdivision 6, by the dates specified in those provisions;

(2) submit a report by ~~August~~ March 1 of each year to the office detailing how the money was spent and the resulting gains achieved in solid waste management practices during the previous ~~fiscal~~ calendar year; and

(3) provide evidence to the office that local revenue equal to 25 percent of the money sought for distribution under this section will be spent for the purposes in subdivision 2.

(c) The office shall withhold all or part of the funds to be distributed to a county under this section if the county fails to comply with this subdivision and subdivision 2.

Sec. 18. [115A.56] [RECYCLED CONTENT; LABELS.]

A person may not label or otherwise indicate on a product or package for sale or distribution that the product or package contains recycled material unless the label or other indication states the minimum percentage of postconsumer material in the product or package:

(1) by weight for a finished nonpaper product or package; and

(2) by fiber content for a finished paper product or package.

For the purposes of this section "product" includes advertising materials and campaign material as defined in section 211B.01, subdivision 2.

Sec. 19. Minnesota Statutes 1990, section 115A.63, subdivision 3, is amended to read:

Subd. 3. [RESTRICTIONS.] No waste district shall be established within the boundaries of the Western Lake Superior Sanitary District established by Laws 1971, chapter 478, as amended. No waste district shall be established wholly within one county. The office director shall not establish a waste district within or extending into the metropolitan area, nor define or alter the powers or boundaries of a district, without the approval of the metropolitan council. The council shall not approve a district unless the articles of incorporation of the district require that the district will have the same procedural and substantive responsibilities, duties, and relationship to the metropolitan agencies as a metropolitan county. ~~The office shall not establish a district unless the petitioners demonstrate that they are unable to fulfill the purposes of a district through joint action under section 471.50.~~ The office director shall require the completion of a comprehensive solid waste management plan conforming to the requirements of section 115A.46, by petitioners seeking to establish a district.

Sec. 20. Minnesota Statutes 1990, section 115A.81, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION.] "Designation" means a requirement by a waste management district or county that all or any portion of the ~~mixed municipal~~ solid waste that is generated within its boundaries or any service area thereof be delivered to a processing or disposal facility identified by the district or county.

Sec. 21. Minnesota Statutes 1991 Supplement, section 115A.83, is amended to read:

115A.83 [EXEMPTION WASTES SUBJECT TO DESIGNATION; EXEMPTIONS.]

Subdivision 1. [APPLICATION.] Designation applies to the following wastes:

(1) mixed municipal solid waste; and

(2) other solid waste that prior to final processing or disposal:

(i) is not managed as a separate waste stream; or

(ii) is managed as a separate waste stream using a waste management practice that is ranked lower on the list of waste management practices in section 115A.02, paragraph (b), than the primary waste management practice that would be used on the waste at the designated facility.

Subd. 2. [EXEMPTION.] The designation may not apply to or include:

(1) materials that are separated from ~~mixed municipal~~ solid waste and recovered for reuse in their original form or for use in manufacturing processes;

(2) materials that are processed at a resource recovery facility at the capacity in operation at the time that the designation plan is approved by the reviewing authority; ~~or~~

(3) materials that are separated at a permitted transfer station located within the boundaries of the designating authority for the purpose of recycling the materials if: (i) the transfer station was in operation on January 1, 1991; or (ii) the materials were not being separated for recycling at the designated facility at the time the transfer station began separation of the materials; or

(4) recyclable materials that are being recycled, and residuals from recycling if there is at least an 85 percent volume reduction in the solid waste processed at the recycling facility and the residuals are managed as separate waste streams.

For the purposes of this section, "manufacturing processes" does not include the treatment of waste after collection for the purpose of composting.

The exemptions in this section apply to only those materials separated from ~~mixed municipal~~ solid waste that are managed in a manner that is preferred over the primary management method of the designated facility under section 115A.02, paragraph (b).

Sec. 22. Minnesota Statutes 1990, section 115A.87, is amended to read:

115A.87 [JUDICIAL REVIEW.]

An action challenging a designation must be brought within 60 days of the approval of the designation by the reviewing authority. The action is subject to section 562.02.

In any action challenging a designation ordinance or the implementation of a designation ordinance, the person bringing the challenge shall notify the attorney general. The attorney general may intervene in any administrative or court action to represent the state's interest in designation of solid waste.

Sec. 23. Minnesota Statutes 1991 Supplement, section 115A.9157, subdivision 4, is amended to read:

Subd. 4. [PILOT PROJECTS.] By April 15, 1992, manufacturers whose rechargeable batteries or products powered by ~~nonremovable~~ rechargeable batteries are sold in this state shall implement pilot projects for the collection and proper management of all rechargeable batteries and the participating manufacturers' products powered by nonremovable rechargeable batteries. Manufacturers may act as a group or through a representative organization. The pilot projects must run for a minimum of 18 months and be designed to collect sufficient statewide data for the design and implementation of permanent collection and management programs that may be reasonably expected to collect at least 90 percent of waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state.

By December 1, 1991, the manufacturers or their representative organization shall submit plans for the projects to the legislative commission. At least every six months during the pilot projects the manufacturers shall submit progress reports to the commission. The commission shall review the plans and progress reports.

By November 1, 1993, the manufacturers or their representative organization shall report to the legislative commission the final results of the projects and plans for implementation of permanent programs. The commission shall review the final results and plans.

Sec. 24. Minnesota Statutes 1991 Supplement, section 115A.9157, subdivision 5, is amended to read:

Subd. 5. [COLLECTION AND MANAGEMENT PROGRAMS.] By April 15, 1994, the manufacturers or their representative organization shall implement permanent programs, based on the results of the pilot projects required in subdivision 3 4, that may be reasonably expected to collect 90 percent of the waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state. The batteries and products collected must be recycled or otherwise managed or disposed of properly.

Sec. 25. Minnesota Statutes 1991 Supplement, section 115A.93, subdivision 3, is amended to read:

Subd. 3. [LICENSE REQUIREMENTS; PRICING BASED ON VOLUME OR WEIGHT.] (a) A licensing authority shall require that licensees to impose charges for collection of mixed municipal solid waste vary that increase with the volume or weight of the waste collected.

(b) A licensing authority may impose requirements that are consistent with the county's solid waste policies as a condition of receiving and maintaining a license.

(c) A licensing authority shall prohibit mixed municipal solid waste collectors from imposing a greater charge on residents who recycle than on residents who do not recycle.

Sec. 26. Minnesota Statutes 1990, section 115A.93, is amended by adding a subdivision to read:

Subd. 3a. [VOLUME REQUIREMENT.] A licensing authority that requires a pricing system based on volume instead of weight under subdivision 3 shall determine a base unit size for an average small quantity household generator and establish, or require the licensee to establish, a multiple unit pricing system that ensures that amounts of waste generated in excess of the base unit amount are priced higher than the base unit price.

Sec. 27. [115A.9301] [SOLID WASTE COLLECTION; VOLUME- OR WEIGHT-BASED PRICING.]

Subdivision 1. [REQUIREMENT.] A local government unit that collects charges for solid waste collection directly from waste generators shall implement charges that increase as the volume or weight of the waste collected on-site from each generator's residence or place of business increases.

Subd. 2. [VOLUME REQUIREMENT.] If a local government unit implements a pricing system based on volume instead of weight under subdivision 1, it shall determine a base unit size for an average small quantity household generator and establish a multiple unit pricing system that ensures that amounts of waste generated in excess of the base unit amount are priced higher than the base unit price.

Sec. 28. Minnesota Statutes 1991 Supplement, section 115A.931, is amended to read:

115A.931 [YARD WASTE PROHIBITION.]

(a) Except as authorized by the agency, in the metropolitan area after January 1, 1990, and outside the metropolitan area after January 1, 1992, a person may not place yard waste:

- (1) in mixed municipal solid waste;
- (2) in a disposal facility; or
- (3) in a resource recovery facility except for the purposes of reuse, composting, or co-composting.

(b) Yard waste subject to this subdivision is includes garden wastes, leaves, lawn cuttings, weeds, shrub and tree waste, and prunings.

Sec. 29. [115A.951] [TELEPHONE DIRECTORIES.]

Subdivision 1. [DEFINITION.] For the purposes of this section, a "telephone directory" means a printed list of residential, governmental, or commercial telephone service subscribers or users, or a combination of subscribers or users, that contains more than 7,500 listings and is distributed to the subscribers or users.

Subd. 2. [PROHIBITION.] A person may not place a telephone directory:

- (1) in solid waste;
- (2) in a disposal facility; or
- (3) in a resource recovery facility, except a recycling facility.

Subd. 3. [RECYCLABILITY.] A person may not distribute a telephone directory to any person in this state unless the telephone directory:

- (1) is printed on paper that is recyclable;
- (2) is printed with inks that contain no heavy metals or other toxic materials; and
- (3) is bound with materials that pose no unreasonable barriers to recycling of the directory.

Subd. 4. [COLLECTION OF USED DIRECTORIES.] Each publisher or distributor of telephone directories shall:

- (1) provide for the collection and delivery to a recycler of waste telephone directories;
- (2) inform recipients of directories of the collection system; and

(3) submit a report to the office of waste management by August 1 of each year that specifies the percentage of distributed directories collected as waste directories by distribution area and the locations where the waste directories were delivered for recycling and that verifies that the directories have been recycled.

Sec. 30. Minnesota Statutes 1990, section 115A.981, is amended to read:

115A.981 [SOLID WASTE DISPOSAL FACILITIES ANNUAL REPORTING MANAGEMENT; ECONOMIC STATUS AND OUTLOOK.]

Subdivision 1. [RECORD KEEPING REQUIREMENTS.] The owner or operator of a solid waste disposal facility must maintain the records necessary to comply with the requirements of subdivision 2.

Subd. 2. [ANNUAL REPORTING.] (a) The owner or operator of a solid waste disposal facility ~~must~~:

~~(1) shall submit an annual report to the agency under section 115A.32; commissioner that includes:~~

~~(2) (1) annually certify a certification that it the owner or operator has established financial assurance for closure, postclosure care, and corrective action at the facility by using one or more of the financial assurance mechanisms specified by rule and specification of the financial assurance mechanism used, including the amount paid in or assured during the past year and the total amount of financial assurance accumulated to date; and~~

~~(3) (2) file a fee schedule with the agency with the annual report.~~

~~(b) The fee schedule must list of fees charged by the facility for waste management, including all tipping fees, rates, charges, surcharges, and any other fees charged by to each classification of customer.~~

~~(b) The agency may suspend the operation of a disposal facility whose permittee fails to file the information required under this subdivision. The owner or operator of a facility may not increase fees until 30 days after the owner or operator has submitted a fee schedule amendment to the agency commissioner.~~

Subd. 3. [AGENCY REPORT.] (a) The agency commissioner shall report to the legislative commission on waste management by July 1 of each odd-numbered year on the viability economic status and outlook of the state's solid waste processing and disposal capability, the status of competitive forces in the market including recycling,

composting, waste reduction and incineration, management sector including:

(1) an estimate of the extent to which existing fees prices for services are sufficient for facility development, engineering, solid waste management paid by consumers reflect costs related to environmental and safety factors, the progress of the industry in meeting the state's waste management goals, public health protection, including a discussion of how prices are publicly and privately subsidized and how identified costs of waste management are not reflected in the prices;

(2) a discussion of how the market structure for solid waste management influences prices, considering:

(i) changes in the solid waste management market structure;

(ii) the relationship between public and private involvement in the market; and

(iii) the effect on market structures of waste management laws and rules; and

(3) any recommendations for regulations strengthening or improving the market structure for solid waste management to ensure protection of human health and the environment, taking into account the preferred waste management practices listed in section 115A.02 and considering the experiences of other states.

(b) In preparing the report, the agency commissioner shall:

(1) consult with the director; the metropolitan council; local government units; solid waste collectors, transporters, and processors; owners and operators of solid waste disposal facilities; and other interested persons;

(2) consider information received under subdivision 2; and

(3) analyze information gathered and comments received relating to the most recent solid waste management policy report prepared under section 115A.411.

The commissioner shall also recommend any legislation necessary to ensure adequate and reliable information needed for preparation of the report.

(c) If an action recommended by the commissioner under paragraph (a) would significantly affect the solid waste management market structure, the commissioner shall, in consultation with the entities listed in paragraph (b), clause (1), prepare and include in the

report an analysis of the potential impacts and effectiveness of the action, including impacts on:

(1) the public and private waste management sectors;

(2) future innovation and responsiveness to new approaches to solid waste management; and

(3) the costs of waste management.

(d) The report must also include:

(1) statewide and facility by facility estimates of the total potential costs and liabilities associated with solid waste disposal facilities for closure and postclosure care, response costs under chapter 115B, and any other potential costs, liabilities, or financial responsibilities;

(2) statewide and facility by facility requirements for proof of financial responsibility under section 116.07, subdivision 4h; and

(3) an annual update addressing how each facility is meeting its financial responsibility under section 116.07, subdivision 4h, and how each facility is meeting those requirements.

Sec. 31. Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4h, is amended to read:

Subd. 4h. [FINANCIAL RESPONSIBILITY RULES.] (a) The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating life of the facility and for 20 years after closure, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility is required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of the effective date of the rules or by July 1, 1987, whichever is later, proof of financial responsibility is required of an operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules and the requirements of paragraph (b) is a condition of obtaining or retaining a permit to operate the facility.

~~(b) The agency shall amend the rules adopted under paragraph (a) to allow~~ A municipality, as defined in section 475.51, subdivision 2, including a sanitary district, that owns or operates a solid waste disposal facility that was in operation on May 15, 1989, ~~to~~ may meet its financial responsibility for all or a portion of the contingency

action portion of the reasonable and necessary response costs at the facility ~~through its authority to issue bonds, provided that the method developed in the rules will ensure that when funds are needed for a contingency action, sufficient bonds can and will be issued by the municipality by pledging its full faith and credit to meet its responsibility.~~

The rules must include at least The pledge must be made in accordance with the requirements in chapter 475 for issuing bonds of the municipality, and the following additional requirements:

(1) ~~a requirement that~~ The governing body of the municipality shall enact an ordinance that clearly accepts responsibility for the costs of contingency action at the facility and that reserves, during the operating life of the facility and for 20 years after closure, a portion of the debt limit of the municipality, as established under section 475.53 or other law, that is equal to the total contingency action costs ~~calculated under the rules;~~

(2) ~~a requirement that~~ The municipality ~~assure~~ shall require that all collectors that haul to the facility implement a plan for reducing solid waste by using volume-based pricing, recycling incentives, or other means;

(3) ~~a requirement that~~ When a municipality opts ~~under the rules~~ to meet a portion of its financial responsibility by relying on its authority to issue bonds, it shall also begin setting aside ~~funds in a dedicated long-term care trust fund money~~ that will cover a portion of the potential contingency action costs at the facility, the amount to be determined by the agency for each facility based on at least the amount of waste deposited in the disposal facility each year, and the likelihood and potential timing of conditions arising at the facility that will necessitate response action; and. The agency may not require a municipality to set aside more than five percent of the total cost in a single year.

(4) ~~a requirement that~~ A municipality shall have and consistently maintain an investment grade bond rating as a condition of using bonding authority to meet financial responsibility under this section.

(5) The municipality shall file with the commissioner of revenue its consent to have the amount of its contingency action costs deducted from state aid payments otherwise due the municipality and paid instead to the environmental response, compensation, and compliance account created in section 115B.20, if the municipality fails to conduct the contingency action at the facility when ordered by the agency. If the agency notifies the commissioner that the municipality has failed to conduct contingency action when ordered by the agency, the commissioner shall deduct the amounts indicated

by the agency from the state aids in accordance with the consent filed with the commissioner.

(6) The municipality shall file with the agency written proof that it has complied with the requirements of paragraph (b).

(c) Counties shall comply with existing financial responsibility rules until those rules are amended under paragraph (b), and, after that time, counties shall comply with the amended rules. The method for proving financial responsibility developed under paragraph (b) may not be applied to a new solid waste disposal facility or to expansion of an existing facility, unless the expansion is a vertical expansion. Vertical expansions of qualifying existing facilities cannot be permitted for a duration of longer than three years.

Sec. 32. Minnesota Statutes 1990, section 116.12, subdivision 2, is amended to read:

Subd. 2. [HAZARDOUS WASTE GENERATOR FEE.] (a) Each generator of hazardous waste shall pay a fee on the hazardous waste generated by that generator. The agency shall compute the amount of the fee due based on the hazardous waste disclosures submitted by the generators and other information available to the agency. The agency shall annually prepare a statement of the amount of the fee due from each generator. The fee shall be paid annually commencing with the first day of the calendar quarter after the date of the statement.

(b) The agency may exempt generators of small quantities of hazardous wastes otherwise subject to the fee if it finds that the cost of administering a fee on those generators is excessive relative to the proceeds of the fee. The fee shall consist of a minimum fee for each generator not exempted by the agency and an additional fee based on the quantity of wastes generated by the generator.

(c) If any metropolitan counties recover the costs of administering county hazardous waste regulations by charging fees, the fees charged by the agency outside of those counties shall not exceed the fees charged by those counties. The agency shall not charge a fee in any metropolitan county which charges such a fee. The agency shall impose a fee calculated as a surcharge on the fees charged by the metropolitan counties and by the agency to reflect the agency's expenses in carrying out its statewide hazardous waste regulatory responsibilities. The surcharge imposed on the fees charged by the metropolitan counties shall be collected by the metropolitan counties in the manner in which the counties collect their generator fees. Metropolitan counties shall remit the proceeds of the surcharge to the agency by the last day of the month following the month in which they were collected.

(d) The agency may not impose a fee under this subdivision on

material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility.

Sec. 33. Minnesota Statutes 1991 Supplement, section 116.90, is amended to read:

116.90 [REFUSE DERIVED FUEL.]

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

(b) "Agency" means the pollution control agency.

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

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

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

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

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

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

(3) the solid fuel fired boiler has a valid permit to operate; ~~and~~

(4) the refuse derived fuel is manufactured and sold in compliance with permits issued by the agency and:

(i) is produced by a facility for which a permit was issued by the agency before June 1, 1991; or

(ii) is produced by an agency-permitted facility designed as part of a regional waste management system at which facility the waste is mechanically and hand sorted to avoid inclusion of items containing mercury or other heavy metals in the waste that is processed into refuse derived fuel, and the refuse derived fuel producer has contracted with an end user to combust the fuel; and

(5) the owner or operator of the solid fuel fired boiler gives prior written notice to the commissioner of the agency of the amount of refuse derived fuel expected to be used and the date on which the use is expected to begin.

(b) A facility that produces refuse derived fuel that is sold for use in a solid fuel fired boiler may accept waste for processing only from counties that provide for the removal of household hazardous waste from the waste.

(c) The agency may not require, as a condition of using refuse derived fuel under this section, any additional monitoring or testing of a solid fuel fired boiler's air emissions beyond the monitoring or testing required by state or federal law or by the terms of the solid fuel fired boiler's permit issued by the agency.

Sec. 34. Minnesota Statutes 1991 Supplement, section 116C.852, is amended to read:

116C.852 [LOW-LEVEL RADIOACTIVE WASTE DISPOSAL.]

All (a) Except as provided in paragraph (b), low-level radioactive waste that may not be treated, recycled, stored, or disposed of in this state shall conform to applicable federal and state requirements except at a facility that is specifically licensed for treatment, recycling, storage, or disposal of low-level radioactive waste, regardless of whether or not the waste has been reclassified as "below regulatory concern" by the United States Nuclear Regulatory Commission pursuant to under a generic rule or standard adopted after January 1 July 2, 1990.

(b) Paragraph (a) does not apply to treatment, recycling, storage, or disposal of low-level radioactive waste that is specifically authorized under a license issued by the United States Nuclear Regulatory Commission, or is otherwise authorized under regulations of the United States Nuclear Regulatory Commission in effect on July 2, 1990.

Sec. 35. Minnesota Statutes 1990, section 325E.125, subdivision 1, is amended to read:

Subdivision 1. [IDENTIFICATION LABELING.] (a) The manufacturer of a button cell battery that is to be sold in this state shall ensure that each battery is labeled to clearly identify the type of electrode used in the battery.

(b) The manufacturer of a rechargeable battery that is to be sold in this state shall ensure that each rechargeable battery is labeled to clearly identify for the final consumer of the battery the type of electrode and the name of the manufacturer. The manufacturer of a rechargeable battery shall also provide clear instructions for properly recharging the battery.

Sec. 36. [325E.39] [SALE OF PETROLEUM-BASED SWEEPING COMPOUND PRODUCTS PROHIBITED.]

Subdivision 1. [PROHIBITION.] A person may not offer for sale or sell any sweeping compound product that the person knows contains petroleum oil.

Subd. 2. [LABELING.] The manufacturer of sweeping compound that is to be sold in this state shall label the packaging for the compound to clearly indicate the type of oil contained in the compound.

Subd. 3. [ENFORCEMENT.] In addition to the enforcement mechanisms available for this chapter, the commissioner of the pollution control agency may enforce this section under section 116.072.

Sec. 37. Minnesota Statutes 1990, section 400.08, subdivision 4, is amended to read:

Subd. 4. [COLLECTION.] (a) The rates and charges may be billed and collected in a manner the board shall determine.

(b) On or before October 15 in each year, the county board may certify to the county auditor all unpaid outstanding charges, and a description of the lands against which the charges arose. It shall be the duty of the county auditor, upon order of the county board, to extend the assessments, with interest not to exceed the interest rate provided for in section 279.03, subdivision 1, upon the tax rolls of the county for the taxes of the year in which the assessment is filed. For each year ending October 15 the assessment with interest shall be carried into the tax becoming due and payable in January of the following year, and shall be enforced and collected in the manner provided for the enforcement and collection of real property taxes in accordance with the provisions of the laws of the state. The charges, if not paid, shall become delinquent and be subject to the same penalties and the same rate of interest as the taxes under the general laws of the state.

(c) In addition to any other manner of collection that may be established under paragraph (a), a county may:

(1) require as a condition of a license issued under section 115A.93 that the licensee collect service charges established under subdivision 3 from solid waste generators for remittal to the county; and

(2) audit a licensed collector's records of the charges collected under clause (1) and the amount of waste collected only to the extent necessary to ensure that all charges required to be collected are remitted to the county.

Data received under clause (2) are private or nonpublic data as defined in section 13.02, subdivision 9 or 12.

Sec. 38. Minnesota Statutes 1990, section 400.08, subdivision 5, is amended to read:

Subd. 5. [FINANCIAL INCENTIVES TO RECYCLE.] A county may:

(1) charge or may require any person who collects solid waste in the county to charge solid waste generators rates for ~~collection or disposal~~ solid waste management services that ~~vary depending on the increase as the weight or volume of waste generated increases;~~

(2) require collectors to provide financial incentives to solid waste generators who separate recyclable materials from their waste; or

(3) require use of any other mechanism to provide encouragement or rewards to solid waste generators who reduce their waste generation or who separate recyclable materials from their waste.

Sec. 39. Minnesota Statutes 1990, section 400.161, is amended to read:

400.161 [HAZARDOUS WASTE REGULATIONS.]

(a) The county may by ordinance establish and revise rules, regulations, and standards relating to ~~(a)~~ (1) identification of hazardous waste, (b) (2) the labeling and classification of hazardous waste, (c) (3) the collection, transportation, processing, disposal, and storage of hazardous waste, (d) and (4) other matters as may be determined necessary for the public health, welfare and safety. The county may issue permits or licenses for hazardous waste generation and may require the generators be registered with a county office. The ordinance may require appropriate procedures for the payment by the generator of any costs incurred by the county in completing such procedures. If the generator fails to complete such procedures, the county may recover the costs of completion in a civil action in

any court of competent jurisdiction or, in the discretion of the board, the costs may be certified to the county auditor as a special tax against the land as other taxes are collected. The ordinance may be enforced by injunction, action to compel performance, or other action in district court. County hazardous waste ordinances shall embody and be consistent with agency hazardous waste rules. Counties shall submit adopted ordinances to the agency for review. In the event that agency rules are modified, each county shall modify its ordinances accordingly and shall submit the modification to the agency for review within 120 days. Issuing, denying, modifying, imposing conditions upon, or revoking permits or licenses and county hazardous waste regulations and ordinances shall be subject to review, denial, suspension, modification, and reversal by the pollution control agency. The pollution control agency shall after written notification have 15 days in the case of hazardous waste permits and licenses and 30 days in the case of hazardous waste ordinances to review, deny, suspend, modify, or reverse the action of the county. After this period, the action of the county board shall be final subject to appeal to the district court as provided in section 115.05.

(b) A county may not impose a fee under this section on material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility.

Sec. 40. Minnesota Statutes 1990, section 473.811, subdivision 5b, is amended to read:

Subd. 5b. [ORDINANCES; HAZARDOUS WASTE MANAGEMENT.] (a) Each metropolitan county shall by ordinance establish and revise rules, regulations, and standards relating to ~~(a)~~ (1) the identification of hazardous waste, ~~(b)~~ (2) the labeling and classification of hazardous waste, ~~(c)~~ (3) the collection, storage, transportation, processing, and disposal of hazardous waste, and ~~(d)~~ (4) other matters necessary for the public health, welfare and safety. The county shall require permits or licenses for the generation, collection, processing, and disposal of hazardous waste and shall require registration with a county office. County hazardous waste ordinances shall embody and be consistent with agency hazardous waste rules. Counties shall submit adopted ordinances to the agency for review. In the event that agency rules are modified, each county shall modify its ordinances accordingly and shall submit the modification to the agency for review within 120 days. Issuing, denying, suspending, modifying, imposing conditions upon, or revoking hazardous waste permits or licenses, and county hazardous waste regulations and ordinances, shall be subject to review, denial, suspension, modification, and reversal by the agency. The agency shall after written notification have 15 days in the case of hazardous waste permits and licenses and 30 days in the case of hazardous waste ordinances to review, suspend, modify, or reverse the action of

the county. After this period, the action of the county board shall be final subject to appeal to the district court in the manner provided in chapter 14.

(b) A metropolitan county may not impose a fee under this subdivision on material that is reused at the facility where the material is generated in a manner that the facility owner or operator can demonstrate does not increase the toxicity of, or the level of hazardous substances or pollutants or contaminants in, products that leave the facility.

Sec. 41. Minnesota Statutes 1990, section 473.844, subdivision 4, is amended to read:

Subd. 4. [RESOURCE RECOVERY GRANTS AND LOANS.] The grant and loan program under this subdivision is administered by the metropolitan council. Grants and loans may be made to any person for resource recovery projects. The grants and loans may include the cost of planning, acquisition of land and equipment, and capital improvements. Grants and loans for planning may not exceed 50 percent of the planning costs. Grants and loans for acquisition of land and equipment and for capital improvements may not exceed 50 percent of the cost of the project. Grants and loans may be made for public education on the need for the resource recovery projects. A grant or loan for land, equipment, or capital improvements may not be made until the metropolitan council has determined the total estimated capital cost of the project and ascertained that full financing of the project is assured. Grants and loans made to cities, counties, or solid waste management districts must be for projects that are in conformance with approved master plans. A grant or loan to a city or town must be reviewed and approved by the county for conformance with the county master plan. The council shall require, where practical, cooperative purchase between cities, counties, and districts of capital equipment.

Sec. 42. Minnesota Statutes 1991 Supplement, section 473.849, is amended to read:

473.849 [PROHIBITION; SOLID WASTE DISPOSAL.]

No person may place processed or unprocessed mixed municipal, or transport for placement, solid waste that is generated in the metropolitan area in a portion of a disposal facility that does not comply with the minimum requirements for design, construction, and operation of a new mixed municipal solid waste disposal facility under Minnesota Rules in effect on January 1, 1991 for the type of solid waste being disposed. Each metropolitan county shall, and each county in which is located a disposal facility may, enforce this prohibition and may impose penalties and recover attorney fees and court costs to the same extent as for enforcement of a designation ordinance under section 115A.86, subdivision 6. The commissioner

of the pollution control agency may enforce this section under section 115.071 or 116.072.

Sec. 43. Laws 1991, chapter 337, section 90, is amended to read:

Sec. 90. [REPEALER.]

(a) Minnesota Statutes 1990, sections 16B.125; 115A.953; 325E.045; and 473.844, subdivision 3, are repealed. Laws 1989, chapter 325, section ~~71~~ 72, subdivision 2, is repealed.

(b) Minnesota Statutes 1990, sections 473.149, subdivision 2b; 473.803, subdivision 1a; 473.806; 473.831; 473.833; and 473.840, are repealed.

Sec. 44. Laws 1990, chapter 600, section 7, is amended to read:

Sec. 7. [DUTIES OF THE ADVISORY TASK FORCE ON LOW-LEVEL RADIOACTIVE WASTE DEREGULATION.]

The advisory task force on low-level radioactive waste deregulation shall:

(1) design and initiate a study that will be a cost-benefit analysis of deregulation of "low-level" radioactive waste costs, including health, and environmental costs and effects, including both dollar and nondollar effects in both the long-term and the short-term;

(2) determine who will conduct the study;

(3) determine the timelines for the study;

(4) evaluate the cost-benefit study; and

(5) make a recommendation on continuation of the moratorium and other recommendations to the legislature by January 1, ~~1994~~ 1996.

Sec. 45. [INTERIM ORGANIZED SOLID WASTE COLLECTION.]

(a) A city with a population, according to the 1990 federal census, of more than 10,000 and less than 12,000 that, before the effective date of this section, has begun the process of organizing solid waste collection under Minnesota Statutes, section 115A.94, and that is a party to an exclusive contract for collection of solid waste that will expire before the new organized collection system will be effective, may:

(1) negotiate an extension of the existing exclusive contract to the date the new organized collection system will be effective;

(2) negotiate one or more separate waste collection contracts for the period between the expiration of the existing exclusive contract and the date the new organized collection system will be effective; or

(3) otherwise negotiate, with or without competitive bids, an interim waste collection system that may not be extended beyond the date the new organized collection system will be effective.

(b) This section does not affect the applicability of Minnesota Statutes, section 115A.94, to the city's new organized collection system.

Sec. 46. [AUTOMOBILE WASTE; STUDY AND RECOMMENDATIONS.]

The legislative commission on waste management, in consultation with the commissioner of the pollution control agency, the director of the office of waste management, and other interested persons, shall study the existing system for managing automobile-related wastes other than air emissions and, if necessary, recommend appropriate legislation for consideration during the 1993 legislative session to ensure that materials from automobiles that cause damage if released into the environment are properly removed and managed during maintenance and prior to recycling or disposal of the automobiles and to ensure that waste automobile hulks are properly recycled or disposed.

Sec. 47. [CONSTRUCTION DEBRIS AND NONHAZARDOUS INDUSTRIAL WASTE; STUDY AND RECOMMENDATIONS.]

The commissioner of the pollution control agency shall gather information about construction debris and nonhazardous industrial waste, including composition, possibilities for source reduction, recyclability and recycling rates, processibility and processing rates, and existing disposal system. The commissioner shall summarize the information and present the summary to the legislative commission on waste management by August 15, 1993, including, if the commissioner determines that legislation is necessary to adequately regulate generation and management of construction debris or nonhazardous industrial waste, recommendations for appropriate legislation.

Sec. 48. [USED MOTOR OIL; STUDY AND RECOMMENDATIONS.]

The commissioner of the pollution control agency, in consultation with the director of the office of waste management, shall identify

locations for the retail sale of motor oil and locations for the deposit and collection of used motor oil across the state to determine the extent of compliance with Minnesota Statutes, section 325E.11, and to determine whether used oil is being properly managed. By August 15, 1993, the commissioner shall report to the legislative commission on waste management on compliance with the law, the general management system for used motor oil, and any appropriate recommendations for legislation to ensure that used motor oil is properly managed and that persons who generate used motor oil have reasonably convenient opportunities for discarding the used oil.

Sec. 49. [ASSESSMENT OF REGIONAL WASTE MANAGEMENT NEEDS.]

By July 15, 1993, the director of the office of waste management, in consultation with, and after approval of metropolitan area information by, the chair of the metropolitan council, shall submit to the legislative commission on waste management a preliminary assessment of the need for additional regional solid waste management capacity in the state, including the metropolitan area. The preliminary assessment must be based on a review of existing county solid waste management plans, the current metropolitan solid waste management policy plan, and the current metropolitan counties' solid waste management master plans. The preliminary assessment of need for additional capacity must identify likely regions of the state, based on the current patterns for the flow and management of waste, within which the needs for capacity can be most efficiently and economically met. The assessment must be made in light of existing facilities and the waste management priorities and policies stated in Minnesota Statutes, section 115A.02, with strong emphasis given to the potential for significant improvements in waste reduction and recycling. The assessment must include estimates of the capital costs necessary to ensure sufficient solid waste management capacity for a period of at least 20 years, the extent to which fees and other existing financing methods can cover those costs, the extent to which those costs will need to be publicly subsidized, and the extent to which private investment is likely to occur in building and operating new capacity statewide.

Sec. 50. [DEGRADABLE LOOSE PACKING MATERIAL; STUDY.]

The director of the office of waste management, in consultation with the commissioner of agriculture, shall evaluate the relative economic, recycling, and waste management advantages and disadvantages of loose packing material manufactured from vegetable starches and loose packing material manufactured from petroleum products. The director shall report the findings of the evaluation, along with any legislative recommendations the director deems

necessary, to the legislative commission on waste management by January 1, 1993.

Sec. 51. [ASSESSMENT OF LAND DISPOSAL FACILITIES.]

(a) For the purposes of this section, "facility" means a permitted mixed municipal solid waste disposal facility, as defined in Minnesota Statutes, section 115A.03.

(b) By October 9, 1994, the commissioner of the pollution control agency shall inspect all facilities and portions of facilities that have stopped accepting waste by October 9, 1993, to determine the status of closure activities and to evaluate the environmental and public health threats posed by the facility. The commissioner may undertake activities necessary to:

(1) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;

(2) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and

(3) determine the boundaries of the fill areas.

(c) The commissioner of the pollution control agency shall identify actions that are necessary to achieve compliance with the following closure requirements at facilities inspected under paragraph (b):

(1) for a facility or portion of a facility that stopped accepting waste before November 15, 1988, the closure requirements in rules of the pollution control agency in effect on the effective date of this section; and

(2) for a facility or portion of a facility that stopped accepting waste after November 15, 1988, the closure requirements in the facility's permit and the rules of the pollution control agency in effect on the effective date of this section.

Actions identified by the commissioner under this paragraph may include moving or consolidating waste from facilities.

(d) The commissioner of the pollution control agency shall establish a proposed priority list of the evaluated facilities based on the relative risk or danger to public health or welfare or the environment, taking into consideration to the extent possible the population at risk, the hazardous potential of substances at the facility, the potential for contamination of drinking water supplies, the potential for direct human contact, the potential for destruction of sensitive ecosystems, and other appropriate factors.

Sec. 52. [COUNTY RECYCLING; REPORT; 1991.]

For the reports due on August 1, 1992, under Minnesota Statutes, section 115A.557, subdivision 3, counties shall report recycling rates and information for calendar year 1991 rather than for the previous fiscal year.

Sec. 53. [EFFECTIVE DATE OF SECTION 325E.125.]

The requirements of Minnesota Statutes, section 325E.125, subdivision 1, do not apply to batteries manufactured before July 1, 1993.

Sec. 54. [INSTRUCTION TO REVISOR.]

(a) The revisor of statutes is directed to change the words "office," "office's," "director," and "director of the office of waste management" wherever they appear in Minnesota Statutes, sections 115A.32 to 115A.39, to "board," "board's," "chair," and "chair of the board" respectively in the 1992 and subsequent editions of Minnesota Statutes.

(b) The revisor of statutes is directed to change the words "November 15" to the words "July 1" in Minnesota Statutes, sections 115A.551, subdivision 4, and 115A.557, subdivision 4, in Minnesota Statutes 1992 and subsequent editions of the statutes.

Sec. 55. [EFFECTIVE DATE.]

Except as provided in this section, article 1 is effective August 1, 1992.

Sections 22, 31 to 34, 37 to 40, and 45 are effective the day following final enactment.

Section 43 is effective August 1, 1991.

Sections 12; 17; 24; 27, subdivision 1; 29, subdivision 3; and 36 are effective January 1, 1993, and section 36 applies to sweeping compound manufactured on or after that date.

Section 18 is effective for products and packaging manufactured on or after January 1, 1993.

Section 35 is effective July 1, 1993, and applies to batteries manufactured on or after that date.

Sections 3 and 29, subdivision 2, are effective August 1, 1993.

Sections 26 and 27, subdivision 2, are effective January 1, 1994.

Section 29, subdivision 4, clauses (1) and (2), are effective August 1, 1994.

ARTICLE 2

Section 1. Minnesota Statutes 1991 Supplement, section 115E.04, subdivision 2, is amended to read:

Subd. 2. [TIMING.] (a) A person required to be prepared under section 115E.03, other than a person who owns or operates a motor vehicle, rolling stock, or a facility that stores less than 250,000 gallons of oil or a hazardous substance, shall complete the response plan required by this section by March 1, 1993, unless one of the commissioners orders the person to demonstrate preparedness at an earlier date under section 115E.05. Plans must be updated every three years. Plans must be updated before three years following a significant discharge, upon significant change in vessel or facility operation or ownership, upon significant change in the national or area contingency plans under the Oil Pollution Act of 1990, or upon change in the capabilities or role of a person named in a plan who has an important response role.

(b) A person who owns or operates a motor vehicle, rolling stock, or a facility that stores less than 250,000 gallons of oil or a hazardous substance shall complete the response plan required by this section by January 1, 1994.

Sec. 2. [221.0335] [HAZARDOUS MATERIALS TRANSPORTATION REGISTRATION; FEES.]

A person required to file a registration statement under section 106(c) of the federal Hazardous Materials Transportation Safety Act of 1990 may not transport a hazardous material unless the person files an annual hazardous materials registration statement with the commissioner and pays a fee. The commissioner shall adopt rules to implement this section, including administration of the registration program and establishing registration fees. A fee may not exceed a person's annual registration fee under the federal act. Fees must be set in accordance with section 16A.128, subdivision 1a, to cover the costs of administering and enforcing this section and the costs of hazardous materials incident response capability under sections 3 to 8. All fees collected under this section must be deposited in the general fund.

Sec. 3. [299A.47] [CITATION.]

Sections 3 to 8 may be cited as the "Minnesota hazardous materials incident response act."

Sec. 4. [299A.48] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 3 to 8, the following terms have the meanings given them.

Subd. 2. [CHEMICAL ASSESSMENT TEAM.] "Chemical assessment team" means a team trained and equipped to evaluate a hazardous materials incident and recommend the best means of controlling the hazard after consideration of life safety concerns, environmental effects, exposure hazards, quantity and type of hazardous material, availability of local resources, or other relevant factors.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of public safety.

Subd. 4. [HAZARDOUS MATERIALS.] "Hazardous materials" means substances or materials that, because of their chemical, physical, or biological nature, pose a potential risk to life, health, or property if they are released. "Hazardous materials" includes any substance or material in a particular form or quantity that may pose an unreasonable risk to health, safety, and property, or any substance or material in a quantity or form that may be harmful to humans, animals, crops, water systems, or other elements of the environment if accidentally released. Hazardous substances so designated may include explosives, radioactive materials, etiologic agents, flammable liquids or solids, combustible liquids or solids, poisons, oxidizing or corrosive materials, and flammable gases.

Subd. 5. [LOCAL UNIT OF GOVERNMENT.] "Local unit of government" means a county, home rule charter or statutory city, or town.

Subd. 6. [PERSON.] "Person" means any individual, partnership, association, public or private corporation or other entity including the United States government, any interstate body, the state, and any agency, department, or political subdivision of the state.

Subd. 7. [REGIONAL HAZARDOUS MATERIALS RESPONSE TEAM.] "Regional hazardous materials response team" means a team trained and equipped to respond to and mitigate a hazardous materials release. A regional hazardous materials response team may include strategically located chemical assessment teams.

Sec. 5. [299A.49] [RESPONSE PLAN.]

Subdivision 1. [ELEMENTS OF PLAN; RULES.] (a) After consultation with the commissioners of natural resources, agriculture, transportation, and the pollution control agency, the state fire marshal, the emergency response commission, appropriate technical

emergency response representatives, and representatives of affected parties, the commissioner shall adopt rules to implement a state-wide hazardous materials incident response plan. The plan must include:

(1) the locations of up to five regional hazardous materials response teams, based on the location of hazardous materials, response time, proximity to large population centers, and other factors;

(2) the number and qualifications of members on each team;

(3) the responsibilities of regional hazardous materials response teams;

(4) equipment needed for regional hazardous materials response teams;

(5) procedures for selecting and contracting with local governments or nonpublic persons to establish regional hazardous materials response teams;

(6) procedures for dispatching teams at the request of local governments;

(7) a fee schedule for reimbursing local governments or nonpublic persons responding to an incident; and

(8) coordination with other state departments and agencies, local units of government, other states, Indian tribes, the federal government, and other nonpublic persons.

Subd. 2. [CONTRACTS AND AGREEMENTS.] The commissioner may cooperate with and enter into contracts with other state departments and agencies, local units of government, other states, Indian tribes, the federal government, or nonpublic persons to implement the response plan.

Sec. 6. [299A.50] [LIABILITY AND WORKERS' COMPENSATION.]

Subdivision 1. [LIABILITY.] During operations authorized under section 5, members of a regional hazardous materials response team operating outside their geographic jurisdiction are "employees of the state" as defined in section 3.736.

Subd. 2. [WORKERS' COMPENSATION.] During operations authorized under section 5, members of a regional hazardous materials response team operating outside their geographic jurisdiction are considered state employees for purposes of chapter 176.

Subd. 3. [LIMITATION.] A person who provides personnel and equipment to assist at the scene of a hazardous materials response incident outside the person's geographic jurisdiction or property, at the request of the state or a local unit of government, is not liable for any civil damages resulting from acts or omissions in providing the assistance, unless the person acts in a willful and wanton or reckless manner in providing the assistance.

Sec. 7. [299A.51] [RESPONSIBLE PERSON.]

Subdivision 1. [RESPONSE LIABILITY.] A responsible person, as described in section 115B.03, is liable for the reasonable and necessary costs, including legal and administrative costs, of response to a hazardous materials incident incurred by a regional hazardous materials response team or local unit of government. For the purposes of this section, "hazardous substance" as used in section 115B.03 means "hazardous material" as defined in section 4.

Subd. 2. [EXPENSE RECOVERY.] The commissioner shall assess the responsible person for the regional hazardous materials response team costs of response. The commissioner may bring an action for recovery of unpaid costs, reasonable attorney fees, and any additional court costs.

Subd. 3. [ATTEMPTED AVOIDANCE OF LIABILITY.] For purposes of sections 3 to 8, a responsible person may not avoid liability by conveying any right, title, or interest in real property or by any indemnification, hold harmless agreement, or similar agreement.

Sec. 8. [299K.095] [HAZARDOUS MATERIALS INCIDENT RESPONSE FEES.]

(a) Persons, except individuals engaged in a farming operation, required under section 11002 of the federal act to notify the commission of the storage of an extremely hazardous substance shall pay an annual fee of \$75 for each facility.

(b) Persons required under section 11023 of the federal act to submit a toxic chemical release form to the commission shall pay an annual fee of \$200 for zero releases and transfers annually, \$400 for more than zero releases and transfers but not exceeding 25,000 pounds annually, and \$800 for releases and transfers exceeding 25,000 pounds annually. This fee is in addition to fees collected under section 115D.12.

(c) All fees collected under this section must be deposited in the general fund.

Sec. 9. [APPROPRIATION.]

\$115,000 is appropriated from the general fund to the commissioner of transportation for the purposes of section 2. The approved complement of the department of transportation is increased by two positions.

\$1,128,000 is appropriated from the general fund to the commissioner of public safety for the purposes of sections 3 to 8. The approved complement of the department of public safety is increased by three positions."

Delete the title and insert:

"A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; setting requirements for use of labels on products and packages indicating recycled content; authorizing the director of the office of waste management to establish rules for reporting waste statistics; setting a goal for reduction of packaging in the waste stream; amending provisions related to designation of waste; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; changing provisions relating to financial responsibility requirements and low-level radioactive waste; prohibiting the use of petroleum-based sweeping compound products; requiring labeling of rechargeable batteries; prohibiting the imposition of fees on the generation of certain hazardous wastes that are reused or recycled; requiring studies on automobile waste, degradable packing material, construction debris, and used motor oil; and making various other amendments and additions related to solid waste management; providing for the Minnesota hazardous materials incident response act; appropriating money; amending Minnesota Statutes 1990, sections 16B.121; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.32; 115A.551, subdivision 5; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.87; 115A.93, by adding a subdivision; 115A.981; 116.12, subdivision 2; 325E.125, subdivision 1; 400.08, subdivisions 4 and 5; 400.161; 473.811, subdivision 5b; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.551, subdivisions 2a and 4; 115A.83; 115A.9157, subdivisions 4 and 5; 115A.93, subdivision 3; 115A.931; 115E.04, subdivision 2; 116.07, subdivision 4h; 116.90; 116C.852; and 473.849; Laws 1990, chapter 600, section 7; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; 221; 299A; 299K; and 325E."

We request adoption of this report and repassage of the bill.

Senate Conferees: GENE MERRIAM, STEVEN MORSE AND GEN OLSON.

House Conferees: JEAN WAGENIUS, TOM RUKAVINA AND SIDNEY PAULY.

Wagenius moved that the report of the Conference Committee on S. F. No. 2199 be adopted and that the bill be repassed as amended by the Conference Committee.

McPherson moved that the House refuse to adopt the Conference Committee report on S. F. No. 2199, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the McPherson motion and the roll was called. There were 43 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Johnson, V.	Olsen, S.	Tompkins
Anderson, R. H.	Frederick	Knickerbocker	Olson, E.	Uphus
Bertram	Frerichs	Koppendrayner	Omann	Valento
Bertermann	Girard	Krinkie	Pellow	Vanasek
Bishop	Gutknecht	Leppik	Schreiber	Waltman
Boo	Haukoos	Macklin	Smith	Weaver
Brown	Hufnagle	McPherson	Stanisus	Welker
Davids	Hugoson	Nelson, S.	Sviggum	
Dempsey	Jennings	Newinski	Swenson	

Those who voted in the negative were:

Anderson, I.	Greenfield	Krambeer	Orenstein	Simoneau
Battaglia	Gruenes	Krueger	Orfield	Skoglund
Bauerly	Hanson	Lasley	Osthoff	Solberg
Beard	Hartle	Lieder	Ostrom	Sparby
Begich	Hasskamp	Limmer	Ozment	Steensma
Blatz	Hausman	Lourey	Pauly	Thompson
Bodahl	Heir	Lynch	Pelowski	Trimble
Carlson	Henry	Mariani	Peterson	Tunheim
Carruthers	Jacobs	Marsh	Reding	Vellenga
Clark	Janezich	McEachern	Rest	Wagenius
Cooper	Jaros	McGuire	Rice	Wejzman
Dauner	Jefferson	Milbert	Rodosovich	Welle
Dawkins	Johnson, A.	Morrison	Rukavina	Wenzel
Dille	Johnson, R.	Murphy	Runbeck	Winter
Dorn	Kahn	Nelson, K.	Sarna	Spk. Long
Farrell	Kalis	O'Connor	Schafer	
Garcia	Kelso	Ogren	Seaberg	
Goodno	Kinkel	Onnen	Segal	

The motion did not prevail.

The question recurred on the Wagenius motion that the report of the Conference Committee on S. F. No. 2199 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2199, A bill for an act relating to waste management; defining postconsumer material; emphasizing and clarifying waste reduction; moving from the office of waste management to the environmental quality board the responsibility for supplementary review of waste facility siting; setting requirements for use of labels on products and packages indicating recycled content; amending provisions related to designation of waste; expanding fee exemptions for waste residue from certain construction debris processing facilities; strengthening the requirement for pricing of waste collection based on volume or weight of waste collected; requiring recycled content in and recyclability of telephone directories and requiring recycling of waste directories; changing provisions relating to financial responsibility requirements and low-level radioactive waste; requiring labeling of rechargeable batteries; prohibiting the imposition of fees on the generation of certain hazardous wastes that are reused or recycled; requiring studies on automobile waste, construction debris, and used motor oil; requiring an assessment of regional waste management needs; and making various other amendments and additions related to solid waste management; authorizing rulemaking; providing penalties; amending Minnesota Statutes 1990, sections 16B.121; 115A.03, subdivision 36a, and by adding subdivisions; 115A.07, by adding a subdivision; 115A.32; 115A.557, subdivision 3; 115A.63, subdivision 3; 115A.81, subdivision 2; 115A.87; 115A.93, by adding a subdivision; 115A.981; 116.12, subdivision 2; 325E.12; 325E.125, subdivision 1; 400.08, subdivisions 4 and 5; 400.161; 473.811, subdivision 5b; and 473.844, subdivision 4; Minnesota Statutes 1991 Supplement, sections 16B.122, subdivision 2; 115A.02; 115A.15, subdivision 9; 115A.411, subdivision 1; 115A.83; 115A.9157, subdivisions 4 and 5; 115A.919, subdivision 3; 115A.93, subdivision 3; 115A.931; 116.07, subdivision 4h; 116.90; 116C.852; and 473.849; Laws 1990, chapter 600, section 7; Laws 1991, chapter 337, section 90; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; and 325E.

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 113 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Abrams	Boo	Frederick	Jaros	Lasley
Anderson, I.	Carlson	Garcia	Jefferson	Leppik
Anderson, R.	Carruthers	Goodno	Johnson, A.	Lieder
Anderson, R. H.	Clark	Greenfield	Johnson, R.	Limmer
Battaglia	Cooper	Gruenes	Johnson, V.	Lourey
Bauerly	Davids	Hanson	Kahn	Lynch
Beard	Dawkins	Hartle	Kalis	Macklin
Begich	Dempsey	Hasskamp	Kelso	Mariani
Bertram	Dille	Hausman	Kinkel	Marsh
Bishop	Dorn	Henry	Knickerbocker	McEachern
Blatz	Erhardt	Jacobs	Krambeer	McGuire
Bodahl	Farrell	Janezich	Krueger	Milbert

Morrison	Orenstein	Rice	Smith	Vanasek
Munger	Orfield	Rodosovich	Solberg	Vellenga
Murphy	Osthoff	Rukavina	Sparby	Wagenius
Nelson, K.	Ostrom	Runbeck	Stanius	Weaver
Newinski	Ozment	Sarna	Steensma	Wejzman
O'Connor	Pauly	Schafer	Swenson	Welle
Ogren	Pellow	Schreiber	Thompson	Wenzel
Olsen, S.	Pelowski	Seaberg	Trimble	Winter
Olson, K.	Peterson	Segal	Tunheim	Spk. Long
Omann	Reding	Simoneau	Uphus	
Onnen	Rest	Skoglund	Valento	

Those who voted in the negative were:

Bettermann	Girard	Hufnagle	Krinkie	Sviggum
Brown	Gutknecht	Hugoson	McPherson	Tompkins
Dauner	Haukoos	Jennings	Nelson, S.	Waltman
Ferichs	Heir	Koppendraye	Olson, E.	Welker

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

Madam Speaker:

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

S. F. No. 1993.

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. 1993

A bill for an act relating to transportation; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; 169.19, subdivision 1; and 216C.15, subdivision 1; Minnesota Statutes 1991 Supplement, section 169.346, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 169; and 473.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1993, 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. 1993 be further amended as follows:

Delete everything after the enacting clause and insert:

“ARTICLE 1

COMMUTER TRIP REDUCTION ACT

Section 1. Minnesota Statutes 1990, section 161.1231, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO CONSTRUCT.] Notwithstanding section 161.123 or any other law, the commissioner may acquire land by purchase, gift, or eminent domain for parking facilities described in this section and may construct, operate, repair, and maintain parking facilities primarily to serve vehicles traveling the route in the interstate highway system described in section 161.123, clause (2), also known as I-394 and, if approved by the federal government, vehicles occupied by two or more persons traveling other routes. Other vehicles may use the parking facilities when space is available.

Sec. 2. Minnesota Statutes 1990, section 161.1231, subdivision 2, is amended to read:

Subd. 2. [RULES AND PROCEDURES.] The commissioner shall adopt rules and establish procedures for the operation and use of the parking facilities. The rules are exempt from the requirements of chapter 14. A copy of the rules that regulate use of the facilities by drivers must be posted in each parking facility. The rules must:

(1) establish incentives, which must include preferential parking locations, to encourage drivers of vehicles that are occupied by two or more persons that travel on I-394 and that are occupied by two or more persons other routes, if approved by the federal government, to use the facilities;

(2) define peak travel hours and provide that during peak travel hours single-occupant vehicles be charged a surcharge to bring the parking fee for those vehicles to approximately the same level as parking fees charged in the private parking ramps located in Minneapolis;

(3) provide preferential parking locations for vehicles licensed and operated under section 168.021;

(4) establish application, permit, and use requirements; and

(5) provide for removal and impoundment of vehicles and assessment of a service fee on vehicles parked in violation of this section and the rules adopted under it.

Sec. 3. Minnesota Statutes 1990, section 169.01, is amended by adding a subdivision to read:

Subd. 77. [HIGH-OCCUPANCY VEHICLE.] "High-occupancy vehicle" means a passenger vehicle with two or more occupants clearly visible from a distance of at least 50 feet, a truck with a gross vehicle weight rating of 12,000 pounds or less with two or more occupants clearly visible from a distance of at least 50 feet, and the following, regardless of the number of occupants: buses, vans displaying the marking of the any public transit system, clearly marked and licensed taxicabs, authorized emergency vehicles, and motorcycles.

Sec. 4. [169.055] [HIGH-OCCUPANCY VEHICLE ROADWAYS.]

Subdivision 1. [DESIGNATION; RESTRICTED USE.] Road authorities may designate portions of roadways for the exclusive use of high-occupancy vehicles. Designated portions must be indicated by signs or distinctive pavement markings. No vehicle except those defined in section 3 may be operated on a roadway designated for use by high-occupancy vehicles.

Subd. 2. [VIOLATION; PENALTY.] The owner, or in the case of a leased vehicle, the lessee of a motor vehicle, operated in violation of this section, is liable for a civil penalty of up to \$100, unless the motor vehicle operated in violation of this section also had a mannequin, dummy, or other device placed to look like a passenger, in which case the owner or lessee of the motor vehicle is liable for a civil penalty of up to \$125.

The owner or lessee is not liable for the civil penalty if the vehicle was stolen, or if another person is convicted of a violation of this subdivision for the same violation.

Sec. 5. [473.4031] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 5 to 8, the following terms have the meanings given them.

Subd. 2. [AFFECTED EMPLOYER.] "Affected employer" means an employer of 100 or more employees at any work location within a commuter trip reduction zone.

Subd. 3. [AVERAGE DAILY VEHICLE OCCUPANCY RATE.] "Average daily vehicle occupancy rate" means the average number of persons occupying vehicles registered as passenger automobiles within an area surveyed.

Subd. 4. [COMMUTER TRIP REDUCTION PLAN OR PLAN.] "Commuter trip reduction plan" or "plan" means the plan required by section 7, subdivision 3.

Subd. 5. [COMMUTER TRIP REDUCTION ZONE.] "Commuter trip reduction zone" means a geographic area designated by the regional transit board under section 6, subdivision 3.

Subd. 6. [EMPLOYER.] "Employer" has the meaning given it in section 290.92, subdivision 1, paragraph (4), except that employer excludes the federal government.

Subd. 7. [SINGLE-OCCUPANCY VEHICLE.] "Single-occupancy vehicle" means a motor vehicle occupied by one person and that is registered as a passenger automobile.

Subd. 8. [WORK LOCATION OR LOCATION.] "Work location" or "location" means an area, building, grouping of buildings, or set of contiguous buildings where employees of a single employer work.

Sec. 6. [473.4032] [COMMUTER TRIP REDUCTION PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The regional transit board shall establish a commuter trip reduction program to reduce commuting by single-occupant vehicle on the metropolitan highways. The board shall consult with employees and labor representatives in the metropolitan area, the commissioner of transportation, the metropolitan council, the metropolitan transit commission, and local units of government in the metropolitan area in establishing the program.

The program must be consistent with the council's transportation policy plan.

Subd. 2. [DATA COLLECTION AND ANALYSIS; STRATEGY.] The regional transit board shall collect and analyze data on metropolitan commuting patterns, including origin-destination data, traffic congestion, employment and population densities, pollution levels, level of available transit services, parking availability, access to high-occupancy vehicles, and other factors that may affect the rate of commuting by single-occupancy vehicle.

The board shall develop a commuter trip reduction strategy for the metropolitan area that includes maximum use of public transit,

priority for high-occupancy vehicles, improved traffic system management, implementation of plans by affected employers, and other measures that increase the vehicle occupancy rate.

Subd. 3. [COMMUTER TRIP REDUCTION ZONES.] After reasonable notice and a public hearing on the proposed zones and vehicle occupancy rate goals, the board shall designate commuter trip reduction zones within the metropolitan area. The board shall determine the average vehicle occupancy rate in each zone and set rate goals for vehicle occupancy for each zone.

Every two years, the board shall review and revise as necessary its designation of zones and goals.

Sec. 7. [473.4033] [REQUIREMENTS FOR AFFECTED EMPLOYERS.]

Subdivision 1. [NOTICE; REGISTRATION.] Within 120 days after designating or revising the designation of commuter trip reduction zones and vehicle occupancy rate goals under section 6, subdivision 3, the regional transit board shall notify, by mail and by publication in newspapers of general circulation, employers with work locations in the zones of the requirements of this section. Within 60 days after receipt of the notice, or publication of the general newspaper notice, whichever is later, an affected employer shall submit the following information to the board:

(1) the name and address of the employer;

(2) the name and address of a designated contact person at the work location; and

(3) the address of each work location employing 100 or more persons within a commuter trip reduction zone and the number of employees at each location.

Subd. 2. [SURVEY.] The board shall send affected employers a survey form on the commuting patterns of the employees at each work location and information on the requirements of this section.

Subd. 3. [COMMUTER TRIP REDUCTION PLAN.] Within 180 days after receipt of the survey form, an affected employer shall submit to the board the completed survey and a commuter trip reduction plan. The plan must include the following:

(1) a summary of the survey results, including a description of the modes of travel used by employees commuting to work, and the current average vehicle occupancy at each work location;

(2) a list of commuter trip reduction strategies currently used by the employer;

(3) a list and description of commuter trip reduction strategies to achieve at that location the average vehicle occupancy rate goal for the zone within five years; and

(4) the name and title of the person preparing the plan.

Subd. 4. [CONSOLIDATED PLAN.] An affected employer may comply with this section by participating in a consolidated plan with other employers in the surrounding area.

Subd. 5. [PLAN REVIEW.] The board shall return a plan within 180 days if the plan will not meet the employer's average vehicle occupancy rate goal. The employer shall revise and resubmit the plan within 90 days after receipt of the notice that the plan is inadequate.

Sec. 8. [473.4034] [PUBLIC EDUCATION.]

The regional transit board, in cooperation with employers, the commissioner of transportation, the metropolitan council, and the metropolitan transit commission, shall develop a program to educate the public on the benefits of reducing the number of single-occupancy commuter trips.

Sec. 9. [INITIAL DEADLINES.]

The regional transit board shall initially take the actions required by section 6 according to the following schedule:

(1) the initial collection and analysis of data required by section 6, subdivision 2, must be done by July 1, 1993;

(2) the initial designation of commuter trip reduction zones and setting of vehicle occupancy rate goals required by section 6, subdivision 3, must be done by July 1, 1993; and

(3) notwithstanding section 6, subdivision 3, the periodic review and revision of zones and goals must begin in 1996.

Sec. 10. [CARPOOL INCENTIVES.]

The commissioner of transportation shall take all steps necessary to secure the approval of the federal government required to make all high-occupancy vehicles, whether traveling on I-394 or other routes, eligible for parking fee incentives in the garages constructed under section 161.1231.

Sec. 11. [APPLICATION TO FEDERAL ACTIONS.]

Nothing in this act requires the commissioner of transportation to take any action that (1) will jeopardize the state's eligibility for or ability to use federal highway funds or (2) the commissioner determines will result in any other federal action against the state.

Sec. 12. [APPLICATION.]

Sections 5 to 9 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 1990, section 13.72, is amended by adding a subdivision to read:

Subd. 8. [ORIGIN AND DESTINATION STUDIES; COMMUTER SURVEY DATA.] Data collected by the commissioner of transportation under section 174.258 are private data with regard to data on individuals or nonpublic data with regard to data not on individuals, including the subject's name, home address, telephone number, place of work, and commuting information. Summaries and analyses of the data collected are public data if they do not reveal private data or nonpublic data.

Sec. 2. Minnesota Statutes 1990, section 103F.351, is amended by adding a subdivision to read:

Subd. 6. [SCENIC CORRIDOR.] (a) A county state-aid highway that passes through or adjacent to and serves as a corridor to the lower St. Croix wild and scenic river district must be designated a natural preservation route under section 162.021. Design standards for the route must provide for the preservation to the greatest extent possible of the existing profile, alignment, recovery areas, and cross-section of the existing highway, and for minimizing the acquisition of real property for reconstruction.

(b) A county may not reconstruct a route designated under paragraph (a) where the reconstruction project would (1) materially change the existing profile, alignment, recovery area, or cross-section of the existing highway, or (2) require the acquisition of any significant amount of real property, unless the project has been approved by the commissioner as provided in this subdivision. On receiving a request for approval of the project, the commissioner shall refer the request to the appropriate advisory committee established under section 162.021, subdivision 5, paragraph (b). The advisory committee shall, after holding at least one public hearing

in the area affected by the project, consider the request and make a recommendation to the commissioner. Following receipt of the committee's recommendation, the commissioner shall issue an order approving or disapproving the project, or approving it with any modifications the commissioner determines will best preserve the highway's scenic, environmental, or historic characteristics. The county may not proceed with the reconstruction project except in conformity with the commissioner's order. In any administrative or judicial proceeding regarding the project, the party proposing the change has the burden of justifying the change, and, if the change is for a reason other than to preserve the scenic, historical, or environmental characteristics of the highway corridor, has the burden of showing that the reasons for the change clearly outweigh the applicable scenic, historical, or environmental considerations.

Sec. 3. Minnesota Statutes 1990, section 169.121, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF REVOCATION.] On behalf of the commissioner of public safety a court shall serve notice of revocation on a person convicted of a violation of this section unless the commissioner has already revoked the person's driving privileges or served the person with a notice of revocation for a violation of section 169.123 arising out of the same incident. ~~The court shall take the license or permit of the driver, if any, or obtain a sworn affidavit stating that the license or permit cannot be produced, and send it to the commissioner with a record of the conviction and issue a temporary license effective only for the period during which an appeal from the conviction may be taken. No person who is without driving privileges at the time shall be issued a temporary license and any temporary license issued shall bear the same restrictions and limitations as the driver's license or permit for which it is exchanged.~~

~~The commissioner shall issue additional temporary licenses until the final determination of whether there shall be a revocation under this section.~~

The court shall invalidate the driver's license or permit in such a way that no identifying information is destroyed.

Sec. 4. Minnesota Statutes 1990, section 169.123, subdivision 5a, is amended to read:

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION OR DISQUALIFICATION.] On behalf of the commissioner of public safety a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.10 or more. On behalf of

the commissioner of public safety, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more. The officer shall either:

(1) take the driver's license or permit of the driver, if any, and issue a temporary license₂ effective only for seven days. ~~The peace officer, and shall send the person's driver's license~~ it to the commissioner of public safety along with the certificate required by subdivision 4; or

(2) invalidate the driver's license or permit in such a way that no identifying information is destroyed.

Sec. 5. Minnesota Statutes 1990, section 169.14, subdivision 10, is amended to read:

Subd. 10. ~~[RADAR; SPEEDALYZER SPEED-MEASURING DEVICES; STANDARDS OF EVIDENCE.]~~ In any prosecution in which the rate of speed of a motor vehicle is relevant, evidence of the speed as indicated on radar or other ~~speedalyzer speed-measuring~~ devices is admissible in evidence, subject to the following conditions:

(a) The officer operating the device has sufficient training to properly operate the equipment;

(b) The officer testifies as to the manner in which the device was set up and operated;

(c) The device was operated with minimal distortion or interference from outside sources; and

(d) The device was tested by an accurate and reliable external mechanism, method, or system at the time it was set up.

Records of tests made of such devices and kept in the regular course of operations of any law enforcement agency are admissible in evidence without further foundation as to the results of the tests. The records shall be available to a defendant upon demand. Nothing in this subdivision shall be construed to preclude or interfere with cross examination or impeachment of evidence of the rate of speed as indicated on the radar or ~~speedalyzer speed-measuring~~ device.

Sec. 6. Minnesota Statutes 1991 Supplement, section 169.346, subdivision 1, is amended to read:

Subdivision 1. [PARKING CRITERIA.] A person shall not:

(1) park a motor vehicle in or obstruct access to a parking space designated and reserved for the physically disabled, on either private or public property;

(2) park a motor vehicle in or obstruct access to an area designated by a local governmental unit as a transfer zone for disabled persons;
~~or~~

(3) exercise the parking privilege provided in section 169.345, unless:

(i) that person is a physically disabled person as defined in section 169.345, subdivision 2, or the person is transporting or parking a vehicle for a physically disabled person; and

(ii) the vehicle visibly displays one of the following: a license plate issued under section 168.021, a certificate issued under section 169.345, or an equivalent certificate, insignia, or license plate issued by another state, a foreign country, or one of its political subdivisions; or

(4) park a motor vehicle in an area used as a regular route transit stopping point where (i) a transit vehicle that is accessible to the physically disabled regularly stops, and (ii) the operator of the regular route transit has erected a sign that bears the international symbol of access in white on blue. A sign erected under this clause that bears the access symbol may display other information relating to the regular route transit service. For purposes of this clause, an area used as a regular route transit stopping point consists of the 80 feet immediately in front of the sign described in this clause.

Sec. 7. Minnesota Statutes 1991 Supplement, section 169.444, subdivision 7, is amended to read:

Subd. 7. [EVIDENTIARY PRESUMPTION PRESUMPTIONS.]

(a) There is a rebuttable presumption that signals described in section 169.442 were in working order and operable when a violation of subdivision 1, 2, or 5 was allegedly committed, if the signals of the applicable school bus were inspected and visually found to be in working order and operable within 12 hours preceding the incident giving rise to the violation.

(b) There is a rebuttable presumption that a motor vehicle outwardly equipped and identified as a school bus satisfies all of the identification and equipment requirements of section 169.441 when a violation of subdivision 1, 2, or 5 was allegedly committed, if the applicable school bus bears a current inspection certificate issued under section 169.451.

Sec. 8. Minnesota Statutes 1991 Supplement, section 171.01, subdivision 24, is amended to read:

Subd. 24. [SPECIAL TRANSPORTATION SERVICE.] "Special transportation service" means motor vehicle transportation provided on a regular basis by a public or private entity or person that is designed primarily to serve individuals who are elderly, handicapped, or disabled and who are unable to use regular means of transportation but do not require ambulance service, as defined in section 144.801, subdivision 4. Special transportation service includes but is not limited to service provided by specially equipped buses, vans, and taxis. Special transportation service does not include a volunteer driver using a private passenger vehicle that belongs to the volunteer services exempted in section 174.30.

Sec. 9. Minnesota Statutes 1991 Supplement, section 171.02, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No person, except those hereinafter expressly exempted, shall drive any motor vehicle upon any street or highway in this state unless such person has a license valid under the provisions of this chapter for the type or class of vehicle being driven. No person shall receive a driver's license unless and until the person surrenders to the department all valid driver's licenses in possession issued to the person by any other jurisdiction. All surrendered licenses shall be returned by person's license from any jurisdiction has been invalidated by the department. The department shall provide to the issuing department together with of any jurisdiction, information that the licensee is now licensed in new jurisdiction Minnesota. No person shall be permitted to have more than one valid driver's license at any time. No person to whom a current Minnesota identification card has been issued may receive a driver's license, other than an instruction permit or a limited license, unless the person surrenders to the department any person's Minnesota identification card issued to the person under section 171.07, subdivision 3 has been invalidated by the department.

Sec. 10. Minnesota Statutes 1991 Supplement, section 171.02, subdivision 2, is amended to read:

Subd. 2. [DRIVER'S LICENSE CLASSIFICATIONS, ENDORSEMENTS, EXEMPTIONS.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle, school bus, special transportation service vehicle, tank vehicle, double-trailer or triple-trailer combination, vehicle transporting hazardous materials, or bus, unless so endorsed. There shall be four general classes of licenses as follows:

(a) Class C; valid for:

(1) all farm trucks operated by (i) the owner, (ii) an immediate family member of the owner, (iii) an employee of the owner not primarily employed to operate the farm truck, within 150 miles of the farm, or (iv) an employee of the owner employed during harvest to operate the farm truck for the first, continuous transportation of agricultural products from the production site or on-farm storage site to any other location within 50 miles of that site;

(2) fire trucks and emergency fire equipment, whether or not in excess of 26,000 pounds gross vehicle weight, operated by a firefighter while on duty, or a tiller operator employed by a fire department who drives the rear portion of a midmount aerial ladder truck;

(3) recreational equipment as defined in section 168.011, subdivision 25, that is operated for personal use; and

(4) all single unit vehicles and combinations of vehicles, except commercial motor vehicles with a gross vehicle weight of more than 26,000 pounds, vehicles designed to carry more than 15 passengers including the driver, and vehicles that carry hazardous materials; and

(5) with a special transportation service vehicle endorsement, operating a motor vehicle providing special transportation service.

The holder of a class C license may also tow vehicles if the combination of vehicles has a gross vehicle weight of 26,000 pounds or less.

(b) Class CC; valid for:

(1) operating class C vehicles;

(2) with a hazardous materials endorsement, transporting hazardous materials in class C vehicles; and

(3) with a school bus endorsement, operating school buses designed to transport 15 or fewer passengers, including the driver.

(c) Class B; valid for all vehicles in class C, class CC, and all other single unit vehicles including, with a passenger endorsement, buses. The holder of a class B license may only tow vehicles with a gross vehicle weight of 10,000 pounds or less.

(d) Class A; valid for any vehicle or combination thereof.

Sec. 11. Minnesota Statutes 1991 Supplement, section 171.10, subdivision 2, is amended to read:

Subd. 2. [ENDORSEMENTS ADDED.] Any person, after applying for or receiving a driver's license and prior to the expiration year of the license, who wishes to have a motorcycle, school bus, ~~special transportation service vehicle~~, tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement added to the license, shall, after taking the necessary examination, apply for a duplicate license and make payment of the proper fee.

Sec. 12. Minnesota Statutes 1990, section 171.11, is amended to read:

171.11 [CHANGE OF DOMICILE OR NAME.]

When any person, after applying for or receiving a driver's license, shall change permanent domicile from the address named in such application or in the license issued to the person, or shall change a name by marriage or otherwise, such person shall, within 30 days thereafter, ~~make application~~ apply for a duplicate driver's license upon a form furnished by the department; ~~such and pay the required fee.~~ The application or duplicate license shall show both the licensee's old address and new address or the former name and new name as the case may be. Such application for a duplicate license, upon change of address or change of name, shall be accompanied by all certificates of driver's license then in the possession of the applicant together with the required fee.

Sec. 13. Minnesota Statutes 1991 Supplement, section 171.13, subdivision 5, is amended to read:

Subd. 5. [FEE FOR VEHICLE ENDORSEMENT.] Any person applying to secure a motorcycle, school bus, ~~special transportation service vehicle~~, tank vehicle, passenger, double-trailer or triple-trailer, or hazardous materials vehicle endorsement on the person's driver's license shall pay a \$2.50 examination fee at the place of application.

Sec. 14. Minnesota Statutes 1990, section 171.22, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] With regard to any driver's license, including a commercial driver's license, it shall be unlawful for any person:

(1) to display, cause or permit to be displayed, or have in possession, any:

(i) canceled, revoked, or suspended driver's license;

(ii) driver's license for which the person has been disqualified; or

(iii) fictitious or fraudulently altered driver's license or Minnesota identification card;

(2) to lend the person's driver's license or Minnesota identification card to any other person or knowingly permit the use thereof by another;

(3) to display or represent as one's own any driver's license or Minnesota identification card not issued to that person;

~~(4) to fail or refuse to surrender to the department, upon its lawful demand, any driver's license or Minnesota identification card which has been suspended, revoked, canceled, or for which the holder has been disqualified;~~

~~(5) to use a fictitious name or date of birth to any police officer or in any application for a driver's license or Minnesota identification card, or to knowingly make a false statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any such application;~~

~~(6)~~ (5) to alter any driver's license or Minnesota identification card;

~~(7)~~ (6) to take any part of the driver's license examination for another or to permit another to take the examination for that person;

~~(8)~~ (7) to make a counterfeit driver's license or Minnesota identification card; or

~~(9)~~ (8) to use the name and date of birth of another person to any police officer for the purpose of falsely identifying oneself to the police officer.

Sec. 15. Minnesota Statutes 1991 Supplement, section 171.323, subdivision 1, is amended to read:

Subdivision 1. [DRIVER'S LICENSE WITH ENDORSEMENT REQUIRED.] No person shall drive a motor vehicle providing special transportation service within the seven-county metropolitan area as defined in section 473.121, subdivision 2, without having a valid ~~class A, class B, or class CC~~ driver's license for the class of vehicle being driven with a special transportation service vehicle endorsement.

Sec. 16. Minnesota Statutes 1991 Supplement, section 171.323, subdivision 3, is amended to read:

Subd. 3. [STUDY OF APPLICANT.] Before issuing or renewing a special transportation service vehicle endorsement, the commissioner shall conduct a criminal records check of the applicant require evidence that a criminal records check of the applicant has been completed and that the applicant is not disqualified as a special transportation service driver under the rules of the commissioner of transportation adopted under section 174.30. The commissioner may also conduct a records check at any time while a person is so licensed of a person operating a special transportation service vehicle. The check shall consist of a criminal records check of the state criminal records repository. If the applicant has resided in Minnesota for less than five years, the records check shall also include a criminal records check of information from the state law enforcement agencies in the states where the applicant resided during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to cooperate with the commissioner in conducting a records check is reasonable cause to deny an application or cancel a special transportation vehicle endorsement. The commissioner may not release the results of a records check to any person except the applicant.

Sec. 17. [174.258] [ORIGIN AND DESTINATION STUDIES; COMMUTER SURVEY.]

The commissioner of transportation may conduct origin and destination studies using photographic or other technology to identify the owners of vehicles traveling on routes under study in order to survey the owners about their commuting needs and habits. All photographs, photographic negatives, videos, survey responses, and other data collected under this section are private data with regard to data on individuals or nonpublic data with regard to data not on individuals, as provided in section 13.72, subdivision 8. Summaries and analyses of the data that do not reveal private data or nonpublic data, are public data. Photographs, photographic negatives, videos, survey responses or other data collected under this section may not be used in evidence in any civil, criminal, or administrative proceeding.

Sec. 18. Minnesota Statutes 1990, section 216C.15, subdivision 1, is amended to read:

Subdivision 1. [PLAN PROGRAMS, PRIORITIES, AND CONTROLS.] The commissioner shall maintain an emergency conservation and allocation plan. The plan shall provide a variety of strategies and staged conservation measures to reduce energy use and in the event of an energy supply emergency, shall establish guidelines and criteria for allocation of fuels to priority users. The plan shall contain alternative conservation actions and allocation plans to reasonably meet various foreseeable shortage circumstances and allow a choice of appropriate responses. The plan shall

be consistent with requirements of federal emergency energy conservation and allocation laws and regulations, shall be based on reasonable energy savings or transfers from scarce energy resources and shall:

(a) give priority to individuals, institutions, agriculture ~~and~~, businesses, and public transit under contract with the commissioner of transportation or the regional transit board which demonstrate they have engaged in energy-saving measures and shall include provisions to insure that:

(1) immediate allocations to individuals, institutions, agriculture ~~and~~, businesses, and public transit be based on needs at energy conservation levels;

(2) successive allocations to individuals, institutions, agriculture ~~and~~, businesses, and public transit be based on needs after implementation of required action to increase energy conservation; and

(3) needs of individuals ~~and~~, institutions, and public transit are adjusted to insure the health and welfare of the young, old and infirm;

(b) insure maintenance of reasonable job safety conditions and avoid environmental sacrifices;

(c) establish programs, controls, standards, priorities or quotas for the allocation, conservation and consumption of energy resources; and for the suspension and modification of existing standards and the establishment of new standards affecting or affected by the use of energy resources, including those related to the type and composition of energy sources, and to the hours and days during which public buildings, commercial and industrial establishments, and other energy consuming facilities may or are required to remain open;

(d) establish programs to control the use, sale or distribution of commodities, materials, goods or services;

(e) establish regional programs and agreements for the purpose of coordinating the energy resources, programs and actions of the state with those of the federal government, of local governments, and of other states and localities; ~~and~~

(f) determine at what level of an energy supply emergency situation the pollution control agency shall be requested to ask the governor to petition the president for a temporary emergency suspension of air quality standards as required by the Clean Air Act, United States Code, title 42, section 7410f; and

(g) establish procedures for fair and equitable review of complaints and requests for special exemptions regarding emergency conservation measures or allocations.

Sec. 19. [HOV LANE ENFORCEMENT DEMONSTRATION PROJECT.]

(a) Beginning November 1, 1992, the commissioners of transportation and public safety shall jointly conduct a demonstration project using electronic technology to enforce regulations restricting the use of high-occupancy vehicle lanes. The commissioners shall submit a report evaluating the project to the legislature by January 1, 1994.

(b) If a motor vehicle is operated in violation of restrictions on use of high-occupancy vehicle lanes, the owner or lessee of the motor vehicle may not be convicted for the violation if:

(1) another person is convicted for that violation; or

(2) the motor vehicle was stolen at the time of the violation.

For purposes of this section, a lessor of a motor vehicle who keeps a record of the name and address of the lessee is not considered the owner.

No tapes may be retained after the demonstration project ends unless needed for legal purposes.

Sec. 20. [SIGN TO BE ERECTED.]

The commissioner of transportation shall erect at the earliest feasible date an addition to the exit sign marking the East Seventh Street exit on eastbound marked interstate highway No. 94 in St. Paul to indicate that the exit provides access to Metropolitan State University in downtown St. Paul if Metropolitan State University pays all costs of erecting the sign.

Sec. 21. [REPEALER.]

Minnesota Statutes 1990, section 171.20, subdivision 1, is repealed.

Sec. 22. [EFFECTIVE DATE.]

Sections 5, 7, 8, 10, 11, 13, 15, and 20, are effective the day following final enactment. Sections 3, 4, 9, 12, 14, and 21, are effective January 1, 1993. Section 16 is effective the day after the rules of the commissioner of transportation under Minnesota Statutes, section 174.30, are adopted."

Delete the title and insert:

"A bill for an act relating to transportation; providing incentives for the use of alternative means of commuting; directing the regional transit board to establish a program to reduce commuter trips; classifying commuter survey data; designating a natural preservation route; providing for invalidation of drivers' licenses and identification cards in some circumstances; making technical changes; prohibiting parking in certain public transit stopping points; providing evidentiary presumption regarding school buses; clarifying driving authority of holders of certain drivers' licenses; abolishing requirement of examination and fee to receive endorsement to operate a special transportation service vehicle; requiring criminal records check of applicant for driver's license endorsement to operate a special transportation service vehicle; requiring a study; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; requiring erection of highway information sign; amending Minnesota Statutes 1990, sections 13.72, by adding a subdivision; 103F.351, by adding a subdivision; 161.1231, subdivisions 1 and 2; 169.01, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 169.14, subdivision 10; 171.11; 171.22, subdivision 1; 216C.15, subdivision 1; Minnesota Statutes 1991 Supplement, sections 169.346, subdivision 1; 169.444, subdivision 7; 171.01, subdivision 24; 171.02, subdivisions 1 and 2; 171.10, subdivision 2; 171.13, subdivision 5; 171.323, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 169; 174; 473; repealing Minnesota Statutes 1990, sections 171.20, subdivision 1."

We request adoption of this report and repassage of the bill.

Senate Conferees: CAROL FLYNN, GARY M. DECramer AND DON FRANK.

House Conferees: ALICE M. JOHNSON, ART SEABERG AND CARLOS MARIANI.

Johnson, A., moved that the report of the Conference Committee on S. F. No. 1993 be adopted and that the bill be repassed as amended by the Conference Committee.

Blatz moved that the House refuse to adopt the Conference Committee report on S. F. No. 1993, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Blatz motion and the roll was called. There were 77 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, V.	Newinski	Skoglund
Anderson, I.	Frerichs	Kahn	Olsen, S.	Smith
Anderson, R. H.	Garcia	Kinkel	Olson, E.	Solberg
Bettermann	Girard	Knickerbocker	Olson, K.	Stanis
Bishop	Goodno	Koppendrayser	Omann	Svigum
Blatz	Gruenes	Krambeer	Onnen	Swenson
Bodahl	Gutknecht	Krinkie	Osthoff	Thompson
Boo	Hartle	Krueger	Ozment	Tompkins
Brown	Hasskamp	Leppik	Pauly	Uphus
Carlson	Haukoos	Limmer	Pellow	Vanasek
Cooper	Heir	Lynch	Pelowski	Waltman
Dauner	Henry	Macklin	Peterson	Welker
Davids	Hufnagle	Marsh	Reding	Wenzel
Dempsey	Hugoson	McPherson	Rest	
Dille	Jennings	Morrison	Runbeck	
Erhardt	Johnson, R.	Nelson, S.	Schafer	

Those who voted in the negative were:

Battaglia	Greenfield	Lasley	Ogren	Steensma
Bauerly	Hanson	Lieder	Orenstein	Trimble
Beard	Hausman	Lourey	Orfield	Tunheim
Begich	Jacobs	Mariani	Ostrom	Valento
Bertram	Janezich	McEachern	Pugh	Vellenga
Carruthers	Jaros	McGuire	Rukavina	Wagenius
Clark	Jefferson	Milbert	Sarna	Wejman
Dawkins	Johnson, A.	Munger	Schreiber	Welle
Dorn	Kalis	Nelson, K.	Simoneau	Spk. Long
Farrell	Kelso	O'Connor	Sparby	

The motion prevailed and S. F. No. 1993, as amended by Conference, was returned to Conference.

Madam Speaker:

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

S. F. No. 1959.

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. 1959

A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rule-making; providing penalties; appropriating money; amending Min-

nesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 383B.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1959, 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. 1959 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 18.317, subdivision 1, is amended to read:

Subdivision 1. [TRANSPORTATION PROHIBITED.] Except as provided in subdivision 2, a person may not transport Eurasian or Northern water milfoil, *myriophyllum spicatum* or *exalbescens*, zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources on a road or highway, as defined in section 160.02, subdivision 7, or on forest roads.

Sec. 2. Minnesota Statutes 1990, section 18.317, is amended by adding a subdivision to read:

Subd. 1a. [PLACEMENT PROHIBITED.] A person may not intentionally place ecologically harmful exotic species, as defined in section 84.967, in public waters within the state.

Sec. 3. Minnesota Statutes 1990, section 18.317, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] A person may transport Eurasian or Northern water milfoil, *myriophyllum spicatum* or *exalbescens*, or other water-transmitted harmful exotic species identified by the commissioner of natural resources for disposal as part of a harvest or control activity.

Sec. 4. Minnesota Statutes 1990, section 18.317, subdivision 3, is amended to read:

Subd. 3. [LAUNCHING OF WATERCRAFT WITH EURASIAN OR NORTHERN WATER MILFOIL OR OTHER HARMFUL SPECIES PROHIBITED.] (a) A person may not place a trailer or launch a watercraft with Eurasian or Northern water milfoil, zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources attached into waters of the state. A conservation officer or other licensed peace officer may order the removal of Eurasian or Northern water milfoil, zebra mussels, or other water-transmitted harmful exotic species identified by the commissioner of natural resources from a trailer or watercraft before being placed or launched into waters of the state.

(b) For purposes of this section, the meaning of watercraft includes a float plane and "waters of the state" has the meaning given in section 103G.005, subdivision 17.

(c) A commercial harvester shall clean aquatic plant harvesting equipment of all aquatic vegetation at a suitable location before launching the equipment in another body of water.

Sec. 5. Minnesota Statutes 1990, section 18.317, is amended by adding a subdivision to read:

Subd. 3a. [INSPECTION OF WATERCRAFT AND EQUIPMENT.] (a) Licensed watercraft and associated equipment, including weed harvesters, that are removed from any waters of the state that the commissioner of natural resources identifies as being contaminated with Eurasian water milfoil, zebra mussels, or other water-transmitted exotic harmful species identified by the commissioner of natural resources, shall be randomly inspected between May 1 and October 15 for a minimum of 10,000 hours by personnel authorized by the commissioner of natural resources.

Sec. 6. Minnesota Statutes 1990, section 18.317, subdivision 5, is amended to read:

Subd. 5. [PENALTY.] A person who violates subdivision 1 ~~or~~ 1a, 3, or 3a is guilty of a misdemeanor. A person who refuses to obey the order of a peace officer or conservation officer to remove Eurasian or Northern water milfoil from a trailer or watercraft is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1991 Supplement, section 84.968, is amended to read:

84.968 [ECOLOGICALLY HARMFUL EXOTIC SPECIES MANAGEMENT PLAN; REPORT.]

Subdivision 1. [MANAGEMENT PLAN.] (a) By January 1, 1993, a long-term statewide ecologically harmful exotic species management plan must be prepared by the commissioner of natural resources and address the following:

(1) coordinated detection and prevention of accidental introductions;

(2) coordinated dissemination of information about ecologically harmful exotic species among resource management agencies and organizations;

(3) a coordinated public awareness campaign regarding ecologically harmful exotic animals and aquatic plants;

(4) a process, where none exists, to designate and classify ecologically harmful exotic species into the following categories:

(i) undesirable wild animals that must not be sold, propagated, possessed, or transported; and

(ii) undesirable aquatic exotic plants that must not be sold, propagated, possessed, or transported;

(5) coordination of control and eradication of ecologically harmful exotic species on public lands and public waters; and

(6) development of a list of exotic wild animal species intended for nonagricultural purposes, or propagation for release by state agencies or the private sector.

(b) The plan prepared under paragraph (a) must include containment strategies that include:

(1) participation by lake associations, local citizen groups, and local units of government in the development and implementation of lake management plans;

(2) a reasonable and workable inspection requirement for boats and equipment participating in organized events on waters of the state;

(3) allowing access points infested with ecologically harmful exotic species to be closed, for not more than a total of seven days during an open water season, for control or eradication purposes, and requiring posting of signs stating the reason for closing the access;

(4) provisions for reasonable weed-free maintenance of public accesses to infested waters; and

(5) notice to travelers of the penalties for violation of laws relating to ecologically harmful exotic species.

Subd. 2. [REPORT.] The commissioner of natural resources shall by January 1 each year submit a report on ecologically harmful exotic species to the legislative committees having jurisdiction over environmental and natural resource issues. The report must include:

(1) detailed information on expenditures for administration, education, eradication, inspections, and research;

(2) an analysis of the effectiveness of management activities conducted in the state, including chemical eradication, harvesting, educational efforts, and inspections;

(3) information on the participation of other state agencies, local government units, and interest groups in control efforts;

(4) information on management efforts in other states;

(5) information on the progress made by species;

(6) an estimate of future management needs; and

(7) an analysis of the financial impact on persons who transport weed harvesters of the prohibition in section 1.

Sec. 8. Minnesota Statutes 1991 Supplement, section 84.9691, is amended to read:

84.9691 [RULEMAKING.]

(a) The commissioner of natural resources may adopt rules, including emergency rules, to restrict the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state. The commissioner of natural resources may adopt emergency and permanent rules restricting the introduction, propagation, use, possession, and spread of ecologically harmful exotic species in the state, as outlined in section 84.967. The emergency rulemaking authority granted in this paragraph expires July 1, 1994.

(b) The commissioner shall adopt rules to identify bodies of water with limited infestation of Eurasian water milfoil. The areas that are infested shall be marked and prohibited for use.

Sec. 9. Minnesota Statutes 1990, section 86B.401, subdivision 11, is amended to read:

Subd. 11. [SUSPENSION FOR NOT REMOVING EURASIAN OR NORTHERN WATER MILFOIL OR OTHER HARMFUL SPECIES.] The commissioner, after notice and an opportunity for hearing, may suspend for a period of not more than one year the license of a watercraft if the owner or person in control of the watercraft or its trailer refuses to comply with an inspection order of a conservation officer or other licensed peace officer or an order to remove Eurasian or Northern water milfoil, myriophyllum spicatum or exalbescons, zebra mussels, or other ecologically harmful species identified by the commissioner from the watercraft or its trailer as provided in section 18.317, subdivision 3.

Sec. 10. Minnesota Statutes 1991 Supplement, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of \$2 \$3 is placed on each watercraft licensed under subdivisions 1 to 5 for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil in public waters and public wetlands.

Sec. 11. [APPROPRIATIONS.]

\$219,000 is appropriated from the water recreation account in the natural resources fund to the commissioner of natural resources for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic species in public waters.

Of this amount, \$80,000 may be used to conduct access inspections under section 5.

Sec. 12. [EFFECTIVE DATE.]

The emergency rulemaking authority in section 8 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding subdivisions; and 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7."

We request adoption of this report and repassage of the bill.

Senate Conferees: WILLIAM P. LUTHER, STEVEN MORSE AND EARL W. RENNEKE.

House Conferees: WESLEY J. "WES" SKOGLUND, ANTHONY G. "TONY" KINKEL AND RON ABRAMS.

Skoglund moved that the report of the Conference Committee on S. F. No. 1959 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1959, A bill for an act relating to natural resources; providing for the management of ecologically harmful exotic species; requiring rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 18.317, subdivisions 1, 2, 3, 5, and by adding a subdivision; 86B.401, subdivision 11; Minnesota Statutes 1991 Supplement, sections 84.968; 84.9691; and 86B.415, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 383B.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Madam Speaker:

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

S. F. No. 2137.

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. 2137

A bill for an act relating to nursing homes; defining a residential hospice facility; modifying hospice program conditions; limiting the number of residential hospice facilities; requiring a report; amending Minnesota Statutes 1990, section 144A.48, subdivision 1, and by adding a subdivision.

April 16, 1992

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Dee Long
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2137, report that we have agreed upon the items in dispute and recommend as follows:

That the house recede from its amendment to S. F. No. 2137 labeled HDA-704 and the Senate concur in the House amendment to S. F. No. 2137 labeled HDA-836.

We request adoption of this report and repassage of the bill.

Senate Conferees: JOHN C. HOTTINGER, THOMAS M. NEUVILLE AND DON SAMUELSON.

House Conferees: LEE GREENFIELD, KAREN CLARK AND GIL GUTKNECHT.

Greenfield moved that the report of the Conference Committee on S. F. No. 2137 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2137, A bill for an act relating to nursing homes; defining a residential hospice facility; modifying hospice program conditions; limiting the number of residential hospice facilities; requiring a report; amending Minnesota Statutes 1990, section 144A.48, subdivision 1, and by adding a subdivision.

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 119 yeas and 15 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Davids	Hufnagle	Krinkie	Sarna	Vanasek
Frerichs	Janezich	Lynch	Schafer	Wejcman
Girard	Johnson, V.	McEachern	Tompkins	Welker

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

House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2001, A bill for an act relating to retirement; requiring the metropolitan airports commission to apply for certain state aid; providing an optional method for calculating annuities of certain members of the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 69.011, by adding a subdivision; 69.031, subdivision 5; and 422A.01, by adding subdivisions; Minnesota Statutes 1991 Supplement, section 69.011, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 422A.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 2001 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2001, A bill for an act relating to retirement; requiring the metropolitan airports commission to apply for certain state aid; providing an optional method for calculating annuities of certain members of the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 69.011, by adding a subdivision; 69.031, subdivision 5; and 422A.01, by adding subdivisions; Minnesota Statutes 1991 Supplement, section 69.011, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 422A.

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

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Omamm	Peterson	Schreiber	Swenson	Weaver
Onnen	Pugh	Seaberg	Thompson	Wejcmam
Orenstein	Reding	Segal	Tompkins	Welker
Orfield	Rest	Simoneau	Trimble	Welle
Osthoff	Rice	Skoglund	Tunheim	Wenzel
Ostrom	Rodosovich	Smith	Uphus	Winter
Ozment	Rukavina	Solberg	Valento	Spk. Long
Pauly	Runbeck	Sparby	Vellenga	
Pellow	Sarna	Stanisus	Wagenius	
Pelowski	Schafer	Steensma	Waltman	

Those who voted in the negative were:

Sviggum Vanasek

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

Madam Speaker:

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

H. F. No. 2134, A bill for an act relating to energy; prescribing the method of payment of petroleum tank release cleanup fees; requiring persons who remove basement heating oil storage tanks to remove fill and vent pipes to the outside; changing the inspection fee for petroleum products; imposing a fee on sales of liquefied petroleum gas; appropriating money to energy and conservation account for programs to improve energy efficiency of residential oil-fired and liquefied petroleum gas heating plants in low-income households; amending Minnesota Statutes 1990, section 115C.08, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16B.61, subdivision 3; 239.78; and 299F.011, subdivision 4c; proposing coding for new law in Minnesota Statutes, chapters 116; and 239.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jacobs moved that the House concur in the Senate amendments to H. F. No. 2134 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2134, A bill for an act relating to energy; prescribing the method of payment of petroleum tank release cleanup fees; requiring persons who remove basement heating oil storage tanks to remove fill and vent pipes to the outside; changing the inspection fee for petroleum products; imposing a fee on sales of liquefied petroleum gas; requiring adoption of and compliance with energy efficiency rules and standards; providing for emergency energy assistance; excluding certain items from market value for property tax purposes; exempting certain items from the sales tax; regulating the transfer of certain employees; appropriating money to energy

and conservation account for programs to improve energy efficiency of residential oil-fired and liquefied petroleum gas heating plants in low-income households; amending Minnesota Statutes 1990, sections 115C.08, subdivision 3; 216C.19, subdivisions 1, 13, and by adding subdivisions; 273.11, by adding a subdivision; 297A.25, by adding a subdivision, 383C.044; Minnesota Statutes 1991 Supplement, sections 16B.61, subdivision 3; 239.78; and 299F.011, subdivision 4c; 326.87, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116; 239; and 268.

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

The question was taken on the repassage of the bill and the roll was called. There were 94 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Frederick	Knickerbocker	Ogren	Segal
Battaglia	Garcia	Krambeer	Olsen, S.	Simoneau
Begich	Goodno	Krueger	Olson, K.	Skoglund
Bertram	Greenfield	Leppik	Orenstein	Solberg
Blatz	Gruenes	Lieder	Orfield	Steensma
Bodahl	Hartle	Lourey	Osthoff	Swenson
Boo	Hasskamp	Lynch	Ostrom	Thompson
Brown	Hausman	Macklin	Ozment	Trimble
Carlson	Heir	Mariani	Pauly	Tunheim
Carruthers	Henry	Marsh	Pelowski	Uphus
Clark	Jacobs	McGuire	Pugh	Vellenga
Dauner	Janezich	Milbert	Reding	Wagenius
Davids	Jaros	Morrison	Rice	Weaver
Dawkins	Jefferson	Munger	Rodosovich	Wejcmann
Dempsey	Johnson, A.	Murphy	Rukavina	Welle
Dille	Johnson, R.	Nelson, K.	Runbeck	Wenzel
Dorn	Kahn	Nelson, S.	Schafer	Winter
Erhardt	Kelso	Newinski	Schreiber	Spk. Long
Farrell	Kinkel	O'Connor	Seaberg	

Those who voted in the negative were:

Abrams	Girard	Kalis	Omann	Stanis
Anderson, R.	Gutknecht	Koppendrayner	Onnen	Sviggum
Anderson, R. H.	Hanson	Krinkie	Pellow	Tompkins
Bauerly	Haukoos	Lasley	Peterson	Valento
Beard	Hufnagle	Limmer	Rest	Vanasek
Bettermann	Hugoson	McEachern	Sarna	Waltman
Cooper	Jennings	McPherson	Smith	Welker
Frerichs	Johnson, V.	Olson, E.	Sparby	

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

Madam Speaker:

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

H. F. No. 2025, A bill for an act relating to retirement; the Minnesota state retirement system; public employees retirement association; and teachers retirement association; increasing the

interest rate on the repayment of refunds and similar transactions; authorizing purchases of prior service credit; authorizing a refund of employee contributions to the public employees retirement association by a certain sick Hennepin county employee; authorizing revocation of defined contribution options by Shorewood council members; correcting prior enactments; amending Minnesota Statutes 1990, sections 3A.03, subdivision 2; 352.01, subdivision 11; 352.04, subdivision 8; 352.23; 352.27; 352.271; 352B.11, subdivision 4; 352C.051, subdivision 3; 352C.09, subdivision 2; 352D.05, subdivision 4; 352D.11, subdivision 2; 352D.12; 353.28, subdivision 5; 353.35; 353.36, subdivision 2; 353A.07, subdivision 3, as amended; 354.41, subdivision 9; 354.50, subdivision 2; 354.51, subdivisions 4 and 5; 354.52, subdivision 4; 354.53, subdivision 1; and 490.124, subdivision 12; Minnesota Statutes 1991 Supplement, sections 353.01, subdivision 16; 353.27, subdivisions 12, 12a, and 12b; and 354.094, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments to H. F. No. 2025 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2025, A bill for an act relating to retirement; various retirement plans; increasing the interest rate on the repayment of refunds and similar transactions; authorizing purchases of prior service credit; increasing the employer contribution rate for certain first class city teacher retirement fund association coordinated programs; making various changes in administrative provisions of laws governing the first class city teachers retirement fund associations; providing authority for the Minneapolis teachers retirement fund association to amend its articles of incorporation to modify disability benefits for basic program members; amending Minnesota Statutes 1990, sections 3A.03, subdivision 2; 352.01, subdivision 11; 352.04, subdivision 8; 352.23; 352.27; 352.271; 352B.11, subdivision 4; 352C.051, subdivision 3; 352C.09, subdivision 2; 352D.05, subdivision 4; 352D.11, subdivision 2; 352D.12; 353.28, subdivision 5; 353.35; 353.36, subdivision 2; 353A.07, subdivision 3, as amended; 354.41, subdivision 9; 354.50, subdivision 2; 354.51, subdivisions 4 and 5; 354.52, subdivision 4; 354.53, subdivision 1; 354A.011, subdivisions 4, 8, 11, 12, 13, 15, 21, 24, and 27; 354A.021, subdivision 6; 354A.05; 354A.08; 354A.096; 354A.12, subdivision 2; 354A.31, subdivision 3; 354A.36, subdivision 3; 354A.38, subdivision 3; and 490.124, subdivision 12; Minnesota Statutes 1991 Supplement, sections 353.01, subdivision 16; 353.27, subdivisions 12, 12a, and 12b; 354.094, subdivision 1; and 354A.011, subdivision 26; repealing Minnesota Statutes 1990, sections 354A.011, subdivision 2; and 354A.40, subdivisions 2 and 3.

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

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Vanasek

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

Madam Speaker:

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

S. F. No. 1880.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1880, A bill for an act relating to workers' compensation; regulating benefits and coverage; providing penalties; amending Minnesota Statutes 1990, sections 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivision 11; 176.111, subdivision 18; and 176.645, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 176.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Rukavina moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1880 be given its second

and third readings and be placed upon its final passage. The motion prevailed.

Rukavina moved that the Rules of the House be so far suspended that S. F. No. 1880 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1880 was read for the second time.

Rukavina moved to amend S. F. No. 1880, as follows:

Page 1, delete lines 37 and 38

Page 1, line 43, delete "(i)" and insert "(h)"

Reletter the paragraphs

Adjust the totals accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1880, A bill for an act relating to workers' compensation; regulating benefits and coverage; providing penalties; amending Minnesota Statutes 1990, sections 176.011, subdivisions 3, 11a, and 18; 176.101, subdivisions 1, 2, and 3f; 176.102, subdivision 11; 176.111, subdivision 18; and 176.645, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 176.

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 71 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Garcia	Krambeer	Omann	Sviggum
Battaglia	Girard	Lieder	Onnen	Swenson
Bauerly	Goodno	Limmer	Ostrom	Tompkins
Bertram	Gruenes	Lourey	Ozment	Uphus
Bettermann	Gutknecht	Lynch	Pauly	Valento
Bishop	Hartle	Macklin	Reding	Wagenius
Blatz	Haukoos	Marsh	Runbeck	Waltman
Boo	Henry	McGuire	Schafer	Weaver
Brown	Hugoson	McPherson	Schreiber	Welle
Davids	Jennings	Morrison	Simoneau	Winter
Dempsey	Johnson, A.	Munger	Skoglund	Spk. Long
Dille	Kahn	Newinski	Smith	
Erhardt	Kelso	Ogren	Sparby	
Frederick	Knickerbocker	Olsen, S.	Stanius	
Frerichs	Koppendraye	Olson, E.	Steensma	

Those who voted in the negative were:

Abrams	Beard	Carlson	Cooper	Dorn
Anderson, I.	Begich	Carruthers	Dauner	Farrell
Anderson, R.	Bodahl	Clark	Dawkins	Greenfield

Hanson	Johnson, V.	Murphy	Pugh	Tunheim
Hasskamp	Kalis	Nelson, S.	Rest	Vanasek
Hausman	Kinkel	O'Connor	Rice	Vellenga
Heir	Krinkie	Olson, K.	Rukavina	Wejzman
Hufnagle	Krueger	Orenstein	Sarna	Welker
Jacobs	Lasley	Orfield	Seaberg	Wenzel
Janezich	Leppik	Osthoff	Segal	
Jaros	Mariani	Pellow	Soiberg	
Jefferson	McEachern	Pelowski	Thompson	
Johnson, R.	Milbert	Peterson	Trimble	

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

There being no objection, the order of business reverted to Messages from the Senate.

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 File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2368, A bill for an act relating to motor carriers; providing for the expiration of certificates and permits as regular and irregular route carriers of property, and for their conversion to class I certificates and class II permits; specifying operating authority granted by each class; restricting transfer of certain operating authority; prohibiting the lease of class I certificates and class II permits; increasing registration fees for vehicles of motor carriers; assessing penalties; appropriating money; amending Minnesota Statutes 1990, sections 221.011, subdivisions 7, 8, 9, 14, and by adding subdivisions; 221.036, subdivisions 1 and 3; 221.041; 221.051; 221.061; 221.071, subdivision 1; 221.111; 221.121, subdivisions 1, 4, 6a, and by adding subdivisions; 221.131, subdivisions 2 and 3; 221.141, subdivision 4; and 221.151, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, section 221.011, subdivision 11.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lasley moved that the House concur in the Senate amendments to H. F. No. 2368 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2368, A bill for an act relating to motor carriers; providing for the expiration of certificates and permits as regular and irregular route carriers of property, and for their conversion to class I certificates and class II permits; specifying operating authority granted by each class; restricting transfer of certain operating authority; prohibiting the lease of class I certificates and class II permits; increasing registration fees for vehicles of motor carriers; appropriating money; amending Minnesota Statutes 1990, sections 221.011, subdivisions 7, 8, 9, 14, and by adding subdivisions; 221.036, subdivisions 1 and 3; 221.041; 221.051; 221.061; 221.071, subdivision 1; 221.111; 221.121, subdivisions 1, 4, 6a, and by adding subdivisions; 221.131, subdivisions 2 and 3; 221.141, subdivision 4; and 221.151, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, section 221.011, subdivision 11.

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

The question was taken on the repassage of the bill and the roll was called. There were 106 yeas and 27 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R. H.	Gutknecht	Limmer	Pelowski	Tompkins
Bettermann	Haukoos	McPherson	Peterson	Waltman
Davids	Hugoson	Olson, E.	Schafer	Welker
Frerichs	Johnson, V.	Olson, K.	Smith	
Girard	Koppendrayner	Onnen	Stanisus	
Goodno	Krinkie	Pellow	Svigum	

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

Madam Speaker:

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

H. F. No. 1453, A bill for an act relating to wastewater treatment funding; requiring governmental subdivisions to evaluate annually their wastewater disposal system needs; establishing a program of supplemental financial assistance for the construction of municipal wastewater disposal systems; requiring a metropolitan disposal system rate structure study; regulating the fully developed area study; amending Minnesota Statutes 1990, sections 115.03, subdivision 1; Laws 1991, chapter 183, section 1; proposing coding for new law in Minnesota Statutes, chapters 116; and 446A.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Trimble moved that the House concur in the Senate amendments to H. F. No. 1453 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1453, A bill for an act relating to the environment; modifying procedures for creating sanitary districts; requiring governmental subdivisions to evaluate annually their wastewater disposal system needs; establishing a program of supplemental financial assistance for the construction of municipal wastewater disposal systems; expanding the authority of the public facilities authority to set and collect fees; requiring a study and report; authorizing bonds for the city of Cloquet for a water line extension; allocating appropriations; amending Minnesota Statutes 1990, sections 115.03, subdivision 1; 115.19; 115.20, subdivisions 1, 2, 3, 4, 5, and 6; 446A.04, subdivision 5; and 446A.07, subdivision 8; Minnesota Statutes 1991 Supplement, section 103G.271, subdivision 6; Laws 1991, chapter 183, section 1; proposing coding for new law in Minnesota Statutes, chapters 116; and 446A.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams Olsen, S.

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

Madam Speaker:

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

H. F. No. 2734, A bill for an act relating to agriculture; the Minnesota rural finance authority; providing for establishment of an agricultural improvement loan program for grade B dairy producers; changing pesticide reimbursement provisions; regulating adulterated dairy products; imposing civil penalties; appropriating money and authorizing the issuance of state bonds to fund the program; amending Minnesota Statutes 1990, sections 32.21; and 41B.02, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 18E.03, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 41B.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bauerly moved that the House concur in the Senate amendments

to H. F. No. 2734 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2734, A bill for an act relating to agriculture; providing for establishment of an agricultural improvement loan program for grade B dairy producers; appropriating money and authorizing the issuance of state bonds to fund the program; changing provisions concerning adulterated dairy products; exempting persons who sell nuts from certain licensing requirements; adding a member to a board; changing family farm security loan payment provisions; establishing an over-order premium milk price; requiring rules and a report; appropriating money for agricultural information centers; amending Minnesota Statutes 1990, sections 28A.15, subdivisions 7 and 8; 32.21; 41.56, subdivision 3; 41.57, by adding subdivisions; 41B.02, by adding a subdivision; 116J.9673, subdivisions 2 and 7; proposing coding for new law in Minnesota Statutes, chapters 32A; and 41B; repealing 1992 S. F. No. 2728, if enacted.

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

The question was taken on the repassage of the bill and the roll was called. There were 112 yeas and 21 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Heir	Leppik	Olsen, S.	Welker
Blatz	Henry	Limmer	Pauly	
Davids	Hufnagle	Lynch	Simoneau	
Dempsey	Knickerbocker	Milbert	Stanisus	
Haukoos	Krinkie	Morrison	Valento	

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

Madam Speaker:

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

H. F. No. 2437, A bill for an act relating to the environment; pollution control; conforming certain pollution control measures to federal Clean Air Act amendments; authorizing assessment of emission fees; changing method used for calculating emission fees; changing the definition of chlorofluorocarbons; establishing a small business air quality compliance assistance program; providing for the appointment of an ombudsman for small business air quality compliance assistance; creating a small business air quality compliance advisory council; amending Minnesota Statutes 1990, sections 116.61, subdivision 1; and 116.70, subdivision 3; Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 116.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

McGuire moved that the House concur in the Senate amendments to H. F. No. 2437 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2437, A bill for an act relating to the environment; pollution control; eliminating a fee limit; conforming certain pollution control measures to federal Clean Air Act amendments; authorizing assessment of emission fees; changing method used for calculating emission fees; changing the definition of chlorofluorocarbons; establishing a small business air quality compliance assistance program; providing for the appointment of an ombudsman for small business air quality compliance assistance; creating a small business air quality compliance advisory council; requiring a report on the role of the pollution control agency board; requiring a monitoring program and certain studies and reports; amending Minnesota Statutes 1990, sections 115D.12, subdivision 2; and 116.70, subdivision 3; Minnesota Statutes 1991 Supplement, section 116.07, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 116.

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

The question was taken on the repassage of the bill and the roll was called. There were 94 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Anderson, I.
Battaglia

Beard
Begich

Bertram
Bishop

Blatz
Bodahl

Boo
Brown

Carlson	Henry	Lourey	Osthoff	Solberg
Carruthers	Jacobs	Lynch	Ostrom	Sparby
Clark	Janezich	Mariani	Ozment	Stanius
Cooper	Jaros	Marsh	Pauly	Steensma
Dawkins	Jefferson	McGuire	Pelowski	Swenson
Dille	Johnson, A.	Milbert	Peterson	Thompson
Dorn	Johnson, R.	Munger	Pugh	Trimble
Erhardt	Johnson, V.	Murphy	Reding	Tunheim
Farrell	Kahn	Nelson, K.	Rice	Uphus
Frederick	Kelso	Nelson, S.	Rodosovich	Valento
Garcia	Kinkel	Newinski	Rukavina	Vellenga
Greenfield	Krambeer	O'Connor	Runbeck	Wagenius
Hanson	Krueger	Ogren	Schafer	Wejcmán
Hartle	Lasley	Olson, E.	Seaberg	Wenzel
Hasskamp	Leppik	Olson, K.	Segal	Winter
Hausman	Lieder	Orenstein	Simoneau	Spk. Long
Heir	Limmer	Orfield	Skoglund	

Those who voted in the negative were:

Abrams	Frerichs	Jennings	Morrison	Smith
Anderson, R.	Girard	Kalis	Olsen, S.	Sviggum
Anderson, R. H.	Goodno	Knickerbocker	Omann	Tompkins
Bauerly	Gruenes	Koppendrayner	Onnen	Vanasek
Bettermann	Gutknecht	Krinkie	Pellow	Waltman
Dauner	Haukoos	Macklin	Rest	Weaver
Davids	Hufnagle	McEachern	Sarna	Welker
Dempsey	Hugoson	McPherson	Schreiber	Welle

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

Madam Speaker:

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

H. F. No. 2717, A bill for an act relating to water; providing that well setback rules may be waived for dairy farmers; requiring maintenance of a statewide nitrate data base; modifying requirements relating to well disclosure certificates and sealing of wells; establishing a well sealing account; requiring a report on environmental consulting services; amending Minnesota Statutes 1990, sections 32.394, by adding subdivisions; 103I.301, subdivision 4; 103I.315; and 103I.341, subdivisions 1 and 5; Minnesota Statutes 1991 Supplement, sections 16B.92, by adding a subdivision; 103I.222; 103I.235; and 103I.301, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103A and 103I.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dille moved that the House concur in the Senate amendments to

H. F. No. 2717 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2717, A bill for an act relating to water; requiring maintenance of a statewide nitrate data base; establishing a nitrate data advisory task force; modifying requirements relating to well disclosure certificates and sealing of wells; establishing a well sealing account; requiring a report on environmental consulting services; grant a waiver for water well requirements to dairy farmers; allowing an extension for well construction compliance; appropriating money; amending Minnesota Statutes 1990, sections 32.394, by adding subdivisions; 103I.115; 103I.301, subdivision 4; 103I.315; and 103I.341, subdivisions 1 and 5; Minnesota Statutes 1991 Supplement, sections 16B.92, by adding a subdivision; 103I.235; and 103I.301, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 103A and 103I.

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

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Rest

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

There being no objection, the order of business reverted to Introduction of House Advisories.

HOUSE ADVISORIES

The following House Advisories were introduced:

Mariani, Rest, McGuire, Jefferson and Long introduced:

H. A. No. 55, A proposal to study permanent funding for transit in the seven county metropolitan area.

The advisory was referred to the Committee on Local Government and Metropolitan Affairs.

Clark, Jefferson, Mariani and McGuire introduced:

H. A. No. 56, A proposal for a legislative investigation of ways in which funding can be provided for emergency housing for women and their children.

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

MOTIONS AND RESOLUTIONS

Vellenga moved that the name of Clark be added as an author on H. F. No. 3054. The motion prevailed.

Bodahl moved that the name of Dawkins be shown as chief author on H. F. No. 2501. The motion prevailed.

Bodahl moved that his name be stricken as an author on H. F. No. 2501. The motion prevailed.

Lieder moved that H. F. No. 2605 be returned to its author. The motion prevailed.

Lourey moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the affirmative on Wednesday, April 15, 1992, on S. F. No. 2136, as amended by Conference." The motion prevailed.

Newinski moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Thursday, April 16, 1992, on H. F. No. 1903, as amended by Conference." The motion prevailed.

Heir moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Thursday, April 16, 1992, on final passage of H. F. No. 2042." The motion prevailed.

Orfield moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Thursday, April 16, 1992, on final passage of S. F. No. 2732, as amended." The motion prevailed.

Clark moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Thursday, April 16, 1992, on final passage of S. F. No. 2732, as amended." The motion prevailed.

Mariani moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Thursday, April 16, 1992, on final passage of S. F. No. 2732, as amended." The motion prevailed.

Peterson moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the affirmative on Thursday, April 16, 1992, on H. F. No. 2734, as amended by the Senate." The motion prevailed.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that Senate Concurrent Resolution No. 11 be recalled from the Committee on Health and Human Services and be placed upon its adoption. The motion prevailed.

Senate Concurrent Resolution No. 11 was reported to the House.

SENATE CONCURRENT RESOLUTION NO. 11

A senate concurrent resolution urging certain committees of the Senate and the House of Representatives to conduct an evaluation of funding for community action agency programs.

Whereas, 41 community action agencies, which were launched by the Economic Opportunity Act of 1964, have helped thousands of Minnesotans exit poverty; and

Whereas, community action agencies provide a broad range of self-sufficiency economic opportunity programs that target seniors, the working poor, Head Start parents, newly unemployed, dislocated workers, and those on public assistance not eligible for STRIDE; and

Whereas, 55 percent of funding for these core community action agency programs (at least \$5 million each year) will be lost by September 30, 1993, because of congressional action to eliminate transfer funds from the low-income home and energy assistance program to the community services block grant program; and

Whereas, the loss of these transfer funds will eliminate necessary self-sufficiency economic opportunity programs and will in some areas close community action agencies; *Now, Therefore*,

Be It Resolved by the Senate of the State of Minnesota, the House of Representatives concurring, that the House and Senate Human Services and Tax Committees and the Human Resources Divisions of the House Appropriations and Senate Finance Committees evaluate the funding problem, include the Commissioners of Finance and Jobs and Training in the process, and recommend long-term solutions to the legislature by January 15, 1993.

Be It Further Resolved that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and those of the Chair of the Senate Rules and Administration Committee, the Speaker of the House of Representatives, and the Chief Clerk of the House of Representatives, and transmit it to the chairs of the House and Senate Human Services and Tax Committees and the Human Resources Divisions of the House Appropriations and Senate Finance Committees.

Greenfield moved that Senate Concurrent Resolution No. 11 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 11 was adopted.

Welle moved that the Chief Clerk be and he is hereby instructed to inform the Senate and the Governor by message that the House of Representatives is about to adjourn this 77th Session sine die. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 155, A bill for an act relating to traffic regulations; authorizing immediate towing of certain unlawfully parked vehicles; amending Minnesota Statutes 1990, section 169.041, subdivision 4.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 1701, A bill for an act relating to railroads; authorizing expenditure of rail service improvement account money for maintenance of rail lines and rights-of-way in the rail bank; authorizing the commissioner of transportation to acquire abandoned rail lines and rights-of-way by eminent domain; eliminating requirement to offer state rail bank property to adjacent land owners; amending Minnesota Statutes 1990, sections 222.50, subdivision 7; 222.63, subdivisions 2, 2a, and 4; repealing Minnesota Statutes 1990, section 222.63, subdivision 5.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 1849, A bill for an act relating to crime; anti-violence education, prevention and treatment; increasing penalties for repeat sex offenders; providing for life imprisonment for certain repeat sex offenders; providing for life imprisonment without parole for certain persons convicted of first degree murder; increasing penalties for other violent crimes and crimes committed against children; increasing supervision of sex offenders; providing a fund for sex offender treatment; eliminating the "good time" reduction in prison sentences; allowing the extension of prison terms for disciplinary violations in prison; authorizing the commissioner of corrections to establish a "boot camp" program; authorizing the imposition of fees for local correctional services on offenders; requiring the imposition of minimum fines on convicted offenders; providing for HIV testing of certain sex offenders; expanding certain crime victim rights; providing programs for victim-offender mediation; enhancing protection of domestic abuse victims; authorizing secure confinement of dangerous juvenile offenders; creating a civil cause of action for minors used in a sexual performance; providing for a variety of anti-violence education, prevention, and treatment programs; authorizing the issuance of state bonds for a variety of projects; appropriating money; amending Minnesota Statutes 1990, sections 13.87, subdivision 2; 72A.20, by adding a subdivision; 121.882, by adding a subdivision; 127.46; 135A.15; 241.021, by adding a subdivision; 241.67, subdivisions 1, 2, 3, 6, and by adding a subdivision; 242.19, subdivision 2; 242.195, subdivision 1; 243.53; 244.01, subdivision 8; 244.03; 244.04, subdivisions 1 and 3; 244.05, subdivisions 1, 3, 4, 5, and by adding subdivisions; 245.4871, by adding a subdivi-

sion; 254A.14, by adding a subdivision; 254A.17, subdivision 1, and by adding a subdivision; 259.11; 260.151, subdivision 1; 260.155, subdivision 1, and by adding a subdivision; 260.172, by adding a subdivision; 260.181, by adding a subdivision; 260.185, subdivisions 1 and 4; 260.311, by adding a subdivision; 270A.03, subdivision 5; 299A.37; 299A.40, subdivision 3; 332.51, subdivisions 1 and 5; 401.02, subdivision 4; 485.018, subdivision 5; 518B.01, subdivisions 7 and 13; 546.27, subdivision 1; 595.02, subdivision 4; 609.02, by adding a subdivision; 609.10; 609.101, by adding a subdivision; 609.115, subdivision 1a; 609.125; 609.135, subdivision 5, and by adding subdivisions; 609.1352, subdivisions 1 and 5; 609.152, subdivisions 2 and 3; 609.184, subdivision 2; 609.19; 609.2231, by adding a subdivision; 609.224, subdivision 2; 609.322; 609.323; 609.342; 609.343; 609.344, subdivisions 1 and 3; 609.345, subdivisions 1 and 3; 609.346, subdivisions 2, 2a, and by adding subdivisions; 609.3471; 609.378, subdivision 1, and by adding a subdivision; 609.40, subdivision 1; 609.605, by adding a subdivision; 609.747, subdivision 2; 611A.03, subdivision 1; 611A.52, subdivision 8; 626.843, subdivision 1; 626.8451; 626.8465, subdivision 1; 629.72, by adding a subdivision; 630.36, subdivision 1, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 3.873, subdivisions 1, 5, 7, and by adding a subdivision; 8.15; 121.882, subdivision 2; 124A.29, subdivision 1; 126.70, subdivisions 1 and 2a; 243.166, subdivisions 1, 2, and 3; 244.05, subdivision 6; 244.12, subdivision 3; 245.484; 245.4884, subdivision 1; 299A.30; 299A.31, subdivision 1; 299A.32, subdivisions 2 and 2a; 299A.36; 518B.01, subdivisions 3a, 6, and 14; 609.135, subdivision 2; Laws 1991, chapter 232, section 5; proposing coding for new law in Minnesota Statutes, chapters 126; 145; 145A; 169; 241; 244; 256; 256F; 260; 299A; 609; 611A; 617; and 629.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2030, A bill for an act relating to motor carriers; making all persons who transport passengers for hire in intrastate commerce subject to rules of the commissioner of transportation on insurance and driver hours of service; amending Minnesota Statutes 1990, sections 221.031, by adding a subdivision; and 221.141, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 221.025.

The Senate has repassed said bill in accordance with the recom-

mendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2147, A bill for an act relating to the environment; banning placement of mercury in solid waste; regulating the sale and use of mercury; requiring recycling of mercury in certain products; altering exit sign requirements in the state building and fire codes; amending Minnesota Statutes 1991 Supplement, sections 16B.61, subdivision 3; 115A.9561, subdivision 2; and 299F.011, subdivision 4c; proposing coding for new law in Minnesota Statutes, chapters 115A and 116.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2181, A bill for an act relating to data practices; classifying government data; providing for access to and charges for patient's medical records; providing for the treatment of records of certain criminal convictions; altering the procedures of the pardon board and treatment of its records; providing criminal background checks of professional and volunteer child care providers; providing for subpoena powers of county attorneys; changing the time when an arrest warrant may be served; amending Minnesota Statutes 1990, sections 13.08, subdivision 1; 13.46, subdivision 7; 144.335, by adding subdivisions; 147.161, subdivision 3; 152.18, subdivision 1; 242.31; 270B.14, by adding a subdivision; 299C.11; 299C.13; 363.03, subdivision 1; 388.23, subdivision 1; 609.168; 626.14; and 638.02, subdivisions 2 and 4; Minnesota Statutes 1991 Supplement, sections 13.46, subdivision 2; 144.0525; 144.335, subdivisions 1 and 3a; 609.535, subdivision 6; 638.02, subdivision 3; 638.04; 638.05; and 638.06; proposing coding for new law in Minnesota Statutes, chapters 13; 144; 299C; 357; and 638; proposing coding for new law as Minnesota Statutes, chapter 13C.

The Senate has repassed said bill in accordance with the recom-

mendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2848, A bill for an act relating to state government; ratifying labor agreements; providing for classification changes for certain employees; amending Minnesota Statutes 1990, section 21.85, subdivision 2; Minnesota Statutes 1991 Supplement, section 349A.02, subdivision 4.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2884, A bill for an act relating to bond allocation; changing procedures for allocating bonding authority; amending Minnesota Statutes 1991 Supplement, sections 462A.073, subdivision 1; 474A.03, subdivision 4; 474A.04, subdivision 1a; 474A.061, subdivisions 1 and 3; and 474A.091, subdivisions 2 and 3.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

This is to notify you that the Senate is about to adjourn the Seventy-Seventh Legislative Session sine die.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

S. F. No. 2795.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2795, A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1990, sections 18B.26, subdivision 3, as amended; 124.155, subdivision 1, as amended; 148B.21, subdivision 7, as added; 169.965, subdivision 8, as added; 256.936, subdivision 2a, as added; 256B.431, subdivision 17, as added; 275.125, subdivision 6k, as added; and 477A.015; Minnesota Statutes 1991 Supplement, sections 16A.711, subdivision 5, as added; 124A.03, subdivision 2b, as added; 256.969, subdivisions 20, as amended, and 21, as amended; 275.065, subdivision 6, as amended; 275.125, subdivision 6j, as amended; and 302A.402, subdivision 3; Laws 1992, chapter 382, section 8; 1992 House File 1701, by adding sections; House File 1849, article 10, section 28; House File 2121, article 1, section 20; article 5, section 37; article 6, section 39; article 8, sections 32 and 33; House File 2147, section 3, subdivision 9; House File 2694, article 4, section 59, subdivision 3; article 5, section 2, subdivision 2; and section 12; article 7, sections 132 and 137; House File 2800, article 1, section 6, subdivision 5; sections 9 and 10; House File 2940, article 1, section 3; article 3, section 10; and article 8, by adding a section.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Milbert moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2795 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Milbert moved that the Rules of the House be so far suspended that S. F. No. 2795 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2795 was read for the second time.

S. F. No. 2795, A bill for an act relating to legislative enactments; providing for the correction of miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors of a noncontroversial nature; amending Minnesota Statutes 1990, sections 18B.26, subdivision 3, as amended; 124.155, subdivision 1, as amended; 148B.21, subdivision 7, as added; 169.965, subdivision 8, as added; 256.936, subdivision 2a, as added; 256B.431, subdivision 17, as added; 275.125, subdivision 6k, as added; and 477A.015; Minnesota Statutes 1991 Supplement, sections 16A.711, subdivi-

sion 5, as added; 124A.03, subdivision 2b, as added; 256.969, subdivisions 20, as amended, and 21, as amended; 275.065, subdivision 6, as amended; 275.125, subdivision 6j, as amended; and 302A.402, subdivision 3; Laws 1992, chapter 382, section 8; 1992 House File 1701, by adding sections; House File 1849, article 10, section 28; House File 2121, article 1, section 20; article 5, section 37; article 6, section 39; article 8, sections 32 and 33; House File 2147, section 3, subdivision 9; House File 2694, article 4, section 59, subdivision 3; article 5, section 2, subdivision 2; and section 12; article 7, sections 132 and 137; House File 2800, article 1, section 6, subdivision 5; sections 9 and 10; House File 2940, article 1, section 3; article 3, section 10; and article 8, by adding a section.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

MOTION TO ADJOURN SINE DIE

Welle moved that the House adjourn sine die. The motion prevailed, and the Speaker declared the House adjourned sine die.

EDWARD A. BURDICK, Chief Clerk, House of Representatives