

STATE OF MINNESOTA  
SEVENTY-EIGHTH SESSION -- 1993

THIRTY-SIXTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 15, 1993

The House of Representatives convened at 2:30 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Captain Mark W. Martsolf, Salvation Army of St. Paul, St. Paul, Minnesota.

The roll was called and the following members were present:

Abrams	Dawkins	Holsten	Krueger	Murphy	Reding	Tompkins
Anderson, I.	Dehler	Hugoson	Lasley	Neary	Rest	Trimble
Anderson, R.	Delmont	Huntley	Leppik	Nelson	Rhodes	Tunheim
Asch	Dempsey	Jacobs	Lieder	Ness	Rice	Van Dellen
Battaglia	Dorn	Jaros	Limmer	Olson, E.	Rodosovich	Vellenga
Bauerly	Erhardt	Jefferson	Lindner	Olson, K.	Rukavina	Vickerman
Beard	Evans	Jennings	Lourey	Olson, M.	Sarna	Wagenius
Bergson	Farrell	Johnson, A.	Luther	Onnen	Seagren	Waltman
Bertram	Frerichs	Johnson, R.	Lynch	Opatz	Sekhon	Weaver
Bettermann	Garcia	Johnson, V.	Macklin	Orenstein	Simoneau	Wejzman
Bishop	Girard	Kahn	Mahon	Orfield	Skoglund	Wenzel
Blatz	Goodno	Kalis	Mariani	Osthoff	Smith	Winter
Brown, C.	Greenfield	Kelley	McCollum	Ostrom	Solberg	Wolf
Brown, K.	Greiling	Kelso	McGuire	Ozment	Sparby	Worke
Carlson	Gruenes	Kinkel	Milbert	Pauly	Stanius	Workman
Clark	Gutknecht	Klinzing	Molnau	Pelowski	Steensma	Spk. Long
Commers	Hasskamp	Knickerbocker	Morrison	Perlt	Sviggum	
Cooper	Haukoos	Koppendrayner	Mosel	Peterson	Swenson	
Davids	Hausman	Krinkie	Munger	Pugh	Tomassoni	

A quorum was present.

Carruthers, Dauner, Pawlenty and Welle were excused.

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

### REPORTS OF STANDING COMMITTEES

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 344, A bill for an act relating to drivers' licenses; raising fee for two-wheeled vehicle endorsement; amending Minnesota Statutes 1992, section 171.06, subdivision 2a.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 519, A bill for an act relating to recreational vehicles; regulating registration and operation of off-highway motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 84.91; 84.911; 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [84.93] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 10.

Subd. 2. [ACCOMPANIED.] "Accompanied" means subject to continuous direction or control.

Subd. 3. [CITY.] "City" means a statutory or home rule charter city.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 5. [DEALER.] "Dealer" means a person engaged in the business of selling off-highway motorcycles at wholesale or retail.

Subd. 6. [MANUFACTURER.] "Manufacturer" means a person engaged in the business of manufacturing off-highway motorcycles.

Subd. 7. [OFF-HIGHWAY MOTORCYCLE.] "Off-highway motorcycle" means a motorized, off-highway vehicle traveling on two wheels and having a seat or saddle designed to be straddled by the operator and handlebars for steering control, including a vehicle that is registered under chapter 168 for highway use if it is also used for off-highway operation on trails or unimproved terrain.

Subd. 8. [OWNER.] "Owner" means a person, other than a person with a security interest, that has a property interest in or title to an off-highway motorcycle and is entitled to the use and possession of the motorcycle.

Subd. 9. [PERSON.] "Person" has the meaning given it in section 336.1-201, subsection (30).

Subd. 10. [PUBLIC ROAD RIGHT-OF-WAY.] "Public road right-of-way" means the entire right-of-way of a town road or a county, county state-aid, or trunk highway, including the traveled portions, banks, ditches, shoulders, and medians.

Subd. 11. [REGISTER.] "Register" means the act of assigning a registration number to an off-highway motorcycle.

Sec. 2. [84.931] [REGISTRATION.]

Subdivision 1. [GENERAL REQUIREMENTS.] Unless exempted in subdivision 2, after January 1, 1994, a person may not operate and an owner may not give permission for another to operate an off-highway motorcycle on public lands or waters unless the vehicle has been registered under this section.

Subd. 2. [EXEMPTIONS.] Registration is not required for off-highway motorcycles:

- (1) owned and used by the United States, the state, another state, or a political subdivision;
- (2) registered in another state or country that have not been within this state for more than 30 consecutive days;
- (3) used exclusively in organized track racing events;
- (4) being used on private land with the permission of the landowner; or

(5) registered under chapter 168, when operated on forest roads to gain access to a state forest campground.

Subd. 3. [APPLICATION; ISSUANCE; REPORTS.] Application for registration or continued registration must be made to the commissioner or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the off-highway motorcycle and must be signed by at least one owner. Upon receipt of the application and the appropriate fee, the commissioner shall assign a registration number that must be affixed to the motorcycle in a manner prescribed by the commissioner. The commissioner shall develop a registration system to register vehicles under this section. A deputy registrar of motor vehicles acting under section 168.33 is also a deputy registrar of off-highway motorcycles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements. A fee of 50 cents in addition to other fees prescribed by law is charged for each off-highway motorcycle registered by a deputy registrar, and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or kept if the deputy is not a public official.

Subd. 4. [REGISTRATION CARD; REPLACEMENT FEE.] The commissioner shall provide to the registrant a registration card that includes the registration number, the date of registration, the make and serial number of the off-highway motorcycle, the owner's name and address, and additional information the commissioner may require. Information concerning registrations must be kept by the commissioner. Upon a satisfactory showing that the registration card has been lost or destroyed, the commissioner shall issue a replacement registration card upon payment of a fee of \$4. The fees collected from replacement registration cards must be credited to the off-highway motorcycle account.

Subd. 5. [REPORT OF TRANSFERS; FEE.] A person who sells or transfers ownership of an off-highway motorcycle registered under this section shall report the sale or transfer to the commissioner within 15 days of the date of transfer. An application for transfer must be executed by the registered owner and the buyer on a form prescribed by the commissioner with the owner's registration certificate, a bill of sale, and a \$4 fee.

Subd. 6. [REGISTRATION FEES.] (a) The fee for registration of an off-highway motorcycle under this section, other than those registered by a dealer or manufacturer under paragraph (b) or (c), is \$30 for three years and \$4 for a duplicate or transfer.

(b) The total registration fee for off-highway motorcycles owned by a dealer and operated for demonstration or testing purposes is \$50 per year. Dealer registrations are not transferable.

(c) The total registration fee for off-highway motorcycles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes is \$150 per year. Manufacturer registrations are not transferable.

(d) The fees collected under this subdivision must be credited to the off-highway motorcycle account.

Subd. 7. [RENEWAL.] An owner of an off-highway motorcycle must renew registration in a manner prescribed by the commissioner upon payment of the appropriate registration fee in subdivision 6.

Subd. 8. [VEHICLES OWNED BY STATE OR POLITICAL SUBDIVISION.] A registration number must be issued without the payment of a fee for off-highway motorcycles owned by the state or political subdivision upon application.

Subd. 9. [LICENSING BY POLITICAL SUBDIVISIONS.] A political subdivision of this state may not require licensing or registration of off-highway motorcycles covered by sections 1 to 10.

Subd. 10. [REGISTRATION BY MINORS PROHIBITED.] A person under the age of 18 may not register an off-highway motorcycle.

### Sec. 3. [84.932] [REQUIREMENTS OF MAKERS OF OFF-HIGHWAY MOTORCYCLES.]

Subdivision 1. [IDENTIFICATION NUMBER.] An off-highway motorcycle made after January 1, 1994, and sold in the state must have a manufacturer's permanent identification number stamped in letters and numbers on the vehicle in the form and at a location prescribed by the commissioner.

Subd. 2. [REGISTRATION NUMBER.] An off-highway motorcycle made after January 1, 1995, and sold in the state must be designed and made to provide an area to affix the registration number. This area must be at a location and of dimensions prescribed by the commissioner.

Sec. 4. [84.933] [RULEMAKING; ACCIDENT REPORT.]

(a) With a view of achieving proper use of off-highway motorcycles consistent with protection of the environment, the commissioner, in consultation with the commissioners of public safety and transportation, shall adopt rules under chapter 14 relating to:

(1) registration of off-highway motorcycles and display of registration numbers;

(2) use of off-highway motorcycles insofar as game and fish resources are affected;

(3) use of off-highway motorcycles on public lands and waters under the jurisdiction of the commissioner;

(4) uniform signs to be used by the state, counties, and cities necessary or desirable to control, direct, or regulate the operation and use of off-highway motorcycles; and

(5) off-highway motorcycle sound levels.

(b) The commissioner of public safety, in consultation with the commissioner of natural resources, may adopt rules under chapter 14 regulating the use of off-highway motorcycles on public roads.

(c) The operator and an officer investigating an accident of an off-highway motorcycle involved in an accident resulting in injury requiring medical attention or hospitalization to or death of a person or total damage to an extent of \$500 or more shall forward within ten days a written report of the accident to the commissioner on a form prescribed by the commissioner.

Sec. 5. [84.934] [EDUCATION AND TRAINING.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish a comprehensive off-highway motorcycle environment and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of off-highway motorcycle operators, and the issuance of off-highway motorcycle safety certificates to operators under the age of 16 years who successfully complete the off-highway motorcycle environment and safety education and training courses.

Subd. 2. [FEE.] For the purposes of administering the program and to defray a portion of the expenses of training and certifying vehicle operators, the commissioner shall collect a fee not to exceed \$5 from each person who receives the training. The fees must be credited to the off-highway motorcycle account.

Subd. 3. [COOPERATION AND CONSULTATION.] The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this section. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of off-road motorcycle operators.

Sec. 6. [84.935] [SIGNAL FROM OFFICER TO STOP.]

An off-highway motorcycle operator, after having received a visual or audible signal from a law enforcement officer to come to a stop, may not:

(1) operate an off-highway motorcycle in willful or wanton disregard of the signal to stop;

(2) interfere with or endanger the law enforcement officer or another person or vehicle; or

(3) increase speed or attempt to flee or elude the officer.

## Sec. 7. [84.936] [YOUTHFUL OPERATORS; PROHIBITIONS.]

Subdivision 1. [PROHIBITIONS ON YOUTHFUL OPERATORS.] (a) After January 1, 1995, a person less than 16 years of age operating an off-highway motorcycle on public lands or waters must possess a valid off-highway motorcycle safety certificate issued by the commissioner.

(b) Except for operation on public road rights-of-way that is permitted under section 9, subdivision 1, a driver's license issued by the state or another state is required to operate an off-highway motorcycle along or on a public road right-of-way.

(c) A person under 12 years of age may not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an off-highway motorcycle on a public road right-of-way in the state; or

(3) operate an off-highway motorcycle on public lands or waters unless accompanied on another off-highway motorcycle by a person 18 years of age or older.

(d) Except for public road rights-of-way of interstate highways, a person less than 16 years of age may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway only if that person is accompanied on another off-highway motorcycle by a person 18 years of age or older who holds a valid driver's license.

(e) A person less than 16 years of age may operate an off-highway motorcycle on public road rights-of-way in accordance with section 9, subdivision 1, paragraph (a), only if that person is accompanied on another off-highway motorcycle by a person 18 years of age or older who holds a valid driver's license.

Subd. 2. [HELMET REQUIRED.] A person less than 18 years of age may not operate an off-highway motorcycle on public land, public waters, or on a public road right-of-way unless wearing a safety helmet approved by the commissioner of public safety.

Subd. 3. [PROHIBITIONS ON OWNER.] An owner of an off-highway motorcycle may not knowingly allow it to be operated contrary to this section.

Subd. 4. [EYE PROTECTION REQUIRED.] A person may not operate an off-highway motorcycle without an eye-protective device.

## Sec. 8. [84.937] [OFF-HIGHWAY MOTORCYCLE ACCOUNT; RECEIPTS AND ALLOCATIONS.]

Subdivision 1. [REGISTRATION REVENUE AND UNREFUNDED GASOLINE TAX.] Fees from the registration of off-highway motorcycles and the unrefunded gasoline tax attributable to off-highway motorcycle use under section 296.16 must be deposited in the state treasury and credited to the off-highway motorcycle account in the natural resources fund.

Subd. 2. [PURPOSES.] (a) Subject to appropriation by the legislature, money in the off-highway motorcycle account may only be spent for:

(1) administration, enforcement, and implementation of sections 1 to 10;

(2) acquisition, maintenance, and development of off-highway motorcycle trails and use areas; and

(3) grants-in-aid to counties and municipalities to construct and maintain off-highway motorcycle trails and use areas.

(b) The distribution of funds made available for grants-in-aid must be guided by the statewide comprehensive outdoor recreation plan.

Sec. 9. [84.938] [OPERATION REQUIREMENTS; LOCAL REGULATION.]

Subdivision 1. [OPERATION ON PUBLIC ROAD RIGHTS-OF-WAY.] (a) A person may not operate an off-highway motorcycle within the right-of-way of a trunk, county state-aid, or county highway in this state unless the right-of-way encompasses:

- (1) a trail administered by the commissioner and designated for off-highway motorcycle use or multiple use; or
- (2) a corridor access trail designated under paragraph (b).

(b) A road authority, as defined in section 160.02, subdivision 9, may designate, with the approval of the commissioner, corridor access trails on public road rights-of-way for gaining access to established off-highway motorcycle trails.

(c) A person may not operate an off-highway motorcycle upon a trunk, county state-aid, or county highway in this state unless the vehicle is equipped with at least one headlight and one taillight, each of minimum candlepower as prescribed by rule of the commissioner, and with brakes conforming to standards prescribed by rule of the commissioner, all of which are subject to the approval of the commissioner of public safety.

(d) A person may not operate an off-highway motorcycle at any time within the right-of-way of an interstate highway or freeway within this state.

Subd. 2. [CROSSING PUBLIC ROAD RIGHT-OF-WAY.] (a) A person operating an off-highway motorcycle may make a direct crossing of a public road right-of-way provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the road and at a place where no obstruction prevents a quick and safe crossing;

(2) the off-highway motorcycle is brought to a complete stop before crossing the shoulder or main traveled way of the road;

(3) the driver yields the right-of-way to all oncoming traffic that constitutes an immediate hazard;

(4) in crossing a divided road, the crossing is made only at an intersection of the road with another public road; and

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on.

(b) Chapter 169 applies to the operation of off-highway motorcycles upon streets and highways, except for those provisions relating to required equipment and those provisions that by their nature have no application.

Subd. 3. [EXEMPTIONS.] Subdivisions 1 and 2 do not apply to vehicles registered for public road use under chapter 168 when being operated on a traveled portion of a public road.

Subd. 4. [OPERATION GENERALLY.] A person may not drive or operate an off-highway motorcycle:

(1) at a rate of speed greater than reasonable or proper under the surrounding circumstances;

(2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another;

(3) in a tree nursery or planting in a manner that damages or destroys growing stock;

(4) without a brake operational by either hand or foot;

(5) at a speed exceeding ten miles per hour on the frozen surface of public waters within 100 feet of a person fishing or a fishing shelter; or

(6) in a manner that violates operation rules adopted by the commissioner.

Subd. 5. [OPERATING UNDER INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCE.] A person may not operate or be in control of an off-highway motorcycle anywhere in this state or on the ice of any boundary water of this state while under the influence of alcohol or a controlled substance, as provided in section 169.121, and is subject to section 169.123. A conservation officer of the department of natural resources is a peace officer for the purposes of sections 169.121 and 169.123 as applied to the operation of an off-highway motorcycle in a manner not subject to registration under chapter 168.

Subd. 6. [OPERATION PROHIBITED ON AIRPORTS.] A person may not drive or operate an off-highway motorcycle on an airport defined in section 360.013, subdivision 5.

Subd. 7. [ORGANIZED CONTESTS.] Nothing in this section or chapter 169 prohibits the use of off-highway motorcycles within the right-of-way of a state trunk or county state-aid highway or upon public lands or waters under the jurisdiction of the commissioner of natural resources, in an organized contest of event, subject to the consent of the official or board having jurisdiction over the highway or public lands or waters.

In permitting the contest or event, the official or board having jurisdiction may prescribe restrictions, conditions, or permit revocation procedures, as the official or board considers advisable.

Subd. 8. [REGULATIONS BY POLITICAL SUBDIVISIONS.] A county, city, or town, acting through its governing body, may regulate the operation of off-highway motorcycles on public lands, waters, and property under its jurisdiction other than public road rights-of-way within its boundaries, by resolution or ordinance of the governing body and by giving appropriate notice, provided that:

- (1) the regulations must be consistent with sections 1 to 10 and rules adopted under section 4;
- (2) an ordinance may not impose a fee for the use of public land or water under the jurisdiction of either the department of natural resources or another agency of the state, or for the use of an access to it owned by the state, a county, or a city; and
- (3) an ordinance may not require an off-highway motorcycle operator to possess a motor vehicle driver's license while operating an off-highway motorcycle.

Sec. 10. [84.939] [PENALTIES.]

A person who violates a provision of section 2, 3, 6, 7, or 9 is guilty of a misdemeanor.

Sec. 11. Minnesota Statutes 1992, section 85.018, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY OF LOCAL GOVERNMENT.] (a) A local government unit that receives state grants-in-aid for any trail, with the concurrence of the commissioner, and the landowner or land lessee, may:

(1) designate the trail for use by snowmobiles or for nonmotorized use from December 1 to April 1 of any year; and

(2) issue any permit required under subdivisions 3 to 5.

(b) A local government unit that receives state grants-in-aid under section 84.927, subdivision 2, or section 8, subdivision 2, for any trail, with the concurrence of the commissioner, and landowner or land lessee, may:

(1) designate the trail specifically for use at various times of the year by all-terrain vehicles or off-highway motorcycles, for nonmotorized use such as ski touring, snowshoeing, and hiking, and for multiple use, but not for motorized and nonmotorized use at the same time; and

(2) issue any permit required under subdivisions 3 to 5.

(c) A local unit of government that receives state grants-in-aid for any trail, with the concurrence of the commissioner and landowner or land lessee, may designate certain trails for joint use by snowmobiles, off-highway motorcycles, and all-terrain vehicles.

Sec. 12. Minnesota Statutes 1992, section 85.018, subdivision 3, is amended to read:

Subd. 3. [MOTORIZED USE; PERMITS, RESTRICTIONS.] Permits may be issued for motorized vehicles, other than those designated, to use a trail designated for use by snowmobiles, off-highway motorcycles, or all-terrain vehicles. Notice of the permit must be conspicuously posted, at the expense of the permit holder, at no less than one-half mile intervals along the trail, for the duration of the permit. Permits shall require that permit holders return the trail and any associated facility to their original condition if any damage is done by the permittee. Limited permits for special events such as races may be issued and shall require the removal of any trail markers, banners and other material used in connection with the special event.

Sec. 13. Minnesota Statutes 1992, section 85.018, subdivision 5, is amended to read:

Subd. 5. [~~SNOWMOBILE AND ALL-TERRAIN~~ MOTORIZED VEHICLE TRAILS RESTRICTED.] (a) From December 1 to April 1 in any year no use of a motorized vehicle other than a snowmobile, unless authorized by permit, lease or easement, shall be permitted on a trail designated for use by snowmobiles.

(b) From December 1 to April 1 in any year no use of a motorized vehicle other than an all-terrain vehicle and an off-highway motorcycle, unless authorized by permit, shall be permitted on a trail designated for use by all-terrain vehicles and off-highway motorcycles.

Sec. 14. Minnesota Statutes 1992, section 171.03, is amended to read:

171.03 [PERSONS EXEMPT.]

The following persons are exempt from license hereunder:

(1) a person in the employ or service of the United States federal government while driving or operating a motor vehicle owned by or leased to the United States federal government, except that only a noncivilian operator of a commercial motor vehicle owned or leased by the United States Department of Defense or the Minnesota national guard is exempt from the requirement to possess a valid commercial motor vehicle driver's license;

(2) any person while driving or operating any farm tractor, or implement of husbandry temporarily operated or moved on a highway, and for purposes of this section an all-terrain vehicle, as defined in section 84.92, subdivision 8, is not an implement and an off-highway motorcycle, as defined in section 1, subdivision 7, are not implements of husbandry;

(3) a nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver;

(4) a nonresident who has in immediate possession a valid commercial driver's license issued by a state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state;

(5) any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, only for a period of not more than 90 days in any calendar year if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of such nonresident;

(6) any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or province or by military authorities of the United States may operate a motor vehicle as a driver, only for a period of not more than 60 days after becoming a resident of this state without being required to have a Minnesota driver's license as provided in this chapter;

(7) any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued by another state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, for not more than 30 days after becoming a resident of this state; and

(8) any person operating a snowmobile, as defined in section 84.81.



Sec. 15. Minnesota Statutes 1992, section 466.03, subdivision 16, is amended to read:

Subd. 16. Any claim against a county, arising from the operation of an all-terrain vehicle or off-highway motorcycle on land administered by a county under chapter 280, 281, or 282, except that the county is liable for conduct that would entitle a trespasser to damages against a private person.

Sec. 16. [DETERMINATION OF TAX ALLOCATION; REPORT TO LEGISLATURE.]

The commissioners of natural resources, revenue, and transportation shall jointly determine the amount of unrefunded gasoline tax attributable to off-highway motorcycle use in the state and shall report to the legislature by March 1, 1994, with an appropriate proposed revision to Minnesota Statutes, section 296.16.

Sec. 17. [LEGISLATIVE REPORT ON REGISTRATION AND USE.]

By January 1, 1995, the commissioner of natural resources shall report to the legislature on the number of off-highway motorcycles registered under section 2 and the growth patterns of off-highway motorcycle use in the state.

Sec. 18. [APPROPRIATION AND REIMBURSEMENT; INCREASED COMPLEMENT.]

Subdivision 1. [TO COMMISSIONER OF NATURAL RESOURCES.] \$..... is appropriated to the commissioner of natural resources from the general fund for the purposes of sections 1 to 17 and is available for the fiscal year ending June 30, 1994. The approved complement of the department of natural resources is increased by .... positions.

Subd. 2. [REIMBURSEMENT.] Amounts spent by the commissioner of natural resources from the appropriation in subdivision 1 must be reimbursed to the general fund. The amount necessary to make the reimbursement is appropriated from the off-highway motorcycle account in the natural resources fund to the commissioner of finance for transfer to the general fund.

Sec. 19. [EFFECTIVE DATE.]

Section 16 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to recreational vehicles; regulating registration and operation of off-highway motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

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

H. F. No. 555, A bill for an act relating to insurance; credit; permitting the sale of credit involuntary unemployment insurance; amending Minnesota Statutes 1992, sections 47.016, subdivision 1; 48.185, subdivision 4; 52.04, subdivision 1; 56.125, subdivision 3; 56.155, subdivision 1; 60K.03, subdivision 7; 60K.19, subdivision 3; 62B.01; 62B.02, by adding a subdivision; 62B.03; 62B.04, by adding a subdivision; 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, 2, and 3; 62B.11; 62B.12; and 72A.20, subdivision 27.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 47.016, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the following terms have the meanings given them.

(b) "Credit insurance" means credit life ~~and~~, accident and health insurance, and credit involuntary unemployment insurance as defined in section 62B.02.

(c) "Officer," "director," "employee," and "shareholder" include the spouse and minor children of the officer, director, employee, or shareholder.

(d) "Interest" includes ownership through a spouse or minor children; ownership through a broker, nominee, or agent; and ownership through a corporation, partnership, association, joint venture, or proprietorship.

(e) "Financial institution" means any person who lends money and sells credit insurance to the borrower.

Sec. 2. Minnesota Statutes 1992, section 48.185, subdivision 4, is amended to read:

Subd. 4. No charges other than those provided for in subdivision 3 shall be made directly or indirectly for any credit extended under the authority of this section, except that there may be charged to the debtor:

(a) annual charges, not to exceed \$50 per annum, payable in advance, for the privilege of using a bank credit card;

(b) charges for premiums on credit life ~~and~~, credit accident and health, and credit involuntary unemployment insurance if:

(1) the insurance is not required by the financial institution and this fact is clearly disclosed in writing to the debtor; and

(2) the debtor is notified in writing of the cost of the insurance and affirmatively elects, in writing, to purchase the insurance;

(c) charges for the use of an automated teller machine when cash advances are obtained pursuant to this section through the use of an automated teller machine;

(d) in the case of a financial institution referred to in subdivision 1 that does not charge an annual fee, delinquency and collection charges as follows:

(1) on each payment in arrears for a period not less than ten days, in an amount not in excess of the delinquency and collection charge permitted in section 168.71;

(2) for any monthly or other periodic payment period where the debtor has exceeded or thereby exceeds the maximum approved credit limit under the open-end loan account arrangement, in an amount not in excess of the service charge limitations in section 332.50; and

(3) for any returned check or returned automatic payment withdrawal request, in an amount not in excess of the service charge limitation in section 332.50; and

(e) to the extent not otherwise prohibited by law, charges for other goods or services offered by or through a financial institution referred to in subdivision 1 which the debtor elects to purchase, including, but not limited to, charges for check and draft copies and for the replacement of lost or stolen cards.

Sec. 3. Minnesota Statutes 1992, section 52.04, subdivision 1, is amended to read:

Subdivision 1. A credit union has the following powers:

(1) to offer its members and other credit unions various classes of shares, share certificates, deposits, or deposit certificates;

(2) to receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other thrift organizations within its membership. Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a credit union;

(3) to make loans to members for provident or productive purposes as provided in section 52.16;

(4) to make loans to a cooperative society or other organization having membership in the credit union;

(5) to deposit in state and national banks and trust companies authorized to receive deposits;

(6) to invest in any investment legal for savings banks or for trust funds in the state and, notwithstanding clause (3), to invest in and make loans of unsecured days funds (federal funds or similar unsecured loans) to financial institutions insured by an agency of the federal government and a member of the Federal Reserve System or required to maintain reserves at the Federal Reserve;

(7) to borrow money as hereinafter indicated;

(8) to adopt and use a common seal and alter the same at pleasure;

(9) to make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal Credit Union Act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets. However, payments on shares of and deposit with credit unions chartered by other states are restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause do not apply to share accounts and deposit accounts of the Minnesota corporate credit union in United States central credit union or to share accounts and deposit accounts of credit unions in the Minnesota corporate credit union;

(10) to contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(11) to indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred in connection with or arising out of any action, suit, or proceeding to which that person is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which that person is finally adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties. The indemnification is not exclusive of any other rights to which that person may be entitled under any bylaw, agreement, vote of members, or otherwise;

(12) upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make those payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts, but a credit union proposing to permit draft withdrawals shall notify the commissioner of commerce, in the form prescribed, of its intent not less than 90 days prior to authorizing draft withdrawals. The board of directors of a credit union may restrict one class of shares to the extent that it may not be redeemed, withdrawn, or transferred except upon termination of membership in the credit union;

(13) to inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(14) to facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a subgroup under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, if the credit union obtains written authorization from the member for remittance by share or deposit withdrawals or through proceeds of loans made by the members, or by permitting the credit union to make the payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for expenses incurred or in the case of credit life and, accident and health, and involuntary unemployment insurance within the

meaning of chapter 62B commissions for the handling of the insurance. The amount reimbursed or the commissions received may constitute the general income of the credit union. The directors, officers, committee members and employees of a credit union shall not profit on any insurance sale facilitated through the credit unions;

(15) to contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of commerce like other services;

(16) in furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union;

(17) to rent safe deposit boxes to its members if the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes;

(18) notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118 or section 9.031;

(19) to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States;

(20) to accept deposits pursuant to section 149.12, notwithstanding the provisions of section 52.05, if the deposits represent funding of prepaid funeral plans of members;

(21) to sell, in whole or in part, real estate secured loans provided that:

(a) the loan is secured by a first lien;

(b) the board of directors approves the sale;

(c) if the sale is partial, the agreement to sell a partial interest shall, at a minimum:

(i) identify the loan or loans covered by the agreement;

(ii) provide for the collection, processing, remittance of payments of principal and interest, taxes and insurance premiums and other charges or escrows, if any;

(iii) define the responsibilities of each party in the event the loan becomes subject to collection, loss or foreclosure;

(iv) provide that in the event of loss, each owner shall share in the loss in proportion to its interest in the loan or loans;

(v) provide for the distribution of payments of principal to each owner proportionate to its interest in the loan or loans;

(vi) provide for loan status reports;

(vii) state the terms and conditions under which the agreement may be terminated or modified; and

(d) the sale is without recourse or repurchase unless the agreement:

(i) requires repurchase of a loan because of any breach of warranty or misrepresentation;

(ii) allows the seller to repurchase at its discretion; or

(iii) allows substitution of one loan for another;

(22) in addition to the sale of loans secured by a first lien on real estate, to sell, pledge, discount, or otherwise dispose of, in whole or in part, to any source, a loan or group of loans, other than a self-replenishing line of credit; provided, that within a calendar year beginning January 1 the total dollar value of loans sold, other than loans secured by real estate or insured by a state or federal agency, shall not exceed 25 percent of the dollar amount of all loans and participating interests in loans held by the credit union at the beginning of the calendar year, unless otherwise authorized in writing by the commissioner;

(23) to designate the par value of the shares of the credit union by board resolution;

(24) to exercise by resolution the powers set forth in United States Code, title 12, section 1757, as amended through August 1, 1985. Before exercising each power, the board must submit a plan to the commissioner of commerce detailing implementation of the power to be used;

(25) to offer self-directed individual retirement accounts and Keogh accounts and act as custodian and trustee of these accounts if:

(1) all contributions of funds are initially made to a deposit, share or share certificate account in the credit union;

(2) any subsequent transfer of funds to other assets is solely at the direction of the member and the credit union exercises no investment discretion and provides no investment advice with respect to plan assets; and

(3) the member is clearly notified of the fact that National Credit Union Share Insurance Fund coverage is limited to funds held in deposit, share or share certificate accounts of National Credit Union Share Insurance Fund-insured credit unions.

Sec. 4. Minnesota Statutes 1992, section 56.125, subdivision 3, is amended to read:

Subd. 3. [CHARGES.] In addition to the charges authorized in subdivision 1, a licensee may contract for and receive in connection with an open-end loan agreement the additional charges, fees, costs, and expenses with respect to the line of credit limit permitted by sections 56.131, subdivisions 1, paragraph (f), clauses (4) and (5), 2, 5, and 6; and 56.155 with respect to other loans, with the following variations:

(1) If credit life ~~or~~ disability, or involuntary unemployment insurance is provided and if the insured dies ~~or~~ becomes disabled, or becomes involuntarily unemployed when there is an outstanding open-end loan indebtedness, the amount of the insurance may not exceed the total balance of the loan due on the date of the borrower's death or on the date of the last billing statement in the case of credit life insurance, or all minimum payments which become due on the loan during the covered period of disability in the case of credit disability insurance, or during the covered period of involuntary unemployment in the case of credit involuntary unemployment insurance. The additional charge for credit life insurance ~~or~~ credit disability insurance, or credit involuntary unemployment insurance must be calculated in each billing cycle by applying the current monthly premium rate for the insurance to the unpaid balances in the borrower's account.

(2) The amount, terms, and conditions of any credit insurance against loss or damage to property must be reasonable in relation to the character and value of the property insured.

Sec. 5. Minnesota Statutes 1992, section 56.155, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] No licensee shall, directly or indirectly, sell or offer for sale any insurance in connection with any loan made under this chapter except as and to the extent authorized by this section. The sale of credit life ~~and~~ credit accident and health, and credit involuntary unemployment insurance is subject to the provisions of chapter 62B, except that the term of the insurance may exceed 60 months if the term of the loan exceeds 60 months. Life, accident, ~~and health~~, and involuntary unemployment insurance, or any of them, may be written upon or in connection with any loan but must not be required as additional security for the indebtedness. If the debtor chooses to procure credit life insurance ~~or~~ credit accident and health insurance, or credit involuntary unemployment insurance as security for the indebtedness, the debtor shall have the option of furnishing this security through existing policies of insurance that the debtor owns or controls, or of furnishing the coverage through any insurer authorized to transact business in this state. A statement in substantially the following form must be made orally and provided

in writing in bold face type of a minimum size of 12 points to the borrower before the transaction is completed for each credit life ~~and~~, accident and health, and involuntary unemployment insurance coverage sold:

CREDIT LIFE INSURANCE AND, CREDIT DISABILITY INSURANCE, AND CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT. YOU MAY BUY ANY INSURANCE FROM ANYONE YOU CHOOSE OR YOU MAY USE EXISTING INSURANCE.

The licensee shall disclose whether or not the benefits commence as of the first day of disability or involuntary unemployment and shall further disclose the number of days that an insured obligor must be disabled or involuntarily unemployed, as defined in the policy, before benefits, whether retroactive or nonretroactive, commence. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit accident and health or credit unemployment benefits may be procured by or through a licensee upon more than one of the obligors. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit life insurance may be procured by or through a licensee upon more than two of the obligors in which case they shall be insured jointly. The premium or identifiable charge for the insurance must not exceed that filed by the insurer with the department of commerce. The charge, computed at the time the loan is made for a period not to exceed the full term of the loan contract on an amount not to exceed the total amount required to pay principal and charges, may be deducted from the proceeds or may be included as part of the principal of any loan. If a borrower procures insurance by or through a licensee, the statement required by section 56.14 must disclose the cost to the borrower and the type of insurance, and the licensee shall cause to be delivered to the borrower a copy of the policy, certificate, or other evidence thereof, within a reasonable time. No licensee shall decline new or existing insurance which meets the standards set out in this section nor prevent any obligor from obtaining this insurance coverage from other sources. Notwithstanding any other provision of this chapter, any gain or advantage to the licensee or to any employee, affiliate, or associate of the licensee from this insurance or the sale or provision thereof is not an additional or further charge in connection with the loan; nor are any of the provisions pertaining to insurance contained in this section prohibited by any other provision of this chapter.

Sec. 6. Minnesota Statutes 1992, section 60K.03, subdivision 7, is amended to read:

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 credit life or, credit accident and health, or credit involuntary unemployment 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. 7. Minnesota Statutes 1992, section 60K.19, 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, at the time of license renewal, certify to the commissioner in writing that they will sell only credit life, credit accident and health, credit involuntary unemployment, and credit property insurance, during that year and do in fact so limit their sale of insurance.

Sec. 8. Minnesota Statutes 1992, section 62B.01, is amended to read:

62B.01 [SCOPE.]

All life insurance ~~and~~, accident and health insurance, ~~and involuntary unemployment insurance~~ in connection with loan or other credit transactions ~~shall be~~ are subject to ~~the provisions of sections 62B.01 to 62B.14, except mortgage life, mortgage accidental death, and mortgage disability insurance. Insurance shall is not be subject to the provisions of sections 62B.01 to 62B.14 where its issuance is an isolated transaction on the part of the insurer not related to an agreement or a plan for insuring debtors of the creditor. Credit life and, credit accident and health, and credit involuntary unemployment insurance provided at no additional cost to the borrower shall are not be subject to the provisions of sections 62B.01 to 62B.14.~~

Sec. 9. Minnesota Statutes 1992, section 62B.02, is amended by adding a subdivision to read:

Subd. 3a. "Credit involuntary unemployment insurance" means insurance on a debtor in connection with a specified loan or other credit transaction to provide payment to a creditor in the event of involuntary unemployment of the debtor for the installment payments or other periodic payments becoming due while the debtor is involuntarily unemployed.

Sec. 10. Minnesota Statutes 1992, section 62B.03, is amended to read:

62B.03 [FORMS OF CREDIT LIFE INSURANCE ~~AND~~, CREDIT ACCIDENT AND HEALTH INSURANCE, AND CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE.]

Credit life insurance ~~and~~, credit accident and health insurance, ~~and credit involuntary unemployment insurance~~ shall be issued only in the following forms:

- (1) Individual policies of life insurance issued to debtors on the term plan;
- (2) Individual policies of accident and health insurance issued to debtors on a term plan or disability benefit provisions in individual policies of credit life insurance;
- (3) Individual policies of involuntary unemployment insurance issued to debtors on the term plan;
- (4) Group policies of life insurance issued to creditors providing insurance upon the lives of debtors on the term plan;
- (4) (5) Group policies of accident and health insurance issued to creditors on a term plan insuring debtors or disability benefit provisions in group credit life insurance policies to provide such coverage;
- (6) Group policies of involuntary unemployment insurance issued to creditors on a term plan insuring debtors.

Sec. 11. Minnesota Statutes 1992, section 62B.04, is amended by adding a subdivision to read:

Subd. 3. [CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE.] The total amount of periodic indemnity payable by credit involuntary unemployment insurance in the event of involuntary unemployment shall not exceed the aggregate of the periodic scheduled unpaid installments of the indebtedness; and the amount of each periodic indemnity payment shall not exceed the original indebtedness divided by the number of periodic installments.

Sec. 12. Minnesota Statutes 1992, section 62B.05, is amended to read:

**62B.05 [TERM OF CREDIT LIFE INSURANCE AND CREDIT ACCIDENT AND HEALTH INSURANCE.]**

The term of any credit life insurance ~~or~~, credit accident and health insurance, or credit involuntary unemployment insurance shall, subject to acceptance by the insurer, commence on the date when the debtor becomes obligated to the creditor, except that, where a group policy provides coverage with respect to existing obligations, the insurance on a debtor with respect to the indebtedness shall commence on the effective date of the policy. Where evidence of insurability is required and the evidence is furnished more than 30 days after the date when the debtor becomes obligated to the creditor, the term of the insurance may commence on the date on which the insurance company determines the evidence to be satisfactory, and in that event there shall be an appropriate refund or adjustment of any charge to the debtor for insurance. The term of the insurance shall not extend more than 15 days beyond the scheduled maturity date of the indebtedness except when extended without additional cost to the debtor.

If an indebtedness is prepaid in full before its scheduled maturity, except by performance of the insurer's obligation under the policy, the insurance shall be deemed canceled and a refund shall be paid or credited as provided in section 62B.08. Upon prepayment in full, the creditor shall make the refund of unearned premium, unless the credit insurance was originated by a third party, in which case the creditor shall promptly notify the third party who shall make the refund.

Sec. 13. Minnesota Statutes 1992, section 62B.06, subdivision 1, is amended to read:

Subdivision 1. All credit life insurance ~~and~~, credit accident and health insurance, and credit involuntary unemployment insurance shall be evidenced by an individual policy, memorandum copy, or in the case of group insurance by a certificate of insurance, which shall be delivered to the debtor.

Sec. 14. Minnesota Statutes 1992, section 62B.06, subdivision 2, is amended to read:

Subd. 2. Each individual policy or group certificate of credit life insurance, ~~or~~ credit accident and health insurance, or credit involuntary unemployment insurance, shall, in addition to other requirements of law, set forth the name and home office address of the insurer, the name or names of the debtor or in the case of a certificate under a group policy, the identity by name or otherwise of the debtor, the rate or amount of payment, if any, by the debtor separately for credit life insurance ~~and~~, credit accident and health insurance, and credit involuntary unemployment insurance, a description of the amount, term and coverage including any exceptions, limitations and restrictions, and shall state that the benefits shall be paid to the creditor to reduce or extinguish the unpaid indebtedness and, wherever the amount of insurance may exceed the unpaid indebtedness, that any such excess shall be payable to the debtor, if living, otherwise to a beneficiary, other than the creditor, named by the debtor or, otherwise to the debtor's estate. No individual or group policy of credit accident and health insurance or credit involuntary unemployment insurance issued, amended, renewed, or delivered in this state on or after January 1, 1976 shall contain any provision offsetting, or in any other manner reducing any benefit under the policy by the amount of, or in proportion to, any increase in disability or other benefits received or receivable under the federal Social Security Act, as amended subsequent to the date of commencement of such benefit.

Sec. 15. Minnesota Statutes 1992, section 62B.06, subdivision 4, is amended to read:

Subd. 4. If the individual policy or group certificate of insurance is not delivered to the debtor at the time the indebtedness is incurred, a copy of the application for the policy or a notice of proposed insurance, signed by the debtor and setting forth the name and home office address of the insurer, the name or names of the debtor, the premium or amount of payment by the debtor, if any, separately for credit life insurance ~~and~~, credit accident and health insurance, and credit involuntary unemployment insurance, the amount, term and a brief description of the coverage provided, shall be delivered to the debtor at the time the indebtedness is incurred. The copy of the application for, or notice of proposed insurance, shall also refer exclusively to insurance coverage, and shall be separate and apart from the loan, sale or other credit statement of account, instrument or agreement, unless the information required by this subdivision is prominently set forth therein. Upon acceptance of the insurance by the insurer and within 30 days of the date on which the indebtedness is incurred, the insurer shall cause the individual policy or group certificate of insurance to be delivered to the debtor. The application or notice of proposed insurance shall state that upon acceptance by the insurer, the insurance shall become effective as provided in section 62B.05. If an application for a policy or a notice of proposed insurance is not delivered at the time the indebtedness is incurred as required by this subdivision, the creditor shall assume all of the liabilities under such insurance until an insurer accepts the risk.



Sec. 16. Minnesota Statutes 1992, section 62B.07, subdivision 2, is amended to read:

Subd. 2. The commissioner shall within 60 days after the filing of policies, certificates of insurance, notices of proposed insurance, applications for insurance, endorsements and riders, disapprove any such form if the premium rates charged or to be charged are excessive in relation to benefits, or if it contains provisions which are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of the coverage, or are contrary to any provision of the insurance laws or of any rule promulgated thereunder. In order to determine whether the premium to be charged under a particular policy form submitted by an insurer is excessive in relation to benefits, and to facilitate the submission and approval of policy forms and premium rates to be used in connection therewith, the commissioner shall give full consideration to and make reasonable allowances for underwriting expenses including, but not limited to, claim adjustment expenses, general administrative expenses including costs for handling return premiums, compensation to agents, expense allowances to creditors, if any, branch and field expenses and other acquisition costs, the types of policies actually issued and authorized as defined in section 62B.03, (1), (2), (3) and (4), (5), and (6), and any and all other factors and trends demonstrated to be relevant. An insurer may support these factors by statistical information, experience, actuarial computations, and/or estimates certified by an executive officer of the insurer, and the commissioner shall give due consideration to such supporting data.

Sec. 17. Minnesota Statutes 1992, section 62B.07, subdivision 6, is amended to read:

Subd. 6. If a group policy of credit life insurance ~~or~~ credit accident and health insurance, or credit involuntary unemployment insurance

(1) has been delivered in this state before May 28, 1967, or

(2) has been or is delivered in another state before or after May 28, 1967, the insurer shall be required to file only the group certificate and notice of proposed insurance delivered or issued for delivery in this state as specified in subdivisions 2 and 4 of section 62B.06 and the forms shall be approved by the commissioner if they conform to the requirements specified in those subdivisions and if the schedules of premium rates applicable to the insurance evidenced by the certificate or notice are not in excess of the insurer's schedules of premium rates filed with the commissioner; provided, however, the premium rate in effect on existing group policies may be continued until the first policy anniversary date following the date this act is effective as provided in section 62B.12.

Sec. 18. Minnesota Statutes 1992, section 62B.08, subdivision 1, is amended to read:

Subdivision 1. An insurer may revise its schedules or premium rates from time to time, and shall file such revised schedules with the commissioner. No insurer shall issue any credit life insurance policy ~~or~~ credit accident and health insurance policy, or credit involuntary unemployment insurance policy for which the premium rate exceeds that determined by the schedules of the insurer then on file with the commissioner.

Sec. 19. Minnesota Statutes 1992, section 62B.08, subdivision 3, is amended to read:

Subd. 3. If a creditor requires a debtor to make a payment for credit life insurance ~~or~~ credit accident and health insurance, or credit involuntary unemployment insurance and an individual policy or group certificate of insurance is not issued, the creditor shall immediately give written notice to the debtor and shall promptly make an appropriate credit to the account.

Sec. 20. Minnesota Statutes 1992, section 62B.08, subdivision 4, is amended to read:

Subd. 4. The amount charged to a debtor for credit life ~~or insurance~~, credit health and accident and health insurance, or credit involuntary unemployment insurance shall not exceed the premiums charged by the insurer, as computed at the time the charge to the debtor is determined, and any premium charged or collected on a single premium basis shall be submitted to the insurer within 90 days of the month in which said premium is charged or collected.

Sec. 21. Minnesota Statutes 1992, section 62B.08, is amended by adding a subdivision to read:

Subd. 5. With respect to credit involuntary unemployment insurance only, an insurer, subsidiary, or parent of the insurer shall not pay compensation to a creditor or a group policyholder offering credit involuntary unemployment insurance in excess of 30 percent of the net written premiums.

Sec. 22. Minnesota Statutes 1992, section 62B.08, is amended by adding a subdivision to read:

Subd. 6. "Compensation" means any valuable consideration, direct or indirect, paid by or on behalf of the insurer, or by any subsidiary or parent, or subsidiary of the parent of the insurer, or by any other person to whom or on behalf of any group policyholder or creditor or withheld from an insurer by any group policyholder or creditor, including but not limited to: commissions, retrospective commissions, retrospective rate credits, experience refunds, dividends, service fees, expense allowances or reimbursements, gifts, equipment, facilities, goods or services, or any other form of remuneration resulting directly from the sale of credit involuntary unemployment insurance.

Sec. 23. Minnesota Statutes 1992, section 62B.09, subdivision 3, is amended to read:

Subd. 3. Any creditor doing business in the state of Minnesota may, in the same office or place of business where such creditor transacts business, take applications or enrollments for credit life and insurance, credit accident and health insurance, or credit involuntary unemployment insurance upon a borrower or purchaser or one of them if there are two or more in connection with the making of a loan or sale.

Sec. 24. Minnesota Statutes 1992, section 62B.11, is amended to read:

#### 62B.11 [EXISTING INSURANCE; CHOICE OF INSURER.]

When credit life insurance ~~or~~, credit accident and health insurance, or credit involuntary unemployment insurance is required as additional security for any indebtedness, the debtor shall, upon request to the creditor, have the option of furnishing the required amount of insurance through existing policies of insurance owned or controlled by the debtor or of procuring and furnishing the required coverage through any insurer authorized to transact an insurance business within this state.

Sec. 25. Minnesota Statutes 1992, section 62B.12, is amended to read:

#### 62B.12 [ENFORCEMENT.]

The commissioner may, after notice and hearing, issue rules the commissioner deems appropriate for the supervision of sections 62B.01 to 62B.14. The commissioner shall promulgate rules to establish rates for credit involuntary unemployment insurance prior to its issuance, and to enact the other provisions of this act, and the commissioner shall report by February 15, 1994, to the house committee on financial institutions and insurance and to the senate commerce committee on the rules or status of the rulemaking, including the expected loss ratio. On finding that there has been a violation of sections 62B.01 to 62B.14, or any rules issued pursuant thereto, after written notice thereof and hearing given to the insurer or other person authorized or licensed by the commissioner, the commissioner shall set forth the details of the findings together with an order for compliance by a specified date. The order shall be binding on the insurer and other person authorized or licensed by the commissioner on the date specified unless sooner withdrawn by the commissioner or a stay has been ordered by a court of competent jurisdiction. ~~The provisions of sections 62B.05, 62B.06, 62B.07 and 62B.08, shall not be operative until 90 days after May 28, 1967, and the commissioner may extend by not more than an additional 90 days the initial period within which the provisions of those sections shall not be operative.~~

Sec. 26. Minnesota Statutes 1992, section 72A.20, subdivision 27, is amended to read:

Subd. 27. [SOLICITATIONS AND SALES OF INSURANCE PRODUCTS TO BORROWERS.] (a) A loan officer, a loan representative, or other person involved in taking or processing a loan may not solicit an insurance product, except for credit life and, credit disability or, credit involuntary unemployment, mortgage life, mortgage accidental death, or mortgage disability, and except for life insurance when offered in lieu of credit life insurance, from the completion of the initial loan application, as defined in the federal Equal Credit Opportunity Act, United States Code, title 15, sections 1691 to 1691f, and any regulations adopted under those sections, until after the closing of the loan transaction.

(b) This subdivision applies only to loan transactions covered by the federal Truth-in-Lending Act, United States Code, title 15, sections 1601 to 1666j, and any regulations adopted under those sections.

(c) This subdivision does not apply to sales of title insurance, homeowner's insurance, a package homeowner's-automobile insurance product, automobile insurance, or a similar insurance product, required to perfect

title to, or protect, property for which a security interest will be taken if the product is required as a condition of the loan.

(d) Nothing in this subdivision prohibits the solicitation or sale of any insurance product by means of mass communication.

Sec. 27. [RULEMAKING COST ASSESSMENTS.]

Companies selling credit involuntary unemployment insurance shall be assessed by the department to pay the costs of rulemaking.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 27 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to insurance; credit; permitting the sale of credit involuntary unemployment insurance; amending Minnesota Statutes 1992, sections 47.016, subdivision 1; 48.185, subdivision 4; 52.04, subdivision 1; 56.125, subdivision 3; 56.155, subdivision 1; 60K.03, subdivision 7; 60K.19, subdivision 3; 62B.01; 62B.02, by adding a subdivision; 62B.03; 62B.04, by adding a subdivision; 62B.05; 62B.06, subdivisions 1, 2, and 4; 62B.07, subdivisions 2 and 6; 62B.08, subdivisions 1, 3, 4, and by adding subdivisions; 62B.09, subdivision 3; 62B.11; 62B.12; and 72A.20, subdivision 27."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 598, A bill for an act relating to retirement; expanding coordinated plan survivor coverage benefits for certain public employees and teachers; amending Minnesota Statutes 1992, sections 352.01, by adding a subdivision; 352.12, subdivision 2, and by adding subdivisions; 353.01, subdivision 15, and by adding a subdivision; 353.32, subdivision 1a, and by adding subdivisions; 354.05, subdivision 8, and by adding a subdivision; 354.46, subdivisions 2, 5, and by adding subdivisions; 354A.011, by adding a subdivision; and 354A.35, subdivision 2, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 352.01, is amended by adding a subdivision to read:

Subd. 26. [DEPENDENT CHILD.] "Dependent child" means a biological or adopted child of a deceased employee who has not reached the age of 20 and is dependent upon the employee for more than one-half of the child's support at the time of the employee's death. It also means a child of the member conceived during the member's lifetime and born after the member's death.

Sec. 2. Minnesota Statutes 1992, section 352.12, subdivision 2, is amended to read:

Subd. 2. [SURVIVING SPOUSE BENEFIT.] (a) If an employee or former employee ~~is at least 50 years old and has credit for at least three years allowable service or who has credit for at least 30 years of allowable service, regardless of age, and~~ dies before an annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse of the employee may elect to receive, in lieu of the refund with interest ~~provided in under~~ subdivision 1, an annuity equal to the joint and 100 percent survivor annuity which the employee could have qualified for had the employee terminated service on the date of death.

(b) If the employee was under age 55 and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the employee and surviving spouse on the date of death. The annuity is payable using the full early retirement reduction under section 352.116, subdivision 1, paragraph (a), to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If the employee was under age 55 and has credit for at least three years of allowable service credit on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the employee and surviving spouse at the time of death. The annuity is payable using the full early retirement reduction under section 352.116, subdivision 1 or 1a, to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

The surviving spouse eligible for surviving spouse benefits under paragraph (a) may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c) may apply for the annuity at any time after the employee's death. The annuity must be computed as provided in under sections 352.115, subdivisions 1, 2, and 3, and 352.116, subdivisions 1, 1a, and 3. Sections 352.22, subdivision 3, and 352.72, subdivision 2, apply to a deferred annuity or surviving spouse benefit payable under this subdivision. The annuity must cease with the last payment received by the surviving spouse in the lifetime of the surviving spouse, or upon expiration of a term certain benefit payment to a surviving spouse under subdivision 2a. An amount equal to the excess, if any, of the accumulated contributions credited to the account of the deceased employee in excess of the total of the benefits paid and payable to the surviving spouse must be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of the deceased spouse as specified under subdivision 1.

Any employee may request in writing that this subdivision not apply and that payment be made only to a designated beneficiary as otherwise provided by this chapter.

Sec. 3. Minnesota Statutes 1992, section 352.12, is amended by adding a subdivision to read:

Subd. 2a. [SURVIVING SPOUSE COVERAGE TERM CERTAIN.] In lieu of the 100 percent optional annuity under subdivision 2, or refund under subdivision 1, the surviving spouse of a deceased employee may elect to receive survivor coverage in a term certain of five, ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average high-five monthly salary of the deceased employee. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 2.

If a survivor elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

Sec. 4. Minnesota Statutes 1992, section 352.12, is amended by adding a subdivision to read:

Subd. 2b. [DEPENDENT CHILD SURVIVOR COVERAGE.] If there is no surviving spouse eligible for benefits under subdivision 2, a dependent child or children as defined in section 352.01, subdivision 26, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the employee's death to the date the dependent child attains age 20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 2 using the age of the employee and age of the dependent child at the date of death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child shall receive a proportionate share of the actuarial value of the employee's account.

Sec. 5. Minnesota Statutes 1992, section 353.01, subdivision 15, is amended to read:

Subd. 15. [DEPENDENT CHILD.] For the purpose of survivor benefit eligibility under sections 353.31, subdivision 1, and 353.657, subdivision 3, "dependent child" means a natural biological or adopted child of a deceased member who is unmarried, and under the age of 18, or age 18 to 23, so long as the child submits evidence of full-time enrollment in an accredited educational institution. "Dependent child" also includes a child of the member conceived during the member's lifetime and born after the member's death. It also means a dependent child who is the subject of adoption proceedings filed by a member, and who within two years after death of the member, by judgment and decree duly entered, is adjudged to be the adopted child of the deceased member; subject, however, to the qualifying

conditions of age and dependency under this subdivision. The dependency of the child dates from the decree of adoption. "Dependent child" also includes a child age 18 to 23 who had submitted evidence of full-time enrollment in an accredited educational institution but was determined to be medically unable to continue school on a full-time basis. The board of trustees shall adopt written procedures to make determinations regarding eligibility based on a student being medically unable to continue school, and may not continue a benefit for medical reasons for a period greater than one year.

Sec. 6. Minnesota Statutes 1992, section 353.01, is amended by adding a subdivision to read:

Subd. 15a. [DEPENDENT CHILD.] For the purpose of survivor benefit eligibility under section 353.32, subdivision 1c, "dependent child" means any biological or adopted child of a deceased member who has not reached the age of 20 and is dependent for more than one-half of support upon the member. It also includes any child of the member conceived during the member's lifetime and born after the member's death.

Sec. 7. Minnesota Statutes 1992, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] (a) If a member or former member who has attained at least age 50 and has credit for not less than three years of allowable service or who has credit for not less than 30 years of allowable service, regardless of age attained, and dies before the annuity or disability benefit begins to accrue under section 353.29, subdivision 7, or 353.33, subdivision 2, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, instead of a refund with interest under subdivision 1, or surviving spouse benefits otherwise payable under section 353.31, an annuity equal to the 100 percent joint and survivor annuity that the member could have qualified for had the member terminated service on the date of death.

(b) If the member was under age 55 and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the member and surviving spouse on the date of death. The annuity is payable using the full early retirement reduction under section 353.30, subdivisions 1b and 1c, to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If the member was under age 55 and has credit for at least three years of allowable service on the date of death but did not qualify for retirement, the surviving spouse may elect to receive the 100 percent joint and survivor annuity based on the age of the member and surviving spouse at the time of death. The annuity is payable using the full early retirement reduction under section 353.30, subdivision 1, 1b, 1c, or 5, to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

Notwithstanding the definition of surviving spouse in section 353.01, subdivision 20, a former spouse of the member, if any, is entitled to a portion of the monthly surviving spouse optional annuity if stipulated under the terms of a marriage dissolution decree filed with the association. If there is no surviving spouse or child or children, a former spouse may be entitled to a lump-sum refund payment under subdivision 1, if provided for in a marriage dissolution decree but not a monthly surviving spouse optional annuity despite the terms of a marriage dissolution decree filed with the association.

The surviving spouse eligible for surviving spouse benefits under paragraph (a) may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c) may apply for an annuity any time after the member's death. The annuity must be computed under sections 353.29, subdivisions 2 and 3; 353.30, subdivisions 1, 1a, 1b, 1c, and 5; and 353.31, subdivision 3.

Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity or surviving spouse benefit payable under this subdivision. No payment may accrue beyond the end of the month in which entitlement to the annuity has terminated or upon expiration of the term certain benefit payment under subdivision 1b. An amount equal to any excess of the accumulated contributions that were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse must be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member as specified under subdivision 1.

A member may specify in writing that this subdivision does not apply and that payment may be made only to the designated beneficiary as otherwise provided by this chapter.

Sec. 8. Minnesota Statutes 1992, section 353.32, is amended by adding a subdivision to read:

Subd. 1b. [SURVIVOR COVERAGE TERM CERTAIN.] In lieu of the 100 percent optional annuity under subdivision 1a, or a refund under subdivision 1, the surviving spouse of a deceased member may elect to receive survivor coverage for a term certain of five, ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average high-five monthly salary of the deceased member. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 1a.

If a surviving spouse elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

Sec. 9. Minnesota Statutes 1992, section 353.32, is amended by adding a subdivision to read:

Subd. 1c. [DEPENDENT CHILD SURVIVOR COVERAGE.] If there is no surviving spouse eligible for benefits under subdivision 1a, a dependent child or children as defined in section 353.01, subdivision 15a, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the member's death to the date the dependent child attains age 20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 1a using the age of the member and age of the dependent child at the date of death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child shall receive a proportionate share of the actuarial value of the employee's account.

Sec. 10. Minnesota Statutes 1992, section 354.05, subdivision 8, is amended to read:

Subd. 8. [DEPENDENT CHILD.] For the purpose of survivor benefit eligibility under section 354.46, subdivision 1, "dependent child" means any natural biological or adopted child of a deceased member who has not reached the age of 18, or who is under age 22 and is a full-time student throughout the normal school year, unmarried and dependent for more than one-half of support upon such the member and for a period of at least 90 days prior to the member's death. It also includes any child of the member conceived while living and born after death.

Sec. 11. Minnesota Statutes 1992, section 354.05, is amended by adding a subdivision to read:

Subd. 8a. [DEPENDENT CHILD.] For the purpose of survivor benefit eligibility under section 354.46, subdivision 2b, "dependent child" means any biological or adopted child of a deceased member who has not reached the age of 20 and is dependent for more than one-half of support upon the member. It also includes any child of the member conceived while living and born after death.

Sec. 12. Minnesota Statutes 1992, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] (a) The surviving spouse of any member or former member who has attained the age of at least 50 years and has credit for at least three years of allowable service or who has credit for at least 30 years of allowable service irrespective of age is entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to under subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to under section 354.47, subdivision 1, the surviving spouse is entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to specified under section 354.45, based on the age of the member and surviving spouse at the time of death of the member, and computed pursuant to under section 354.44, subdivision 2, or 6, or 7, whichever is applicable.

(b) If the member was under age 55 and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the member and surviving spouse on the date of death. The annuity is payable using the full early retirement reduction under section 354.44, subdivision 6, paragraph (3)(ii), to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If the member was under age 55 and has credit for at least three years of allowable service on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive the 100 percent joint and survivor annuity based on the age of the member and the surviving spouse at the time of death. The annuity is calculated using the full early retirement reduction under section 354.44, subdivision 6, to age 55 and one-half of the early

retirement reduction from age 55 to the age the annuity begins. The surviving spouse eligible for a surviving spouse benefit under paragraph (a) may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c) may apply for the annuity any time after the member's death. This benefit accrues from the day following the date of the member's death but may not begin to accrue more than six months before the date the application is filed with the executive director. Sections ~~354.44~~ 354.55, subdivision 6 ~~11~~, and 354.60 apply to a deferred annuity payable under this section. The benefit is payable for life.

Sec. 13. Minnesota Statutes 1992, section 354.46, is amended by adding a subdivision to read:

Subd. 2a. [SURVIVOR COVERAGE TERM CERTAIN.] In lieu of the 100 percent optional annuity under subdivision 2, or a refund under section 354.47, subdivision 1, the surviving spouse of a deceased member may elect to receive survivor coverage in a term certain of five, ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average high-five monthly salary of the deceased member. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 2.

If a surviving spouse elects a term certain payment and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

Sec. 14. Minnesota Statutes 1992, section 354.46, is amended by adding a subdivision to read:

Subd. 2b. [DEPENDENT CHILD SURVIVOR COVERAGE.] If there is no surviving spouse eligible for benefits under subdivision 2, a dependent child or children as defined in section 354.05, subdivision 8a, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the member's death to the date the dependent child attains age 20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 2 using the age of the member and age of the dependent child at the date of death in lieu of the age of the member and the spouse. If there is more than one dependent child, each dependent child shall receive a proportionate share of the actuarial value of the member's account.

Sec. 15. Minnesota Statutes 1992, section 354.46, subdivision 5, is amended to read:

Subd. 5. [PAYMENT TO DESIGNATED BENEFICIARY.] Any member and the spouse of the member may make a joint specification in writing on a form prescribed by the executive director that the benefits provided in subdivision 2, or in section 354.47, subdivision 1, shall be paid only to a designated beneficiary. For purposes of this subdivision, a designated beneficiary may only be either a former spouse or a child, either ~~natural~~ biological or adopted, of the member, but more than one beneficiary may be designated for the benefit provided in section 354.47, subdivision 1.

Sec. 16. Minnesota Statutes 1992, section 354A.011, is amended by adding a subdivision to read:

Subd. 12a. [DEPENDENT CHILD.] "Dependent child" means any biological or adopted child of a deceased member who has not reached the age of 20 and is dependent on the member for more than one-half of the child's support at the time of the member's death. It also means a child of the member conceived during the member's lifetime and born after the member's death.

Sec. 17. Minnesota Statutes 1992, section 354A.35, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE TO RETIRE; SURVIVING SPOUSE OPTIONAL ANNUITY.] (a) The surviving spouse of any a coordinated member who has attained the age of at least 50 years and has credit for at least three years of service or has credit for at least 30 years of service regardless of age shall be entitled to joint and survivor annuity coverage in the event of death of the member and dies prior to retirement, may elect to receive, instead of a refund with interest under subdivision 1, an annuity equal to the 100 percent joint and survivor annuity the member could have qualified for had the member terminated service on the date of death. The surviving spouse eligible for a surviving spouse benefit under this paragraph may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. A surviving spouse eligible for surviving spouse benefits under paragraph (b) and (c) may apply for an annuity at any time after the member's death. The member's surviving spouse shall be paid a joint and survivor annuity as provided in under section 354A.32 and computed pursuant to under section 354A.31.

(b) If the member was under age 55 and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the member and surviving spouse on the date of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6, paragraph (a), to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If the member was under age 55 and has credit for at least three years of allowable service on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive the 100 percent joint and survivor annuity based on the age of the member and the survivor at the time of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6 or 7, to age 55 and one-half of the early retirement reduction from age 55 to the date payment begins.

Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity or surviving spouse benefit payable under this section. The benefits ~~shall be~~ are payable for the life of the surviving spouse, or upon expiration of the term certain benefit payment under subdivision 2b.

Sec. 18. Minnesota Statutes 1992, section 354A.35, is amended by adding a subdivision to read:

Subd. 2b. [SURVIVOR COVERAGE TERM CERTAIN.] In lieu of the 100 percent optional annuity under subdivision 2, or a refund under subdivision 1, the surviving spouse of a deceased member may elect to receive survivor coverage in a term certain of five, ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average high-five monthly salary of the deceased member. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 2.

If a surviving spouse elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

Sec. 19. Minnesota Statutes 1992, section 354A.35, is amended by adding a subdivision to read:

Subd. 2c. [DEPENDENT CHILD SURVIVOR COVERAGE.] If there is no surviving spouse eligible for benefits under subdivision 2, a dependent child or children as defined in section 354A.011, subdivision 12a, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the member's death to the date the dependent child attains age 20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 2 using the age of the member and age of the dependent child at the date of death. If there is more than one dependent child, each dependent child shall receive a proportionate share of the actuarial value of the employee's account.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective July 1, 1993."

Delete the title and insert:

"A bill for an act relating to retirement; expanding coordinated plan survivor coverage benefits for certain public employees and teachers; amending Minnesota Statutes 1992, sections 352.01, by adding a subdivision; 352.12, subdivision 2, and by adding subdivisions; 353.01, subdivision 15, and by adding a subdivision; 353.32, subdivision 1a, and by adding subdivisions; 354.05, subdivision 8, and by adding a subdivision; 354.46, subdivisions 2, 5, and by adding subdivisions; 354A.011, by adding a subdivision; and 354A.35, subdivision 2, and by adding subdivisions."

With the recommendation that when so amended the bill pass.

The report was adopted.



Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 746, A bill for an act relating to motor vehicles; requiring vehicle owner to transfer certificate of title upon gaining ownership to motor vehicle; allowing registrar to research records before responding to phone request; amending Minnesota Statutes 1992, sections 168.10, subdivision 1; 168.34; and 168A.30, subdivision 2.

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 761, A bill for an act relating to local government; providing for the preparation and review of accounts; providing for duties of the state auditor; providing for the costs of examinations; defining the limits to various types of compensation; providing procedures for the satisfaction of claims; providing procedures for the removal of city managers; limiting certain high risk investments; amending Minnesota Statutes 1992, sections 6.56; 16B.06, subdivision 4; 43A.17, subdivision 9; 340A.602; 375.162, subdivision 2; 375.18, by adding subdivisions; 412.271, subdivision 1, and by adding subdivisions; 412.641, subdivision 1; and 475.66, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 6; 465; and 471.

Reported the same back with the following amendments:

Page 12, line 27, delete "or"

Page 12, line 33, before the period insert "; or"

(3) the commissioner of employee relations has determined a position within a specific local unit of government requires special expertise necessitating a larger severance pay guarantee to attract or retain a qualified person. The commissioner shall develop a process for the governing body of a local unit of government to use when applying for an exemption under this clause. The commissioner shall review each proposed exemption giving due consideration to severance pay guarantees that are made to other persons with similar responsibilities in the state and nation"

Page 18, after line 20, insert:

"Sec. 21. [EXEMPTION FROM ANNUAL AUDIT.]

Notwithstanding Minnesota Statutes, section 412.591, subdivision 2, the city of Hazel Run is exempt from the annual audit of the city's financial affairs for the 1992 year."

Page 18, line 21, delete "21" and insert "22"

Page 18, line 25, delete "22" and insert "23"

Amend the title as follows:

Page 1, line 9, after the semicolon insert "exempting Hazel Run from annual audit for the year 1992;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 777, A bill for an act relating to consumers; requiring certain disclosures when consumer reports are used for employment purposes; providing for access to consumer reports; amending Minnesota Statutes 1992, section 13C.01, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13C; repealing Minnesota Statutes 1992, section 13C.01, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [13C.001] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to this chapter.

Subd. 2. [CONSUMER.] "Consumer" means an individual.

Subd. 3. [CONSUMER REPORT.] (a) "Consumer report" means a written, oral, or other communication of information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living that is used or expected to be used or collected in whole or in part for:

(1) the purpose of serving as a factor in establishing the consumer's eligibility for credit or insurance to be used primarily for personal, family, or household purposes;

(2) employment purposes; or

(3) other purposes authorized under United States Code, title 15, section 1681b.

(b) Consumer report does not include:

(1) a report containing information solely as to transactions or experiences between the consumer and the person making the report;

(2) an authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device; or

(3) a report in which a person who has been requested by a third party to make a specific extension of credit directly or indirectly to a consumer conveys a decision with respect to the request, if the third party advises the consumer of the name and address of the person to whom the request was made and the person makes the disclosures to the consumer required under United States Code, title 15, section 1681m.

Subd. 4. [CONSUMER REPORTING AGENCY.] "Consumer reporting agency" means a person that, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.

Subd. 5. [EMPLOYMENT PURPOSES.] "Employment purposes" means evaluating a consumer for hiring, compensation, promotion, reassignment, retention, or with respect to other terms and conditions of employment.

Subd. 6. [INVESTIGATIVE CONSUMER REPORT.] "Investigative consumer report" means a consumer report in which information on a consumer's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends, or associates of the consumer or with others with whom the consumer is acquainted or who may have knowledge concerning the information. Investigative consumer report does not include specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a consumer reporting agency when the information was obtained directly from a creditor of the consumer or from the consumer.

Sec. 2. Minnesota Statutes 1992, section 13C.01, subdivision 1, is amended to read:

Subdivision 1. [FEE FOR REPORT.] (a) A consumer who is the subject of a credit consumer report maintained by a credit consumer reporting agency is entitled to request and receive by mail, for a charge not to exceed \$8, a copy of the credit consumer 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 consumer 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 consumer report in order to confirm that the credit consumer 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.~~

Sec. 3. [13C.02] [DISCLOSURE OF USE OF CONSUMER REPORTS FOR EMPLOYMENT PURPOSES.]

Subdivision 1. [DISCLOSURE REQUIRED.] A person may not obtain or cause to be prepared a consumer report on a consumer for employment purposes unless the person clearly and accurately discloses to the consumer that a consumer report may be obtained or caused to be prepared. The disclosure must inform the consumer of the right to request additional information on the nature of the report under subdivision 3. In the case of an investigative consumer report, the disclosure under this subdivision must inform the consumer that the report may include information obtained through personal interviews regarding the consumer's character, general reputation, personal characteristics, or mode of living.

Subd. 2. [FORM; COPY.] The disclosure required under subdivision 1 must be in writing and must be provided to the consumer before the consumer report is obtained or caused to be prepared. If a written application is provided for employment purposes by an employer or prospective employer, the disclosure must be included in or accompany the application. The disclosure must include a box that the person may check off and return to receive a copy of the consumer report. If the consumer requests a copy of the report, the person requesting the report shall request the person preparing the report to provide a copy to the consumer. The report must be sent to the consumer by the person preparing the report within 24 hours of providing it to the person requesting the report. The report to the consumer must include a statement of the consumer's right to dispute and correct any errors and of the procedures under United States Code, title 15, section 1681 to 1681t. A consumer may not be charged for a report provided under this section. If no report exists, the consumer reporting agency has no obligation to the consumer under this section.

Subd. 3. [FURTHER DISCLOSURE IF REQUESTED.] A consumer reporting agency shall, upon written request from the consumer, make a complete and accurate disclosure of the nature and scope of the report. The disclosure under this subdivision must be in writing and must be mailed or delivered to the consumer within five days after the request for the disclosure was received or the consumer report was requested, whichever date is later.

Subd. 4. [EXCEPTION.] This section does not apply to (1) a consumer report to be used for employment purposes for which the consumer has not specifically applied; and (2) information relating to the investigation of a current violation of a criminal or civil statute by a current employee or an investigation of employee conduct for which the employer may be liable, unless or until the investigation is completed.

Sec. 4. [13C.03] [NOTICE OF ADVERSE ACTION.]

If employment is denied or other adverse action for employment purposes is taken against a consumer wholly or partly because of information contained in a consumer report, the user of the report shall so advise the consumer and notify the consumer of the consumer's right to receive a copy of the report if a copy was not received pursuant to section 3, subdivision 2. The user of the report shall also give the consumer the name and address of the consumer reporting agency making the report and a notice of the consumer's right to dispute and correct any errors and of the procedures under United States Code, title 15, section 1681 to 1681t. Upon written request from the consumer, the consumer reporting agency shall provide a copy of the report to the consumer within five days of receipt of the request. A consumer may not be charged for a report provided under this section.

Sec. 5. [13C.04] [ENFORCEMENT; REMEDIES.]

This chapter may be enforced by the attorney general or the county attorney pursuant to section 8.31 or 325F.70 and the public and private remedies available under those sections apply to this chapter.

Sec. 6. [REPEALER.]

Minnesota Statutes 1992, section 13C.01, subdivision 2, is repealed."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 802, A bill for an act relating to traffic regulations; providing for the traffic offense of failure to maintain control of a vehicle; providing penalty; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Judiciary without further recommendation.

The report was adopted.

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

H. F. No. 813, A bill for an act relating to game and fish; seasons for taking deer by muzzle-loading firearms; amending Minnesota Statutes 1992, section 97B.311.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. [DEER AND BEAR LICENSES.] (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (4) and (5), and 3, clauses (2) and (3).

(b) At least \$2 from each deer license shall be used for deer habitat improvement or deer management programs.

(c) At least \$1 from each resident deer license and each resident bear license shall be used for deer and bear management programs, including a computerized licensing system.

Sec. 2. Minnesota Statutes 1992, section 97B.301, subdivision 4, is amended to read:

Subd. 4. [TAKING ~~TWO~~ MORE THAN ONE DEER.] The commissioner may, by rule, allow a person to take ~~two more than one~~ deer. The commissioner shall prescribe the conditions for taking ~~the second~~ additional deer including:

- (1) taking by firearm or archery;
- (2) obtaining an additional license; and
- (3) payment of a fee not more than the fee for a firearms deer license.

Sec. 3. Minnesota Statutes 1992, section 97B.311, is amended to read:

97B.311 [DEER SEASONS AND RESTRICTIONS.]

The commissioner may, by rule, prescribe restrictions and designate areas where deer may be taken. The commissioner may, by rule, prescribe the open seasons for deer within the following periods:

- (1) taking with firearms, other than muzzle-loading firearms, between November 1 and ~~December~~ January 15;
- (2) taking with muzzle-loading firearms between September 1 and December 31; and
- (3) taking by archery between September 1 and December 31.

In setting seasons, the commissioner shall consider expanding the areas where deer may be taken with muzzle-loading firearms."

Delete the title and insert:

"A bill for an act relating to game and fish; directing expenditure of funds for deer management programs; authorizing the commissioner to allow the taking of additional deer; lengthening the permissible deer season; directing consideration of expanding muzzle-loading deer zones; amending Minnesota Statutes 1992, sections 97A.075, subdivision 1; 97B.301, subdivision 4; and 97B.311."

With the recommendation that when so amended the bill pass.

The report was adopted.

Simoneau from the Committee on Health and Human Services to which was referred:

H. F. No. 818, A bill for an act relating to health; permitting minors to give consent for a hepatitis B vaccination; establishing procedures and programs relating to tuberculosis; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [144.3441] [HEPATITIS B VACCINATION.]

A minor may give effective consent for a hepatitis B vaccination. The consent of no other person is required.

Sec. 2. [144.441] [TUBERCULOSIS SCREENING IN SCHOOLS.]

Subdivision 1. [DEFINITIONS.] As used in sections 2 to 5, the following terms have the meanings given them:

(a) "Person employed by a school or school district" means a person employed by a school, school district, or by an educational cooperative services unit as a member of the instructional, supervisory, or support staff including, but not limited to, superintendents, principals, supervisors, teachers, librarians, counselors, school psychologists, school nurses, school social workers, audiovisual directors or coordinators, recreation personnel, media generalists or supervisors, speech therapists, athletic coaches, teachers' aids, clerical workers, custodians, school bus drivers, and food service workers.

(b) "Person enrolled in a school" means a person enrolled in grades kindergarten through 12 and a handicapped child receiving special instruction and services in a school.

(c) "School" includes any public elementary, middle, secondary, or vocational center school as defined in section

120.05, or nonpublic school, church, or religious organization in which a child is provided instruction in compliance with sections 120.101 and 120.102.

Subd. 2. [DESIGNATION OF SCHOOLS.] Based on the occurrence of active tuberculosis or evidence of a higher than expected prevalence of tuberculosis infection in the population attending or employed by one or more schools in a school district, the commissioner of health may designate schools or a school district in which screening of some or all persons enrolled in or employed by the school or school district for tuberculosis is a necessary public health measure. In making the designation, the commissioner shall also determine the frequency with which proof of screening must be submitted. In determining whether the population attending or employed by a school or school district has a higher than expected prevalence of tuberculosis infection, the commissioner shall consider factors such as race or ethnicity, age, and the geographic location of residence of the student population; the expected background prevalence of tuberculosis infection in the community; and currently accepted public health standards pertaining to the control of tuberculosis.

Subd. 3. [SCREENING OF STUDENTS.] As determined by the commissioner under subdivision 2, no person may enroll or remain enrolled in any school which the commissioner has designated under subdivision 2 until the person has submitted to the administrator or other person having general control and supervision of the school, one of the following statements:

(1) a statement from a physician or public clinic stating that the person has had a negative Mantoux test reaction within the past year, provided that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(2) a statement from a physician or public clinic stating that a person who has a positive Mantoux test reaction has had a negative chest roentgenogram (X-ray) for tuberculosis within the past year, provided that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(3) a statement from a physician or public health clinic stating that the person (i) has a history of adequately treated active tuberculosis; (ii) is currently receiving tuberculosis preventive therapy; (iii) is currently undergoing therapy for active tuberculosis and the person's presence in a school building will not endanger the health of other people; or (iv) has completed a course of tuberculosis preventive therapy or was intolerant to preventive therapy, provided the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis; or

(4) a notarized statement signed by the minor child's parent or guardian or by the emancipated person stating that the person has not submitted the proof of tuberculosis screening as required by this subdivision because of the conscientiously held beliefs of the parent or guardian of the minor child or of the emancipated person. This statement must be forwarded to the commissioner.

Subd. 4. [SCREENING OF EMPLOYEES.] As determined by the commissioner under subdivision 2, a person employed by the designated school or school district shall submit to the administrator or other person having general control and supervision of the school one of the following:

(1) a statement from a physician or public clinic stating that the person has had a negative Mantoux test reaction within the past year, provided that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(2) a statement from a physician or public clinic stating that a person who has a positive Mantoux test reaction has had a negative chest roentgenogram (X-ray) for tuberculosis within the past year, provided that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(3) a statement from a physician or public health clinic stating that the person (i) has a history of adequately treated active tuberculosis; (ii) is currently receiving tuberculosis preventive therapy; (iii) is currently undergoing therapy for active tuberculosis and the person's presence in a school building will not endanger the health of other people; or (iv) has completed a course of preventive therapy or was intolerant to preventive therapy, provided the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis; or

(4) a notarized statement signed by the person stating that the person has not submitted the proof of tuberculosis screening as required by this subdivision because of conscientiously held beliefs. This statement must be forwarded to the commissioner of health.

Subd. 5. [EXCEPTIONS.] Subdivisions 3 and 4 do not apply to:

(1) a person with a history of either a past positive Mantoux test reaction or active tuberculosis who has a documented history of completing a course of tuberculosis therapy or preventive therapy when the school or school district holds a statement from a physician or public health clinic indicating that such therapy was provided to the person and that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis; and

(2) a person with a history of a past positive Mantoux test reaction who has not completed a course of preventive therapy. This determination shall be made by the commissioner based on currently accepted public health standards and the person's health status.

Subd. 6. [PROGRAMS USING SCHOOL FACILITIES.] The commissioner may require the statements described in subdivisions 3 and 4 to be submitted by participants or staff of a program or activity that uses the facilities of a school or school district on a regular and ongoing basis, if the commissioner has determined that tuberculosis screening is necessary.

Subd. 7. [IMPLEMENTATION.] The administrator or other person having general control and supervision of the school or school district designated by the commissioner under subdivision 2 shall take the measures that are necessary, including the exclusion of persons from the premises of a school, to obtain the proof of screening required by subdivisions 3 and 4.

Subd. 8. [ACCESS TO RECORDS.] The commissioner shall have access to any school or school district records, including health records of persons enrolled in or employed by a school or school district, that are needed to determine whether a tuberculosis screening program is necessary, or to administer a screening program.

Subd. 9. [REPORTS.] The administrator or other person having general control and supervision of a school or school district that the commissioner has designated under subdivision 2 shall provide the commissioner with any reports determined by the commissioner to be necessary to implement a screening or control program or to evaluate the need for further tuberculosis screening or control efforts in a school.

Subd. 10. [WAIVER.] The commissioner may waive any portion of the requirements of subdivisions 3 to 9 if the commissioner determines that it is not necessary in order to protect the public health.

Sec. 3. [144.442] [TESTING IN SCHOOL CLINICS.]

Subdivision 1. [ADMINISTRATION; NOTIFICATION.] In the event that the commissioner designates a school or school district under section 2, subdivision 2, the school or school district or board of health may administer Mantoux screening tests to some or all persons enrolled in or employed by the designated school or school district. Any Mantoux screening provided under this section shall be under the direction of a licensed physician.

Prior to administering the Mantoux test to such persons, the school or school district or board of health shall inform in writing such persons and parents or guardians of minor children to whom the test may be administered, of the following:

(1) that there has been an occurrence of active tuberculosis or evidence of a higher than expected prevalence of tuberculosis infection in that school or school district;

(2) that screening is necessary to avoid the spread of tuberculosis;

(3) the manner by which tuberculosis is transmitted;

(4) the risks and possible side effects of the Mantoux test;

(5) the risks from untreated tuberculosis to the infected person and others;

(6) the ordinary course of further diagnosis and treatment if the Mantoux test is positive;

(7) that screening has been scheduled; and

(8) that no person will be required to submit to the screening if he or she submits a statement of objection due to the conscientiously held beliefs of the person employed or of the parent or guardian of a minor child.

Subd. 2. [CONSENT OF MINORS.] Minors may give consent for testing as set forth in sections 144.341 to 144.347.

Subd. 3. [SCREENING OF MINORS.] Prior to administering a Mantoux test to a minor, the school or school district or board of health shall prepare a form for signature in which the parent or guardian shall consent or submit a statement of objection to the test. The parent or guardian of a minor child shall return a signed form to the school or school district or board of health which is conducting the screening indicating receipt of the notice and consent or objection to the administration of the test. In the event that the form with a signed consent or objection is not returned, the school or school district or board of health may undertake such steps as are reasonable to secure such consent or objection. If after such steps the school or school district or board of health chooses to screen the minor without consent, it shall send a notice of intent to test by certified mail, restricted delivery with return receipt, to the address given to the school or school district by the parent or guardian for emergency contact of the parent or guardian. The accuracy of the address shall be checked with the person enrolled, if possible, placing notice as specified in this subdivision shall constitute service. Reasonable efforts shall be made to provide this notice in a language understood by the parent or guardian. If this notice cannot be delivered or a form with a signed consent or objection is not returned, the school or school district or board of health shall check the permanent medical record required by section 144.29 to determine if the parent or guardian previously withheld consent to immunizations or other medical treatment because of conscientiously held beliefs. If there is such a statement on file or if the school district otherwise has notice of such a statement, the school or school district or board of health shall not administer the Mantoux test unless the consent of the parent or guardian is obtained. If there is no such statement in the permanent medical record or known to exist otherwise, the school or school district or board of health may administer the Mantoux test at the time and place specified in the notice unless medically contraindicated. The school or school district or board of health shall document in the permanent medical record its efforts to notify the parent or guardian of the minor child, and its efforts to check the permanent medical records.

Subd. 4. [CONSENT FOR SUBSEQUENT TESTING OR TREATMENT.] In the event the Mantoux test is positive, no further diagnosis of or treatment for tuberculosis in a minor child shall be undertaken without the signed consent of the parent or guardian of the minor child.

Sec. 4. [144.443] [TUBERCULOSIS HEALTH THREAT TO OTHERS.]

A "health threat to others" as defined in section 144.4172, subdivision 8, includes a person who although not currently infectious, has failed to complete a previously prescribed course of tuberculosis therapy, demonstrates an inability or unwillingness to initiate or complete, or shows an intent to fail to complete, a prescribed course of tuberculosis drug therapy, if that failure could lead to future infectiousness.

Sec. 5. [144.444] [TUBERCULOSIS EMERGENCY HOLD.]

A temporary emergency hold under section 144.4182 may be placed on a person who is a health threat to others when there is reasonable cause to believe that the person may be unlocatable for the purposes of applying the procedures described in sections 144.4171 to 144.4186, or when medical or epidemiologic evidence suggests that the person is or may become infectious before the conclusion of court proceedings and appeals.

Sec. 6. [144.445] [TUBERCULOSIS SCREENING IN CORRECTIONAL INSTITUTIONS AND FACILITIES.]

Subdivision 1. [SCREENING OF INMATES.] All persons detained or confined for seven consecutive days or more in facilities operated, licensed, or inspected by the department of corrections shall be screened for tuberculosis with either a Mantoux test or a chest roentgenogram (X-ray) as consistent with screening and follow-up practices recommended by the United States Public Health Service or the department of health, as determined by the commissioner of health. Administration of the Mantoux test or chest roentgenogram (X-ray) must take place on or before the seventh day of detention or confinement.

Subd. 2. [SCREENING OF EMPLOYEES.] All employees of facilities operated, licensed, or inspected by the department of corrections shall be screened for tuberculosis before employment in the facility and annually thereafter, with either a Mantoux test or a chest roentgenogram (X-ray) as consistent with screening and follow-up practices recommended by the United States Public Health Service or the department of health, as determined by the commissioner of health.



Subd. 3. [EXCEPTIONS.] Subdivisions 1 and 2 do not apply to:

(1) a person who is detained or confined in a juvenile temporary holdover facility, provided that the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;

(2) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility holds a written record of a negative Mantoux test performed on the person (i) within three months prior to intake into the facility; or (ii) within 12 months prior to intake into the facility if the person has remained under the continuing jurisdiction of a correctional facility since the negative Mantoux test, provided that the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;

(3) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility has a written record of (i) a history of adequately treated active tuberculosis; (ii) compliance with currently prescribed tuberculosis therapy or preventive therapy; or (iii) completion of a course of preventive therapy, provided the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) to rule out active tuberculosis;

(4) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility holds a written record of a negative chest roentgenogram (X-ray) (i) within six months; or (ii) within 12 months prior to intake in the facility if the person has remained under the continuing jurisdiction of a correctional facility since the negative chest roentgenogram (X-ray), provided that the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a new chest roentgenogram (X-ray) to rule out active tuberculosis;

(5) an employee with a record of either a past positive Mantoux test reaction or active tuberculosis who is currently completing or has a documented history of completing a course of tuberculosis therapy or preventive therapy, provided the employee has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;

(6) an employee with a positive or significant Mantoux test reaction in preemployment screening who does not complete a course of preventive therapy may be exempt from annual Mantoux testing or other screening. This determination shall be made by the commissioner of health based on currently accepted public health standards and the person's health status; and

(7) the commissioner may exempt additional employees or persons detained or confined in facilities operated, licensed, or inspected by the department of corrections based on currently accepted public health standards or the person's health status.

Subd. 4. [REPORTS.] The administrator or other person having general control and supervision of a facility operated, licensed, or inspected by the department of corrections shall provide the commissioner with any reports determined by the commissioner of health to be necessary to evaluate the need for further tuberculosis screening or control efforts in a facility or facilities.

Subd. 5. [WAIVER.] The commissioner may waive any portion of the requirements of subdivisions 1 to 4 if the commissioner of health determines that it is not necessary to protect the public health or if the screening may have a detrimental effect on a person's health status.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment. Section 5 is effective January 1, 1994."

Delete the title and insert:

"A bill for an act relating to health; permitting minors to give consent for a hepatitis B vaccination; establishing procedures and programs relating to tuberculosis; proposing coding for new law in Minnesota Statutes, chapter 144."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 977, A bill for an act relating to retirement; Minneapolis employees retirement fund; permitting purchase of service credit by a certain member.

Reported the same back with the following amendments:

Page 1, line 18, delete "1982" and insert "1981"

Page 2, line 33, delete "(b)" and insert "(a)"

Page 3, line 4, after "sum" insert "before December 31, 1993, unless the executive director agrees to accept payment in installments, not to exceed three years. If the executive director agrees to accept installment payments, payments must include interest at a rate determined by the executive director, and payments must begin before December 31, 1993"

Page 3, delete lines 5 and 6

Page 3, line 9, after "the" insert "full"

Page 3, line 13, delete "1" and insert "2"

Page 3, delete lines 18 and 19, and insert:

"Sec. 2. [LOCAL APPROVAL.]

Section 1 is effective the day following approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021."

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

The report was adopted.

Simoneau from the Committee on Health and Human Services to which was referred:

H. F. No. 1117, A bill for an act relating to human services; clarifying and changing license evaluation requirements and eliminating certain restrictions on businesses providing certain adult foster care services; changing the billing cycle and collection retention for certain human services programs; modifying conditions for the Minnesota family investment plan; changing the name of the hearing impaired services act and the council for the hearing impaired; changing requirements for child protection training and clarifying maltreatment reporting; amending Minnesota Statutes 1992, sections 245A.04, subdivision 6; 245A.11, subdivision 2a; 256.019; 256.025, subdivision 3; 256.033, subdivision 1; 256.034, subdivision 1; 256.0361, subdivision 1; 256C.21; 256C.22; 256C.23, subdivisions 2, 3, and by adding a subdivision; 256C.24; 256C.25, subdivision 1; 256C.26; 256C.27; 256C.28; 268.871, subdivision 1; 626.556, subdivisions 10 and 11; 626.559, subdivisions 1 and 1a; and 626.5591.

Reported the same back with the following amendments:

Page 2, delete section 2

Page 17, lines 23 and 24, delete the new language

Page 18, lines 7 to 13, delete the new language

Renumber the sections in sequence

Correct the internal references

Amend the title as follows:

Page 1, line 13, delete everything after "6;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 1122, A bill for an act relating to transportation; prohibiting parking in transit stops marked with a handicapped sign; establishing priority for transit in energy emergencies; requiring motor vehicles to yield to transit buses entering traffic; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; 169.20, by adding a subdivision; 169.346, subdivision 1; and 216C.15, subdivision 1.

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1161, A bill for an act relating to retirement; public employees retirement association; permitting payment in lieu of salary deductions to obtain service credit notwithstanding a one-year time limitation.

Reported the same back with the following amendments:

Page 1, line 8, after "1." insert "[ELECTION AUTHORIZATION.]"

Page 1, line 9, after "payments" insert "for a period of an authorized leave of absence without pay"

Page 1, line 11, after "make" insert "a"

Page 1, line 12, after "periods" insert "of authorized leave of absence without pay occurring"

Page 1, line 15, after "2." insert "[AMOUNT OF PAYMENT.]" and after "payment" insert "under subdivision 1" and before "a" insert "then"

Page 1, line 22, after the period insert "Any amount under this subdivision that is not paid by Ramsey county must be paid by the person described in subdivision 1."

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

The report was adopted.

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

H. F. No. 1376, A bill for an act relating to the metropolitan council; redrawing the boundaries of council districts; amending Minnesota Statutes 1992, sections 473.123, subdivision 3a, and by adding a subdivision; 473.141, subdivisions 2 and 4a; 473.373, subdivision 4a; 473.604, subdivision 1; and 473.703, subdivisions 1 and 2; repealing Minnesota Statutes 1992, section 473.123, subdivision 3b.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 473.123, subdivision 3a, is amended to read:

Subd. 3a. ~~[APPORTIONMENT REDISTRICTING.]~~ The legislature shall redraw the boundaries of the council districts after each decennial federal census so that each district has substantially equal population. Redistricting is effective ~~on the first Monday in January in the year ending in the numeral "3."~~ ~~By the first Monday in March of that year~~ Within 60 days after a redistricting plan takes effect, the governor shall appoint members from the newly drawn districts to serve terms as provided under subdivision 2a.

Sec. 2. Minnesota Statutes 1992, section 473.123, is amended by adding a subdivision to read:

Subd. 3c. [DISTRICT BOUNDARIES.] The council district boundaries are as follows:

(1) The first council district consists of that portion of Hennepin county consisting of the cities of Champlin, Dayton, Golden Valley, Maple Grove, Medicine Lake, Osseo, Plymouth, and Rogers and the town of Hassan.

(2) The second council district consists of that portion of Hennepin county consisting of the cities of Brooklyn Center, Brooklyn Park, Crystal, New Hope, and Robbinsdale.

(3) The third council district consists of that portion of Hennepin county consisting of that portion of the city of Minneapolis lying north and west of a line described as follows: commencing at the intersection of the northern boundary of the city of Minneapolis and the Mississippi River, southerly along the east bank of the Mississippi River to State Highway 122 southwesterly along State Highway 122 to Cedar Avenue South, southerly along Cedar Avenue South to Minnehaha Avenue, southeasterly along Minnehaha Avenue to Cedar Avenue South, southerly along Cedar Avenue South to Hiawatha Avenue, southerly along Hiawatha Avenue to East 28th Street, westerly along East 28th Street to 21st Avenue South, southerly along 21st Avenue South to East 32nd Street, westerly along East 32nd Street to 19th Avenue South, southerly along 19th Avenue South to East 34th Street, westerly along East 34th Street to Bloomington Avenue South, southerly along Bloomington Avenue South to East 36th Street, westerly along East 36th Street to 10th Avenue South, southerly along 10th Avenue South to East 38th Street, westerly along East 38th Street to Elliot Avenue South, southerly along Elliot Avenue South to East 44th Street, westerly along East 44th Street to Chicago Avenue South, southerly along Chicago Avenue South to East 50th Street, westerly along East 50th Street to Park Avenue South, southerly along Park Avenue South to Minnehaha Parkway, westerly along Minnehaha Parkway to East 50th Street, westerly along East 50th Street to Stevens Avenue South, northerly along Stevens Avenue South to East 46th Street, westerly along East 46th Street to Nicollet Avenue South, northerly along Nicollet Avenue South to West 36th Street, westerly along West 36th Street to Blaisdell Avenue South, northerly along Blaisdell Avenue South, to West 34th Street, westerly along West 34th Street to Grand Avenue South, northerly along Grand Avenue South to West 32nd Street, westerly along West 32nd Street to Harriet Avenue South, northerly along Harriet Avenue South to West 31st Street, westerly along West 31st Street to Garfield Avenue South, northerly along Garfield Avenue South to West Lake Street, westerly along West Lake Street to Lyndale Avenue South, northerly along Lyndale Avenue South to the Burlington Northern Railroad tracks, westerly along the northern branch of the Burlington Northern Railroad tracks to Glenwood Avenue North, westerly along Glenwood Avenue North to the western boundary of the city of Minneapolis.

(4) The fourth council district consists of that portion of Hennepin county consisting of that portion of the city of Minneapolis lying east of a line described as follows: commencing at the intersection of the northern boundary of the city of Minneapolis and the eastern boundary of council district 3, southerly along the eastern boundary of council district 3 to Minnehaha Parkway, easterly along Minnehaha Parkway to Chicago Avenue South, southerly along Chicago Avenue South to East 57th Street, northwesterly along East 57th Street to Portland Avenue South, southerly

along Portland Avenue South to East 60th Street, westerly along East 60th Street to Interstate Highway 35W, southerly along Interstate Highway 35W to the southern boundary of the city of Minneapolis.

(5) The fifth council district consists of that portion of Hennepin county consisting of the cities of Hopkins and St. Louis Park and that portion of the city of Minneapolis not included in the third or fourth council district.

(6) The sixth council district consists of that portion of Hennepin county consisting of the cities of Chanhassen, Deephaven, Eden Prairie, Edina, Minnetonka, Wayzata, and Woodland.

(7) The seventh council district consists of that portion of Hennepin county consisting of the cities of Bloomington and Richfield and the unorganized territory of Fort Snelling, and that portion of Scott county consisting of the cities of Savage and Shakopee.

(8) The eighth council district consists of Carver county, that portion of Hennepin county consisting of the cities of Corcoran, Excelsior, Greenfield, Greenwood, Independence, Long Lake, Loretto, Maple Plain, Medina, Minnetonka Beach, Minnetrista, Mound, Orono, Rockford, St. Bonifacius, Shorewood, Spring Park, and Tonka Bay, and that portion of Scott county lying within the metropolitan area and not included in council district 7.

(9) The ninth council district consists of that portion of Anoka county consisting of the cities of Blaine, Columbia Heights, Coon Rapids, Fridley, Hilltop, Lexington, and Spring Lake Park.

(10) The tenth council district consists of that portion of Anoka county consisting of the cities of Andover, Anoka, Bethel, Centerville, Circle Pines, East Bethel, Ham Lake, Lino Lakes, Ramsey, and St. Francis, and the towns of Burns, Columbus, Linwood, and Oak Grove, and that portion of Ramsey county consisting of the cities of Arden Hills, Blaine, Mounds View, North Oaks, Shoreview, and Spring Lake Park.

(11) The 11th council district consists of that portion of Hennepin county consisting of the city of St. Anthony, and that portion of Ramsey county consisting of the cities of Falcon Heights, Lauderdale, Little Canada, Maplewood, New Brighton, North St. Paul, Roseville, St. Anthony, and Vadnais Heights.

(12) The 12th council district consists of that portion of Ramsey county consisting of the cities of Gem Lake and White Bear Lake, and the town of White Bear, and that portion of Washington county not included in council district 16.

(13) The 13th council district consists of that portion of Ramsey county consisting of that portion of the city of St. Paul lying north of a line described as follows: commencing at the intersection of the eastern boundary of the city of St. Paul and Old Hudson Road, westerly along Old Hudson Road to White Bear Avenue, southerly along White Bear Avenue to Interstate Highway 94, easterly along Interstate Highway 94 to East 3rd Street, southeasterly along East 3rd Street to the Burlington Northern Railroad tracks, northerly along the Burlington Northern Railroad tracks to the east-west Burlington Northern Railroad tracks, westerly along the east-west Burlington Northern Railroad tracks to Interstate Highway 35E, southerly along Interstate Highway 35E to University Avenue, westerly along University Avenue to Rice Street, southerly along Rice Street to Interstate Highway 94, westerly along Interstate Highway 94 to Lexington Parkway, northerly along Lexington Parkway to University Avenue, westerly along University Avenue to Cleveland Avenue, southerly along Cleveland Avenue to Interstate Highway 94, westerly along Interstate Highway 94 to the western boundary of the city of St. Paul

(14) The 14th council district consists of that portion of Ramsey county consisting of that portion of the city of St. Paul not included in council district 13, and that portion of Dakota county consisting of the city of West St. Paul.

(15) The 15th council district consists of that portion of Dakota county consisting of the cities of Apple Valley, Burnsville, Eagan, Lilydale, Mendota, and Mendota Heights.

(16) The 16th council district consists of that portion of Dakota county lying within the metropolitan area and not included in council district 14 or 15, and that portion of Washington county consisting of the cities of Cottage Grove, Hastings, Newport, and St. Paul Park, and the town of Grey Cloud Island.

(17) If a territory within the metropolitan area is not named in paragraphs (1) to (16), but (a) lies within the boundaries of a metropolitan council district, or (b) lies within the boundaries of two or more metropolitan council districts, for the purposes of paragraphs (1) to (16), the territory referred to in clause (a) is a part of the metropolitan council district within which it lies, and the territory referred to in clause (b) is a part of the contiguous metropolitan

council district having the smallest population. If a territory within the metropolitan area is within the boundaries of two or more metropolitan council districts, for the purposes of paragraphs (1) to (16), the territory is a part of the contiguous metropolitan council district having the smallest population.

Sec. 3. Minnesota Statutes 1992, section 473.141, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP; APPOINTMENTS.] (a) Each agency consists of eight members, plus a chair appointed as provided in subdivision 3. The metropolitan council shall appoint the eight members on a nonpartisan basis after consultation with the members of the legislature from the district for which the member is to be appointed. The consultation with legislators in the affected district must include informing each legislator of the name, address, and background of each candidate for appointment and soliciting and reporting to the appointments committee the recommendation of each legislator on the appointment.

(b) In addition to the notice required in section 15.0597, subdivision 4, notice of vacancies and expiration of terms must be published in newspapers of general circulation in the metropolitan area and the appropriate districts. The council shall notify in writing the governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which the member is to be appointed. The notices must describe the appointment process and invite participation and recommendations on the appointment.

(c) The council shall establish an appointments committee, composed of members of the council, to screen and review candidates. Following the submission of member applications to the metropolitan council as provided under section 15.0597, subdivision 5, the appointments committee shall conduct public meetings, following appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the council a written report that lists the persons who have applied or been nominated or recommended for the position, along with a description of the background and qualifications of each. In making its recommendation, the committee specifically shall consider evidence of the candidate's commitment to regularly communicate on issues before the agency with metropolitan council members, legislators and local elected officials in the district, and the committee shall report its findings on this subject in its written report to the council.

(d) One member shall be appointed from each of the following agency districts:

- (1) district A, consisting of council districts 1 and 2;
- (2) district B, consisting of council districts 3 and 7 4;
- (3) district C, consisting of council districts 4 5 and 5 6;
- (4) district D, consisting of council districts 6 7 and 10 8;
- (5) district E, consisting of council districts 8 9 and 9 10;
- (6) district F, consisting of council districts 11 and 12;
- (7) district G, consisting of council districts 13 and 14; and
- (8) district H, consisting of council districts 15 and 16.

Sec. 4. Minnesota Statutes 1992, section 473.141, subdivision 4a, is amended to read:

Subd. 4a. [TERMS.] Following each ~~apportionment~~ redrawing of metropolitan council districts, as provided under section 473.123, subdivision 3a, the metropolitan council, newly appointed as provided in section 473.123, subdivision 3a, shall appoint eight agency board members from newly drawn districts. The terms of members and chairs are as follows: members representing districts ~~A, B, C, and D, E, and the chair H,~~ A, C, E, F, G, and H the chair, for terms ending the first Monday in January of the year ending in the numeral "7"; members representing districts ~~A, C, E, F, G, and H the chair,~~ A, C, E, F, G, and H the chair, for terms ending the first Monday in January of the year ending in the numeral "5." Thereafter the term of each member and the chair is four years, with terms ending the first Monday in January, except that all terms expire on the effective date of the next ~~apportionment~~ redistricting. A chair shall continue to serve until a successor is appointed and

qualified. A member shall continue to serve the member's district until a successor is appointed and qualified; except that, following each ~~apportionment~~ redistricting, the member shall continue to serve at large until the metropolitan council appointed pursuant to section 473.123, subdivision 3a appoints eight members as provided under subdivision 2, to serve terms as provided under this subdivision. The appointments to the agency must be made by the first Monday in May of the year in which the term ends.

Sec. 5. Minnesota Statutes 1992, section 473.373, subdivision 4a, is amended to read:

Subd. 4a. [MEMBERSHIP.] (a) The board consists of 11 members with governmental or management experience. Appointments are subject to the advice and consent of the senate. Terms of members are four years commencing on the first Monday in January of the first year of the term, except as otherwise provided in section 473.141, subdivision 4a, following redistricting.

(b) The council shall appoint eight members, one from each of the ~~following~~ agency districts:

- ~~(1) district A, consisting of council districts 1 and 2;~~
- ~~(2) district B, consisting of council districts 3 and 7;~~
- ~~(3) district C, consisting of council districts 4 and 5;~~
- ~~(4) district D, consisting of council districts 6 and 11;~~
- ~~(5) district E, consisting of council districts 8 and 10;~~
- ~~(6) district F, consisting of council districts 9 and 13;~~
- ~~(7) district G, consisting of council districts 12 and 14; and~~
- ~~(8) district H, consisting of council districts 15 and 16~~ provided for in section 473.141, subdivision 2.

Six must be elected officials of statutory or home rule charter cities, towns, or counties.

(c) The governor shall appoint, in addition to the chair, two persons, one who is age 65 or older at the time of appointment, and one with a disability. These appointments must be made following the procedures of section 15.0597. In addition, at least 30 days before the expiration of a term or upon the occurrence of a vacancy in the office held by a senior citizen or a person with a disability, the governor shall request nominations from organizations of senior citizens and persons with disabilities. Each organization shall nominate at least two persons. The governor shall consider the nominations submitted.

(d) No more than three of the members appointed under paragraphs (b) and (c) may be residents of the same statutory or home rule city or town, and none may be a member of the joint light rail transit advisory committee established under section 473.3991.

Sec. 6. Minnesota Statutes 1992, section 473.604, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION.] The commission consists of:

(1) the mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

~~(2) a number of eight members, one appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123 each of the agency districts provided for in section 473.141, subdivision 2, for terms as provided in section 473.141, subdivision 4a. Each member shall be a resident of the precinct district represented. The members shall be appointed by the governor as follows: a number as near as possible to one fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four year terms commencing in July of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult with each member of the legislature from the precinct district for which the member is to be appointed, to solicit the legislator's recommendation on the appointment;~~

(3) four members appointed from outside of the metropolitan area to reflect fairly the various regions and interests throughout the state that are affected by the operation of the commission's major airport and airport system. Two of these members must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as a key airport. The other two must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as an intermediate airport. The members must be appointed by the governor as follows: one for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. All of the terms start on July 1, 1989. The successors of each member must be appointed to four-year terms commencing on July 1 the first Monday in January of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult each member of the legislature representing the municipality or county from which the member is to be appointed, to solicit the legislator's recommendation on the appointment; and

(4) a chair appointed by the governor for a term of four years. The chair may be removed at the pleasure of the governor.

Sec. 7. [REPEALER.]

Minnesota Statutes 1992, section 473.123, subdivision 3b, is repealed.

Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Amend the title as follows:

Page 1, line 6, after the second "4a;" insert "and"

Page 1, line 7, delete everything before "repealing"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1487, A bill for an act relating to insurance; regulating minimum loss ratios for noncomprehensive policies; amending Minnesota Statutes 1992, section 62A.135.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 62A.135, is amended to read:

62A.135 [NONCOMPREHENSIVE POLICIES; MINIMUM LOSS RATIOS.]

(a) This section applies to individual or group policies, certificates, or other evidence of coverage ~~designed primarily in which 50 percent or more of the total benefits are intended~~ to provide coverage for hospital or medical expenses on a per diem, fixed indemnity, or nonexpense incurred basis offered, issued, or renewed, to provide coverage to a Minnesota resident.



(b) Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, policies must return to Minnesota policyholders in the form of aggregate benefits under the policy, for each year, on the basis of incurred claims experience and earned premiums in Minnesota and in accordance with accepted actuarial principles and practices:

- (1) at least 75 percent of the aggregate amount of premiums earned in the case of group policies; and
- (2) at least ~~65~~ 60 percent of the aggregate amount of premiums earned in the case of individual policies.
- (c) An insurer may only issue or renew an individual policy on a guaranteed renewable or noncancelable basis.

(d) Noncomprehensive policies, certificates, or other evidence of coverage subject to the provisions of this section are also subject to the requirements, penalties, and remedies applicable to medicare supplement policies, as set forth in section 62A.36, subdivisions 1a, 1b, and 2.

The first supplement to the annual statement required to be filed pursuant to this paragraph must be for the annual statement required to be submitted on or after January 1, 1993."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1525, A bill for an act relating to occupations and professions; abstracters; providing for certain applicants to be exempt from the bond and liability insurance requirement; amending Minnesota Statutes 1992, section 386.66.

Reported the same back with the following amendments:

Page 1, line 25, delete "including" and insert "that are"

Page 2, line 1, delete "applicants who are employed by"

Page 2, line 3, after "(Z)," insert "and their employees or those"

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1575, A bill for an act relating to occupations and professions; clarifying the training requirements of private detectives and security guards; amending Minnesota Statutes 1992, sections 326.336, subdivision 2; and 326.3361, subdivisions 1, 2, and 3.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 17, after "certified" insert "as having completed training"

Page 2, line 29, strike "standards for" and after "certification" insert "by the board" and before "a" insert "completion of certified training for"

Page 2, line 31, strike ", by the board,"

Page 3, line 1, strike "employees" and insert "individuals"

Page 3, line 2, strike "employee" and insert "individual"

Page 3, line 7, strike "CERTIFICATION" and insert "CERTIFIED TRAINING"

Page 3, lines 13 to 22, strike the old language and delete the new language

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "of" and insert "for"

Page 1, line 5, delete "sections 326.336, subdivision 2; and" and insert "section"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1667, A bill for an act relating to commerce; regulating heavy and utility equipment dealership agreements; including truck parts within the scope of coverage; defining terms; amending Minnesota Statutes 1992, section 325E.068, subdivision 2, and by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 12, after "to" insert "; (1)" and delete "truck"

Page 1, line 13, delete "parts."

Page 1, line 19, strike the second comma

Page 1, strike line 20

Page 1, line 21, strike everything before the period and insert "; or (2) truck and truck parts"

Page 2, line 4, delete "tow" and insert "ton"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 1709, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting accounts and fees; amending Minnesota Statutes 1992, sections .....

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## "Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1993," "1994," and "1995," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1993, June 30, 1994, or June 30, 1995, respectively.

## SUMMARY BY FUND

	1993	1994	1995	TOTAL
General	\$	\$ 56,341,000	\$ 53,024,000	\$109,365,000
Airports	385,000	16,884,000	15,681,000	32,950,000
C.S.A.H.		246,890,000	247,890,000	494,780,000
Environmental		200,000	200,000	400,000
Highway User		11,601,000	11,458,000	23,059,000
M.S.A.S.		71,990,000	71,990,000	143,980,000
Special Revenue		792,000	792,000	1,584,000
Trunk Highway		751,756,000	757,660,000	1,509,416,000
Transfers to Other				
Direct		(2,398,000)	(2,346,000)	(4,744,000)
TOTAL	385,000	1,154,056,000	1,156,349,000	2,310,790,000

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## Sec. 2. TRANSPORTATION

Subdivision 1. Total Appropriation 1,037,861,000 1,041,203,000

The appropriations in this section are from the trunk highway fund, except when another fund is named.

## Summary by Fund

General	14,909,000	11,692,000
Airports	16,884,000	15,681,000
C.S.A.H.	246,890,000	247,890,000
Environmental	200,000	200,000
M.S.A.S.	71,990,000	71,990,000
Trunk Highway	686,988,000	693,750,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Aeronautics 16,692,000 15,487,000

This appropriation is from the state airports fund.

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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Airport Development and Assistance

1993	1994	1995
385,000	11,005,000	10,841,000

The appropriation for fiscal year 1993 is from the state airports fund, to be used in conjunction with funds provided by the Canadian government for airport construction at the Piney-Pine Creek Border Airport, and is available until the project is either completed or abandoned.

\$1,887,000 the first year and \$2,146,000 the second year are for navigational aids.

\$6,810,000 the first year and \$6,387,000 the second year are for airport construction grants.

\$2,100,000 the first year and \$2,100,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

\$8,000 the first year and \$8,000 the second year are for maintenance of the Pine Creek Airport.

\$200,000 the first year and \$200,000 the second year are for air service grants.

(b) Civil Air Patrol

65,000	65,000
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(c) Aeronautics Administration

5,622,000	4,581,000
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Of the appropriation for the first year, \$1,200,000 is for the purchase of an office building to house the office of aeronautics.

Subd. 3. Transit

14,787,000

11,589,000

Summary by Fund

General	14,489,000	11,289,000
Trunk Highway	298,000	298,000

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Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Greater Minnesota Transit Assistance

13,894,000	10,894,000
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This appropriation is from the general fund. Up to \$8,000,000 of this appropriation for the biennium shall be used for implementation of new transit services.

(b) Transit Administration

693,000	695,000
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Summary by Fund

General	395,000	395,000
Trunk Highway	298,000	300,000

(c) Light Rail Transit

200,000	.....
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This appropriation is from the general fund and is to match federal funds for the planning and design of a metropolitan light rail transit system. This amount is available only if Hennepin county provides \$400,000 and Ramsey county provides \$200,000 to the commissioner of transportation for this purpose.

Subd. 4. Railroads and Waterways	1,134,000	1,134,000
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Summary by Fund

General	241,000	241,000
Trunk Highway	893,000	893,000

Subd. 5. Motor Carrier Regulation	2,177,000	2,177,000
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Summary by Fund

General	107,000	107,000
Trunk Highway	2,070,000	2,070,000

Subd. 6. Local Roads	319,950,000	320,950,000
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Summary by Fund

C.S.A.H.	246,890,000	247,890,000
M.S.A.S.	71,990,000	71,990,000
Trunk Highway	1,070,000	1,070,000

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The amounts that may be spent from this appropriation for each activity are as follows:

(a) County State Aids

246,890,000	247,890,000
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This appropriation is from the county state-aid highway fund and is available until spent.

(b) Municipal State Aids

71,990,000	71,990,000
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This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on ways and means of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(c) State Aid Technical Assistance

1,070,000	1,070,000
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Subd. 7. State Road Construction

359,961,000

362,335,000

Summary by Fund

Environmental	200,000	200,000
Trunk Highway	359,761,000	362,135,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) State Road Construction

337,295,000	336,683,000
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Summary by Fund

Environmental	200,000	200,000
Trunk Highway	337,095,000	336,663,000

It is estimated that the appropriation from the trunk highway fund will be funded as follows:

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## Federal Highway Aid

185,000,000	185,000,000
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## Highway User Taxes

152,095,000	151,663,000
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The commissioner of transportation shall notify the chair of the committee on finance of the senate and chair of the committee on ways and means of the house of representatives promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to landowners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

## (b) Highway Debt Service

14,380,000	17,186,000
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\$14,380,000 the first year and \$12,486,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on ways and means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

## (c) Highway Program Administration

2,042,000	2,042,000
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\$243,000 the first year and \$243,000 the second year are available for grants for transportation studies outside the metropolitan area for transportation studies to identify critical concerns, problems, and issues. These grants are available to (1) regional development commissions, and (2) in regions where no regional development commission is functioning, joint-powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission.

\$180,000 the first year and \$180,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

## (d) Transportation Data Analysis

3,279,000	3,279,000
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## (e) Research and Strategic Initiatives

2,965,000                      2,965,000

## Subd. 8. Highway Program Delivery

114,723,000

114,768,000

## (a) Design Engineering

49,993,000                      50,038,000

The commissioner may not spend more than \$20,609,000 in the first year and \$20,619,000 in the second year for expenses/contractual services.

## (b) Construction Engineering

64,730,000                      64,730,000

## Subd. 9. State Road Operations

167,580,000

171,950,000

## Summary by Fund

Trunk Highway	167,554,000	171,941,000
General	26,000	9,000

## (a) State Road Operations

157,994,000                      162,381,000

## (b) Electronic Communications

3,365,000                      3,348,000

## Summary by Fund

General	26,000	9,000
Trunk Highway	3,339,000	3,339,000

\$26,000 the first year and \$9,000 the second year are for equipment and operation of the Roosevelt signal tower for Lake of the Woods weather broadcasting.

## (c) Traffic Engineering

6,221,000                      6,221,000

## Subd. 10. Equipment

15,493,000

15,493,000

## Summary by Fund

General	5,000	5,000
Airports	59,000	59,000
Trunk Highway	15,429,000	15,429,000



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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

## Subd. 11. General Administration

25,364,000

25,320,000

## Summary by Fund

General	41,000	41,000
Airports	133,000	133,000
Trunk Highway	25,190,000	25,144,000

The amounts that may be spent from this appropriation for each activity are as follows:

## (a) General Management

15,022,000	15,022,000
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## (b) General Services

8,718,000	8,672,000
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## Summary by Fund

General	41,000	41,000
Airports	75,000	75,000
Trunk Highway	8,602,000	8,556,000

\$2,045,000 the first year and \$2,045,000 the second year are for data processing development. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The commissioner of transportation shall manage the department of transportation in such a manner as to provide seasonal employees of the department with the maximum feasible amount of employment security consistent with the efficient delivery of department programs.

## (c) Legal Services

1,566,000	1,566,000
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This appropriation is for the purchase of legal services from or through the attorney general.

## (d) Air Transportation Services

58,000	60,000
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This appropriation is from the state airports fund.

## Subd. 12. Transfers

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances

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among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for trunk highway development. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives.

Subd. 13. Contingent Appropriation

The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund, or to trunk highway maintenance in order to meet an emergency, or to pay tort or environmental claims. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. REGIONAL TRANSIT BOARD

Subdivision 1. Total Appropriation

35,630,000

35,630,000

Subd. 2. Regular Route

18,330,000

16,130,000

Subd. 3. Metro Mobility

13,800,000

15,500,000

The regional transit board must not spend any money for metro mobility outside this appropriation.

Subd. 4. Community Based and Agency Costs

3,500,000

4,000,000

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 4. TRANSPORTATION REGULATION BOARD

705,000

707,000

This appropriation is from the trunk highway fund.

Sec. 5. PUBLIC SAFETY

Subdivision 1. Total Appropriation

78,818,000

77,817,000

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## Summary by Fund

General	5,802,000	5,702,000
Highway User	11,426,000	11,333,000
Special Revenue	792,000	792,000
Trunk Highway	63,196,000	62,336,000
Transfers to Other		
Direct	(2,398,000)	(2,346,000)

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

## Subd. 2. Administration and Related Services

4,640,000	4,473,000
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## Summary by Fund

General	552,000	522,000
Highway User	19,000	19,000
Trunk Highway	4,069,000	3,932,000

\$326,000 the first year and \$326,000 the second year are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

## Subd. 3. State Patrol

43,539,000	42,327,000
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## Summary by Fund

General	389,000	389,000
Highway User	90,000	90,000
Trunk Highway	43,060,000	41,848,000

During the biennium ending June 30, 1995, no more than five positions, excluding the chief patrol officer, in the state patrol support activity may be filled by state troopers.

During the biennium ending June 30, 1995, the commissioner may purchase other motor fuel when gasohol is not available for the operation of state patrol vehicles.

The state patrol shall not reduce the hours of operation or the level of service at the Saginaw weigh station.

## Subd. 4. Driver and Vehicle Services

29,680,000	30,058,000
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## Summary by Fund

General	3,567,000	3,534,000
Highway User	10,152,000	10,074,000
Trunk Highway	15,905,000	16,394,000
Special Revenue	56,000	56,000

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This appropriation is from the bicycle transportation account in the special revenue fund.

Subd. 5. Traffic Safety

223,000	223,000
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Summary by Fund

General	61,000	61,000
Trunk Highway	162,000	162,000

Subd. 6. Pipeline Safety

736,000	736,000
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This appropriation is from the pipeline safety account in the special revenue fund.

Subd. 7. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs within a fund. Transfers must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives.

Subd. 8. Reimbursements

(a) \$1,233,000 the first year and \$1,196,000 the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$449,000 the first year and \$434,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$716,000 the first year and \$716,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for

APPROPRIATIONS  
Available for the Year  
Ending June 30

	1994	1995
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operation of the criminal justice data network related to driver and motor vehicle licensing.

Sec. 6. MINNESOTA SAFETY COUNCIL

67,000

67,000

This appropriation is from the trunk highway fund.

Sec. 7. STUDY COMMITTEE ON MAJOR  
TRANSPORTATION PROJECTS

50,000

This appropriation is to the legislative coordinating commission from the highway user tax distribution fund, and is for the payment of the expenses of the legislative study committee on major transportation projects. This appropriation is available until February 1, 1994.

Sec. 8. GENERAL CONTINGENT ACCOUNTS

325,000

325,000

The appropriations in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

Trunk Highway Fund

200,000

200,000

Highway User Tax Distribution Fund

125,000

125,000

Sec. 9. TORT CLAIMS

600,000

600,000

To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 10. [LEGISLATIVE STUDY COMMITTEE ON MAJOR TRANSPORTATION PROJECTS.]

The standing committees of the senate and house of representatives with jurisdiction over transportation policy and finance shall, under Minnesota Statutes, section 3.921, jointly create a legislative study committee on major transportation projects. The study committee shall identify transportation projects in the state, including light rail transit and construction or reconstruction of freeways, that (1) are proposed or near-future projects, and (2) have an estimated cost to complete of at least \$100,000,000 and shall study and evaluate methods of financing such projects. The commissioner of transportation shall provide such assistance to the study committee as the study committee deems necessary. The study committee shall submit a report, including findings and recommendations, to the legislature not later than February 1, 1994.

## Sec. 11. [STONE ARCH BRIDGE; REVERSION.]

Notwithstanding any law to the contrary, any provision in a deed of conveyance of legal title to the James J. Hill stone arch bridge from Hennepin county to the commissioner of transportation that provides for reversion of the bridge to the county is void.

Sec. 12. Laws 1992, chapter 513, article 3, section 77, is amended to read:

## Sec. 77. [STONE ARCH BRIDGE.]

Notwithstanding any other law to the contrary, the board of Hennepin county commissioners, in its capacity as the county board or as the Hennepin county regional rail authority, shall transfer legal title to the James J. Hill stone arch bridge to the commissioner of transportation for a consideration of \$1,001. The deed of conveyance shall provide for reversion of the property to the county in the event the county has need of the bridge for light rail transit. The commissioner shall by order prohibit motorized traffic, other than motor vehicles used only to transport persons with physical disabilities, from using the bridge.

Sec. 13. Minnesota Statutes 1992, section 11A.21, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION OF HIGHWAY FUNDS.] The commissioner of transportation shall certify to the state board those portions of the highway user tax distribution fund established pursuant to article XIV, section 5, of the Constitution of the state of Minnesota; the trunk highway fund established pursuant to article XIV, section 6 of the Constitution of the state of Minnesota; the county state-aid highway fund established pursuant to article XIV, section 7 of the Constitution of the state of Minnesota; and the municipal state-aid street fund established pursuant to article XIV, section 8 of the Constitution of the state of Minnesota, which in the judgment of the commissioner are not required for immediate use.

Sec. 14. Minnesota Statutes 1992, section 161.081, is amended to read:

161.081 [HIGHWAY USER TAX, DISTRIBUTION OF PORTION OF PROCEEDS, INVESTMENT.]

Subdivision 1. [DISTRIBUTION OF FIVE PERCENT.] Pursuant to article 14, section 5, of the constitution, five percent of the net highway user tax distribution fund is set aside, and apportioned as follows:

- (1) 28 percent to the trunk highway fund;
- (2) 64 percent to a separate account in the county state-aid highway fund to be known as the county turnback account, which account in the state treasury is hereby created;
- (3) 8 percent to a separate account in the municipal state-aid street fund to be known as the municipal turnback account, which account in the state treasury is hereby created.

Subd. 2. [INVESTMENT.] Upon the request of the commissioner, money in the highway user tax distribution fund shall be invested by the state board of investment in those securities authorized for that purpose in section 11A.21. All interest and profits from the investments must be credited to the highway user tax distribution fund. The state treasurer shall be the custodian of all securities purchased under this section.

Sec. 15. Minnesota Statutes 1992, section 161.39, is amended by adding a subdivision to read:

Subd. 5b. [REIMBURSEMENT FOR SERVICES.] The office of electronic communication may perform work for other state agencies and, to the extent that these services are performed beyond the level for which money was appropriated, may deposit revenue generated from this source as dedicated receipts to the account from which it was spent.

Sec. 16. Minnesota Statutes 1992, section 169.121, subdivision 7, is amended to read:

Subd. 7. [LICENSE REVOCATION; COURT PROCEDURES.] 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. 17. Minnesota Statutes 1992, 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 license effective only for seven days. The peace officer shall send the person's driver's license it to the commissioner of public safety along with the certificate required by subdivision 4, and issue a temporary license effective only for seven days; or

(2) invalidate the driver's license or permit in such a way that no identifying information is destroyed.

Sec. 18. Minnesota Statutes 1992, 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 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. 19. Minnesota Statutes 1992, section 171.06, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver License	<u>C-\$15</u>	<u>CC-\$19</u>	<u>B-\$26</u>	<u>A-\$34</u>
	<u>C-\$18.50</u>	<u>CC-\$22.50</u>	<u>B-\$29.50</u>	<u>A-\$37.50</u>
Classified Under 21 D.L.	<u>C-\$15</u>	<u>CC-\$19</u>	<u>B-\$26</u>	<u>A-\$14</u>
	<u>C-\$18.50</u>	<u>CC-\$22.50</u>	<u>B-\$29.50</u>	<u>A-\$17.50</u>
Instruction Permit				<u>\$ 6 9.50</u>
Duplicate Driver or Under 21 License				<u>\$ 4.50</u>
				<u>\$ 8.00</u>
Minnesota identification card, except as otherwise provided in section 171.07, subdivisions 3 and 3a				<u>\$ 9</u>
				<u>\$12.50</u>

Sec. 20. Minnesota Statutes 1992, section 171.06, subdivision 4, is amended to read:

Subd. 4. [APPLICATION, FILING; FEE RETAINED FOR EXPENSES.] Any applicant for an instruction permit, a driver's license, restricted license, or duplicate license may file an application with a court administrator of the district court or at a state office. The administrator or state office shall receive and accept the application. To cover all expenses involved in receiving, accepting, or forwarding to the department applications and fees, the court administrator of the district court may retain a county fee of \$1 \$3.50 for each application for a Minnesota identification card, instruction permit, duplicate license, driver license, or restricted license. The amount allowed to be retained by the court administrator of the district court shall be paid into the county treasury and credited to the general revenue fund of the county. Before the end of the first working day following the final day of an established reporting period, the court administrator shall forward to the department all applications and fees collected during the reporting period, less the amount herein allowed to be retained for expenses. The court administrators of the district courts may appoint agents to assist in accepting applications, but the administrators shall require every agent to forward to the administrators by whom the agent is appointed all applications accepted and fees collected by the agent, except that an agent may retain ~~one-half of the \$1~~ county fee to cover the agent's expenses involved in receiving, accepting or forwarding the applications and fees. The court administrators shall be responsible for the acts of agents appointed by them and for the forwarding to the department of all applications accepted and those fees collected by agents and by themselves as are required to be forwarded to the department.

Sec. 21. Minnesota Statutes 1992, section 171.07, is amended by adding a subdivision to read:

Subd. 9. [IMPROVED SECURITY.] The commissioner shall develop new drivers' licenses and identification cards, to be issued beginning January 1, 1994, that must be as impervious to alteration as is reasonably practicable in their design and quality of material and technology. The driver's license security laminate shall be made from materials not readily available to the general public. The design and technology employed must enable the driver's license and identification card to be subject to two or more methods of visual verification capable of clearly indicating the presence of tampering or counterfeiting. The driver's license and identification card must not be susceptible to reproduction by photocopying or simulation and must be highly resistant to data or photograph substitution and other tampering.

Sec. 22. Minnesota Statutes 1992, 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. 23. Minnesota Statutes 1992, section 171.22, subdivision 1, is amended to read:

Subdivision 1. [VIOLATIONS.] 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. 24. Minnesota Statutes 1992, section 174.02, is amended by adding a subdivision to read:

Subd. 6. [AGREEMENTS.] To facilitate the implementation of intergovernmental efficiencies, effectiveness, and cooperation, and to promote and encourage economic and technological development in transportation matters within and between governmental and nongovernmental entities:

(a) The commissioner may enter into agreements with other governmental or nongovernmental entities for research and experimentation; for sharing facilities, equipment, staff, data, or other means of providing transportation-related services; or for other cooperative programs that promote efficiencies in providing governmental services or that further development of innovation in transportation for the benefit of the citizens of Minnesota.

(b) In addition to funds otherwise appropriated by the legislature, the commissioner may accept and spend funds received under any agreement authorized in paragraph (a) for the purposes set forth in that paragraph, subject to a report of receipts to the commissioner of finance at the end of each fiscal year and, if receipts from the agreements exceed \$100,000 in a fiscal year, the commissioner shall also notify the governor.

(c) Funds received under this subdivision must be deposited in the special revenue fund and are appropriated to the commissioner for the purposes set forth in this subdivision.

Sec. 25. Minnesota Statutes 1992, section 296.02, subdivision 1a, is amended to read:

Subd. 1a. [EXCEPTIONS FOR TRANSIT AND ALTERNATIVE FUELS SYSTEMS EXEMPT.] The provisions of subdivision 1 do not apply to (1) gasoline purchased by a transit system receiving financial assistance under section 174.24 or 473.384, or (2) sales of compressed natural gas or propane for use in vehicles displaying a valid annual alternate fuel permit.

Sec. 26. Minnesota Statutes 1992, section 296.025, subdivision 1a, is amended to read:

Subd. 1a. [EXCEPTIONS FOR TRANSIT AND ALTERNATIVE FUELS SYSTEMS EXEMPT.] The provisions of subdivision 1 do not apply to (1) special fuel purchased by a transit system receiving financial assistance under section 174.24 or 473.384, or (2) sales of compressed natural gas or propane for use in vehicles displaying a valid annual alternate fuel permit.

Sec. 27. [REPEALER.]

Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026, are repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 27 are effective July 1, 1993."

Amend the title as follows:

Page 1, delete line 7 and insert "11A.21, subdivision 1; 161.081; 161.39, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 171.02, subdivision 1; 171.06, subdivisions 2 and 4; 171.07, by adding a subdivision; 171.11; 171.22, subdivision 1; 174.02, by adding a subdivision; 296.02, subdivision 1a; 296.025, subdivision 1a; Laws 1992, chapter 513, article 3, section 77; repealing Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026."

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

S. F. No. 174, A bill for an act relating to commerce; regulating facsimile transmission of unsolicited advertising materials; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 2, line 5, delete "utility" and insert "service provider"

Page 2, line 6, delete "utility" and insert "service provider" and delete "carries a" and insert "provides"

Page 2, line 7, delete "over its network" and insert "facilities"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

S. F. No. 582, A bill for an act relating to motor vehicles; extending validity period of nonresident temporary vehicle permits; amending Minnesota Statutes 1992, section 168.091, subdivision 1.

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

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 555, 598, 761, 777, 813, 818, 977, 1117, 1161, 1376, 1487, 1525, 1575 and 1667 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. Nos. 174 and 582 were read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Lourey, Jennings and Nelson introduced:

H. F. No. 1728, A bill for an act relating to natural resources; amending requirements to mitigate wetlands; adding exemptions; extending interim rules; amending Minnesota Statutes 1992, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1 and 2; 103G.2369, subdivision 2; and Laws 1991, chapter 354, article 7, section 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Pugh introduced:

H. F. No. 1729, A bill for an act relating to the legislature; legislative commissions; increasing the membership of the legislative commission on Minnesota resources; amending Minnesota Statutes 1992, section 166P.05, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Anderson, R., for the Health and Housing Finance Division, introduced:

H. F. No. 1730, A bill for an act relating to the organization and operation of state government; appropriating money for the department of health, health-related boards, jobs and training, housing finance, veterans affairs, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 8.15; 16B.06, subdivision 2a; 116.76, subdivision 14; 116.78, subdivisions 4 and 7; 116.79, subdivisions 1 and 4; 116.80, subdivisions 1 and 2; 116.81, subdivision 1; 116.82, subdivision 3; 116.83, subdivisions 1 and 3; 116L.03, subdivision 7; 144.122; 144.123, subdivision 1; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.8091, subdivision 1; 144.871, subdivisions 2, 6, 7a, 7b, 9, and by adding subdivisions; 144.872, subdivisions 2, 3, 4, and by adding a subdivision; 144.873; 144.874, subdivisions 1, 2, 3, 4, 5, 6, 9, and by adding subdivisions; 144.876, by adding a subdivision; 144.878, subdivisions 2, 2a, and 5; 144.98, subdivision 5; 145.925, by adding a subdivision; 149.04; 157.045; 198.34; 214.04, subdivision 1; 214.06, subdivision 1; 245A.14, by adding a subdivision; 256B.0625, subdivision 14; 268.022, subdivisions 1 and 2; 268.361, subdivisions 6 and 7; 268.362; 268.363; 268.364, subdivisions 1, 3, and by adding a subdivision; 268.365, subdivision 2; 268.55; 268.914, subdivision 1; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; 326.44; 326.75, subdivision 4; 462A.03, subdivision 15; 462A.057, subdivision 1; 462A.21, by adding subdivisions; and 469.011, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 115C; 144; 145; 197; 198; 214; 256E; 268; and 462A; proposing coding for new law as Minnesota Statutes, chapter 144C; repealing Minnesota Statutes 1992, sections 116.76, subdivision 7; 116.79, subdivision 3; 116.81, subdivision 2; 116.83, subdivision 2; 144.8721; 144.874, subdivision 10; 144.878, subdivision 2a; 148B.72; 268.365, subdivision 1; 268.914, subdivision 2; 268.977; and 268.978, subdivision 3; Minnesota Rules, parts 4622.0100; 4622.0300; 4622.0400; 4622.0600; 4622.0700, subparts 10 and 12; 4622.0900; 4622.1000; 4622.1050; 4622.1100; 4622.1150; and 4622.1200.

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

Rest, Solberg and Sviggum introduced:

H. F. No. 1731, A bill for an act relating to the department of finance; providing for state financial management reform; amending Minnesota Statutes 1992, sections 16A.04, subdivision 1; 16A.10, subdivision 2; 16A.11, subdivision 1, and by adding a subdivision; 16A.14, by adding a subdivision; 16A.15, subdivision 1; and 124.196; proposing coding for new law in Minnesota Statutes, chapters 3 and 16A.

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

Bertram introduced:

H. F. No. 1732, A bill for an act relating to civil actions; imputing liability in dram shop actions; amending Minnesota Statutes 1992, section 340A.801, subdivision 3.

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

Kalis and Battaglia introduced:

H. F. No. 1733, A bill for an act relating to transportation; requiring school districts to allow senior citizens to ride school buses on a space-available basis; amending Minnesota Statutes 1992, section 123.39, subdivision 8b.

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

Solberg; Hasskamp; Johnson, R., and Kinkel introduced:

H. F. No. 1734, A bill for an act relating to natural resources; notifying the department of transportation to comply with the comprehensive plan for the Mississippi headwaters area; authorizing special projects to be approved by the Mississippi headwaters board with costs assessed to benefited counties; appropriating money; amending Minnesota Statutes 1992, section 103F.371; proposing coding for new law in Minnesota Statutes, chapter 103F.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

## 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. 86, A bill for an act relating to state government; extending expiration date of governor's residence council; providing for four additional public members; amending Minnesota Statutes 1992, section 16B.27, subdivision 3.

H. F. No. 381, A bill for an act relating to education; revising the mailing requirement for notices of referendum revenue authorization elections; amending Minnesota Statutes 1992, section 124A.03, subdivision 2.

H. F. No. 1100, A bill for an act relating to insurance; regulating the health coverage reinsurance association; amending Minnesota Statutes 1992, sections 62L.02, by adding a subdivision; 62L.13, subdivisions 1, 3, and 4; 62L.14, subdivisions 2, 4, 6, and 7; 62L.15, subdivision 2; 62L.16, subdivision 5, and by adding a subdivision; 62L.19; and 62L.20, subdivision 1.

H. F. No. 1527, A bill for an act relating to education; providing for school district elections in independent school district Nos. 404, 408, and 583.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 421, A bill for an act relating to state parks; authorizing an addition to Charles A. Lindbergh state park.

H. F. No. 566, A bill for an act relating to telecommunications; extending authority of public utilities commission to approve incentive regulation plans for certain telephone companies; amending Laws 1989, chapter 74, section 27.

H. F. No. 976, A bill for an act relating to counties; authorizing a county to transfer funds to and enter into contracts with community action agencies; amending Minnesota Statutes 1992, section 375.18, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 64, 483, 490, 702, 349, 754 and 1466.

PATRICK E. FLAHAVEN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 64, A bill for an act relating to game and fish; seasons for taking deer by muzzle-loading firearms.

The bill was read for the first time.

Hasskamp moved that S. F. No. 64 and H. F. No. 813, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 483, A bill for an act relating to game and fish; allowing all big game to be taken under a crossbow permit for hunters with disabilities; amending Minnesota Statutes 1992, section 97B.106.

The bill was read for the first time.

Johnson, A., moved that S. F. No. 483 and H. F. No. 607, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 490, A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land that borders public water in Washington county to the city of Oakdale.

The bill was read for the first time.

Perlt moved that S. F. No. 490 and H. F. No. 258, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 702, A bill for an act relating to game and fish; requiring identification of traps; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 97B.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 349, A bill for an act relating to education; updating the name of the umbrella student association for technical colleges; amending Minnesota Statutes 1992, section 136C.15.

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

S. F. No. 754, A bill for an act relating to elections; requiring removal of registration cards of deceased registrants; requiring update of the statewide registration system; amending Minnesota Statutes 1992, section 201.13.

The bill was read for the first time.

Stanis moved that S. F. No. 754 and H. F. No. 934, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1466, A bill for an act relating to state lands; releasing certain reversionary interests of the state to independent school district No. 911, Cambridge; amending Laws 1963, chapter 350, section 3.

The bill was read for the first time.

Lasley moved that S. F. No. 1466 and H. F. No. 1528, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

### CONSENT CALENDAR

H. F. No. 1424, A bill for an act relating to pollution control; exempting certain storage tanks from notification, environmental protection, and tank installer training and certification requirements; amending Minnesota Statutes 1992, section 116.47.

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 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krueger	Murphy	Reding	Tompkins
Anderson, I.	Dehler	Hugoson	Lasley	Neary	Rest	Trimble
Anderson, R.	Delmont	Huntley	Leppik	Nelson	Rhodes	Tunheim
Asch	Dempsey	Jacobs	Lieder	Ness	Rice	Van Dellen
Battaglia	Dorn	Jaros	Limmer	Olson, E.	Rodosovich	Vellenga
Bauerly	Erhardt	Jefferson	Lindner	Olson, K.	Rukavina	Vickerman
Beard	Evans	Jennings	Lourey	Olson, M.	Sarna	Waltman
Bergson	Farrell	Johnson, A.	Luther	Onnen	Seagren	Weaver
Bertram	Frerichs	Johnson, R.	Lynch	Opatz	Sekhon	Wejzman
Bettermann	Garcia	Johnson, V.	Macklin	Orenstein	Simoneau	Wenzel
Bishop	Girard	Kahn	Mahon	Orfield	Skoglund	Winter
Blatz	Goodno	Kalis	Mariani	Osthoff	Smith	Wolf
Brown, C.	Greenfield	Kelley	McCollum	Ostrom	Solberg	Worke
Brown, K.	Greiling	Kelso	McGuire	Ozment	Sparby	Workman
Carlson	Gruenes	Kinkel	Milbert	Pauly	Stanis	Spk. Long
Clark	Gutknecht	Klinzing	Molnau	Pelowski	Steensma	
Commers	Hasskamp	Knickerbocker	Morrison	Perlt	Sviggum	
Cooper	Haukoos	Koppendraye	Mosel	Peterson	Swenson	
Dauids	Hausman	Krinkie	Munger	Pugh	Tomassoni	

The bill was passed and its title agreed to.

H. F. No. 690, A bill for an act relating to retirement; public employees retirement association; disability benefits; reducing the reduction in benefits to coordinate them with amounts received under workers' compensation law for certain former employees.

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 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krueger	Murphy	Reding	Trimble
Anderson, I.	Dehler	Hugoson	Lasley	Neary	Rest	Tunheim
Anderson, R.	Delmont	Huntley	Leppik	Nelson	Rhodes	Van Dellen
Asch	Dempsey	Jacobs	Lieder	Ness	Rice	Vellenga
Battaglia	Dorn	Jaros	Limmer	Olson, E.	Rodosovich	Vickerman
Bauerly	Erhardt	Jefferson	Lindner	Olson, K.	Rukavina	Wagenius
Beard	Evans	Jennings	Lourey	Olson, M.	Sarna	Waltman
Bergson	Farrell	Johnson, A.	Luther	Onnen	Seagren	Weaver
Bertram	Frerichs	Johnson, R.	Lynch	Opatz	Sekhon	Wejcman
Bettermann	Garcia	Johnson, V.	Macklin	Orenstein	Skoglund	Wenzel
Bishop	Girard	Kahn	Mahon	Orfield	Smith	Winter
Blatz	Goodno	Kalis	Mariani	Osthoff	Solberg	Wolf
Brown, C.	Greenfield	Kelley	McCollum	Ostrom	Sparby	Worke
Brown, K.	Greiling	Kelso	McGuire	Ozment	Stanisus	Workman
Carlson	Gruenes	Kinkel	Milbert	Pauly	Steensma	Spk. Long
Clark	Gutknecht	Klinzing	Molnau	Pelowski	Sviggum	
Commers	Hasskamp	Knickerbocker	Morrison	Perlt	Swenson	
Cooper	Haukoos	Koppendrayner	Mosel	Peterson	Tomassoni	
Davids	Hausman	Krinkie	Munger	Pugh	Tompkins	

The bill was passed and its title agreed to.

H. F. No. 768, A bill for an act relating to retirement; Minnesota state retirement system; authorizing a purchase of service credit by a former grain inspector.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krueger	Neary	Rest	Tunheim
Anderson, I.	Dehler	Hugoson	Lasley	Nelson	Rhodes	Van Dellen
Anderson, R.	Delmont	Huntley	Leppik	Ness	Rice	Vellenga
Asch	Dempsey	Jacobs	Lieder	Olson, E.	Rodosovich	Vickerman
Battaglia	Dorn	Jaros	Limmer	Olson, K.	Rukavina	Wagenius
Bauerly	Erhardt	Jefferson	Lindner	Olson, M.	Sarna	Waltman
Beard	Evans	Jennings	Lourey	Onnen	Seagren	Weaver
Bergson	Farrell	Johnson, A.	Luther	Opatz	Sekhon	Wejcman
Bertram	Frerichs	Johnson, R.	Lynch	Orenstein	Skoglund	Wenzel
Bettermann	Garcia	Johnson, V.	Macklin	Orfield	Smith	Winter
Bishop	Girard	Kahn	Mahon	Osthoff	Solberg	Wolf
Blatz	Goodno	Kalis	Mariani	Ostrom	Sparby	Worke
Brown, C.	Greenfield	Kelley	McCollum	Ozment	Stanisus	Workman
Brown, K.	Greiling	Kelso	McGuire	Pauly	Steensma	Spk. Long
Carlson	Gruenes	Kinkel	Milbert	Pelowski	Sviggum	
Clark	Gutknecht	Klinzing	Molnau	Perlt	Swenson	
Commers	Hasskamp	Knickerbocker	Morrison	Peterson	Tomassoni	
Cooper	Haukoos	Koppendrayner	Mosel	Pugh	Tompkins	
Davids	Hausman	Krinkie	Munger	Reding	Trimble	

The bill was passed and its title agreed to.

## SPECIAL ORDERS

H. F. No. 592 was reported to the House.

Pugh moved that H. F. No. 592 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1523 was reported to the House.

Reding moved to amend H. F. No. 1523, as follows:

Page 5, line 33, delete "deferred" and insert "defined"

Page 15, line 23, delete "insured" and insert "insurer"

Page 36, line 2, after "plans" insert ", other than defined benefit plans,"

Page 37, line 16, delete "8" and insert "9"

The motion prevailed and the amendment was adopted.

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 13, delete lines 30 and 31 and insert:

"Subd. 4. [OPEN MEETINGS.] Board meetings are subject to section 471.705, except when private or nonpublic data as described in this subdivision is discussed. Discussions of lawsuits and member insurer assessments and business records of an impaired or insolvent insurer are classified as private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9, whichever is applicable."

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 33 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Bauerly	Greenfield	Kahn	Mariani	Orenstein	Rice	Wagenius
Clark	Greiling	Kelley	Milbert	Orfield	Sarna	Wejcman
Dawkins	Hausman	Knickerbocker	Morrison	Pauly	Sekhon	Winter
Farrell	Jefferson	Lourey	Olson, E.	Rest	Skoglund	
Garcia	Johnson, R.	Mahon	Olson, K.	Rhodes	Vellenga	

Those who voted in the negative were:

Abrams	Bettermann	Davidson	Girard	Jacobs	Klinzing	Lindner
Anderson, I.	Bishop	Dehler	Goodno	Jaros	Koppendrayer	Luther
Anderson, R.	Blatz	Delmont	Gruenes	Jennings	Krinkie	Lynch
Asch	Brown, C.	Dempsey	Gutknecht	Johnson, A.	Krueger	Macklin
Battaglia	Brown, K.	Dorn	Haukoos	Johnson, V.	Lasley	McCollum
Beard	Carlson	Erhardt	Holsten	Kalis	Leppik	Molnau
Bergson	Commers	Evans	Hugoson	Kelso	Lieder	Mosel
Bertram	Cooper	Frerichs	Huntley	Kinkel	Limmer	Murphy



Neary	Ostrom	Reding	Solberg	Tomassoni	Weaver
Nelson	Ozment	Rodosovich	Sparby	Tompkins	Wenzel
Ness	Pelowski	Rukavina	Stanius	Tunheim	Wolf
Olson, M.	Perlt	Seagren	Steensma	Van Dellen	Worke
Onnen	Peterson	Simoneau	Sviggum	Vickerman	Workman
Opatz	Pugh	Smith	Swenson	Waltman	Spk. Long

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

The Speaker called Bauerly to the Chair.

Skoglund and Knickerbocker moved to amend H. F. No. 1523, as amended, as follows:

Page 3, delete lines 19 to 33

Renumber remaining clauses accordingly

Page 5, line 32, delete "\$5,000,000" and insert "\$10,000,000"

Page 5, line 36, delete "\$5,000,000" in both places and insert "\$10,000,000"

Page 11, line 16, delete everything after "holder"

Page 11, delete line 17

Page 11, line 18, delete everything before the period

Page 36, line 8, delete "\$5,000,000" and insert "\$10,000,000"

Page 36, line 9, delete "\$5,000,000" and insert "\$10,000,000"

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the Skoglund and Knickerbocker amendment and the roll was called. There were 34 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Blatz	Greenfield	Kelso	Mahon	Pauly	Sekhon	Trimble
Brown, C.	Greiling	Knickerbocker	Mariani	Perlt	Skoglund	Wagenius
Clark	Hasskamp	Krueger	Olson, K.	Rice	Swenson	Wejcman
Farrell	Hausman	Lourey	Orenstein	Rodosovich	Tomassoni	Winter
Garcia	Kelley	Luther	Orfield	Rukavina	Tompkins	

Those who voted in the negative were:

Abrams	Asch	Beard	Bettermann	Carlson	Davids	Delmont
Anderson, I.	Battaglia	Bergson	Bishop	Commers	Dawkins	Dempsey
Anderson, R.	Bauerly	Bertram	Brown, K.	Cooper	Dehler	Dorn

Erhardt	Jacobs	Koppendraye	Molnau	Ostrom	Smith	Weaver
Evans	Jaros	Krinkie	Morrison	Ozment	Solberg	Wenzel
Frerichs	Jefferson	Lasley	Mosel	Pelowski	Sparby	Wolf
Girard	Jennings	Leppik	Neary	Peterson	Stanius	Worke
Goodno	Johnson, A.	Lieder	Nelson	Pugh	Steensma	Spk. Long
Gruenes	Johnson, R.	Limmer	Ness	Reding	Sviggum	
Gutknecht	Johnson, V.	Lindner	Olson, E.	Rest	Tunheim	
Haukoos	Kahn	Lynch	Olson, M.	Rhodes	Van Dellen	
Holsten	Kalis	Macklin	Onnen	Sarna	Vellenga	
Hugoson	Kinkel	McCollum	Opatz	Seagren	Vickerman	
Huntley	Klinzing	Milbert	Osthoff	Simoneau	Waltman	

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

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 5, line 14, delete "\$100,000" and insert "\$300,000"

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 50 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Bauerly	Greenfield	Kelso	McCollum	Pelowski	Sekhon	Wejcman
Brown, C.	Gruenes	Kinkel	Milbert	Perlt	Skoglund	Winter
Brown, K.	Hasskamp	Knickerbocker	Neary	Peterson	Solberg	
Clark	Hausman	Lasley	Olson, K.	Pugh	Swenson	
Cooper	Jefferson	Leppik	Orenstein	Rhodes	Tomassori	
Dorn	Johnson, R.	Lourey	Orfield	Rice	Tompkins	
Farrell	Kahn	Luther	Ostrom	Rukavina	Vellenga	
Garcia	Kelley	Mahon	Ozment	Sarna	Wagenius	

Those who voted in the negative were:

Abrams	Carlson	Gutknecht	Krinkie	Murphy	Seagren	Waltman
Anderson, I.	Commers	Haukoos	Krueger	Nelson	Simoneau	Weaver
Anderson, R.	Davids	Hugoson	Lieder	Ness	Smith	Wenzel
Asch	Dehler	Huntley	Limmer	Olson, E.	Sparby	Wolf
Battaglia	Delmont	Jacobs	Lindner	Olson, M.	Stanius	Worke
Beard	Dempsey	Jaros	Lynch	Onnen	Steensma	Workman
Bergson	Erhardt	Jennings	Macklin	Opatz	Sviggum	Spk. Long
Bertram	Evans	Johnson, V.	Molnau	Pauly	Trimble	
Bettermann	Girard	Kalis	Morrison	Reding	Tunheim	
Bishop	Goodno	Klinzing	Mosel	Rest	Van Dellen	
Blatz	Greiling	Koppendraye	Munger	Rodosovich	Vickerman	

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

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 6, delete lines 18 to 41 and insert:

"association is the amount of the applicable limit under subdivision 4 or the amount necessary to fully satisfy the contractual obligation to the insured, whichever is less."

Page 7, delete lines 1 to 37

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 37 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Beard	Dorn	Jefferson	Mariani	Perlt	Simoneau	Winter
Bishop	Farrell	Kelley	McGuire	Peterson	Skoglund	
Blatz	Garcia	Knickerbocker	Milbert	Pugh	Tomassoni	
Brown, C.	Greenfield	Lourey	Orenstein	Rhodes	Tompkins	
Clark	Greiling	Luther	Orfield	Sarna	Vellenga	
Dawkins	Hausman	Mahon	Ostrom	Sekhon	Wagenius	

Those who voted in the negative were:

Abrams	Davids	Huntley	Krueger	Murphy	Rodosovich	Waltman
Anderson, I.	Dehler	Jacobs	Lasley	Neary	Rukavina	Weaver
Anderson, R.	Delmont	Jaros	Leppik	Nelson	Seagren	Wejcman
Asch	Dempsey	Jennings	Lieder	Ness	Smith	Wenzel
Battaglia	Erhardt	Johnson, A.	Limmer	Olson, E.	Solberg	Wolf
Bauerly	Evans	Johnson, R.	Lindner	Olson, M.	Stanis	Worke
Bergson	Girard	Johnson, V.	Lynch	Onnen	Steensma	Workman
Bertram	Goodno	Kalis	Macklin	Opatz	Sviggum	Spk. Long
Bettermann	Gruenes	Kelso	McCollum	Ozment	Swenson	
Brown, K.	Gutknecht	Kinkel	Molnau	Pauly	Trimble	
Carlson	Haukoos	Klinzing	Morrison	Pelowski	Tunheim	
Commers	Holsten	Koppendrayer	Mosel	Reding	Van Dellen	
Cooper	Hugoson	Krinkie	Munger	Rest	Vickerman	

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

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 29, line 27, delete "30" and insert "ten business"

The motion prevailed and the amendment was adopted.

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 39, line 26, delete "the day following final enactment" and insert "August 1, 1993"

Page 39, line 30, delete "unallocated annuity contracts" and insert "all covered policies as defined in section 3" and delete "March" and insert "December"

Page 39, line 31, delete "17" and insert "31"

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 43 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Garcia	Knickerbocker	Olson, E.	Pugh	Swenson	Winter
Blatz	Greenfield	Lourey	Olson, K.	Rukavina	Tompkins	
Brown, C.	Greiling	Luther	Orenstein	Sarna	Trimble	
Brown, K.	Hasskamp	Mahon	Orfield	Seagren	Wagenius	
Clark	Hausman	Mariani	Ozment	Sekhon	Weaver	
Dawkins	Jaros	Mosel	Pauly	Skoglund	Wejcman	
Farrell	Kelley	Munger	Perlt	Solberg	Wenzel	

Those who voted in the negative were:

Abrams	Davids	Haukoos	Kelso	Macklin	Osthoff	Sviggum
Anderson, I.	Dehler	Holsten	Kinkel	McCollum	Ostrom	Tomassoni
Asch	Delmont	Hugoson	Klinzing	McGuire	Pelowski	Tunheim
Battaglia	Dempsey	Huntley	Koppendrayner	Milbert	Peterson	Van Dellen
Bauerly	Dorn	Jacobs	Krinkie	Molnau	Reding	Vellenga
Beard	Erhardt	Jefferson	Krueger	Morrison	Rest	Vickerman
Bergson	Evans	Jennings	Lasley	Murphy	Rhodes	Waltman
Bertram	Frerichs	Johnson, A.	Leppik	Nelson	Rodosovich	Wolf
Bettermann	Girard	Johnson, R.	Lieder	Ness	Simoneau	Worke
Carlson	Goodno	Johnson, V.	Limmer	Olson, M.	Smith	Workman
Commers	Gruenes	Kahn	Lindner	Onnen	Stanius	Spk. Long
Cooper	Gutknecht	Kalis	Lynch	Opatz	Steensma	

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

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 12, line 23, before "Members" insert "Six"

Page 12, line 25, after the period, insert "Three members of the board must be public members appointed by the commissioner. Public members must not be present or former employees of, agents of, or otherwise affiliated with any member insurer."

Page 12, line 30, after the period, insert "No more than five members of the board may be of the same gender; this requirement applies to appointments made on or after the effective date of this section and does not require displacement of any board member serving as of the effective date of this section until the person's current term expires."

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 43 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dawkins	Hausman	Mariani	Olson, K.	Sarna	Winter
Beard	Evans	Jefferson	McCollum	Orenstein	Sekhon	
Blatz	Farrell	Kahn	McGuire	Orfield	Skoglund	
Brown, C.	Garcia	Kelley	Milbert	Perlt	Stanius	
Brown, K.	Greenfield	Lourey	Mosel	Pugh	Trimble	
Carlson	Greiling	Luther	Munger	Rice	Wagenius	
Clark	Hasskamp	Mahon	Neary	Rukavina	Wejcman	

Those who voted in the negative were:

Abrams	Delmont	Jaros	Lasley	Olson, M.	Seagren	Waltman
Anderson, I.	Dempsey	Jennings	Leppik	Onnen	Simoneau	Weaver
Asch	Dorn	Johnson, A.	Lieder	Opatz	Smith	Wenzel
Battaglia	Erhardt	Johnson, R.	Limmer	Osthoff	Solberg	Wolf
Bauerly	Girard	Johnson, V.	Lindner	Ostrom	Steensma	Worke
Bergson	Goodno	Kalis	Lynch	Ozment	Sviggum	Workman
Bertram	Gruenes	Kelso	Macklin	Pauly	Swenson	Spk. Long
Bettermann	Gutknecht	Kinkel	Molnau	Pelowski	Tomassoni	
Bishop	Haukoos	Klinzing	Morrison	Peterson	Tompkins	
Commers	Holsten	Knickerbocker	Murphy	Reding	Tunheim	
Cooper	Hugoson	Koppendrayner	Nelson	Rest	Van Dellen	
Dauids	Huntley	Krinkie	Ness	Rhodes	Vellenga	
Dehler	Jacobs	Krueger	Olson, E.	Rodosovich	Vickerman	

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

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 1, after line 10, insert:

"Sec. 1. Minnesota Statutes 1992, section 61A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL REQUIRED.] No policy of life insurance or annuity contract nor any rider of any kind or description which is made a part thereof shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, until the form of the same has been approved by the commissioner. In making a determination under this section, the commissioner may require the insurer to provide rates and advertising materials related to policies or contracts issued or delivered in this state.

Sec. 2. Minnesota Statutes 1992, section 61A.02, subdivision 3, is amended to read:

Subd. 3. [DISAPPROVAL.] The commissioner shall, within 60 days after the filing of any form, disapprove the form:

- (1) if the benefits provided are unreasonable in relation to the premium charged;
- (2) if the safety and soundness of the company would be threatened by the offering of an excess rate of interest on the policy or contract;
- (3) if it contains a provision or provisions which are unlawful, unfair, inequitable, misleading, or encourages misrepresentation of the policy; or
- (3) (4) if the form, or its provisions, is otherwise not in the public interest. It shall be unlawful for the company to issue any policy in the form so disapproved. If the commissioner does not within 60 days after the filing of any form, disapprove or otherwise object, the form shall be deemed approved.

For purposes of clause (2), an excess rate of interest is a rate of interest exceeding the rate of interest determined by subtracting three percentage points from Moody's Corporate bond yield average as most recently available."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 115 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Jacobs	Leppik	Neary	Rest	Trimble
Anderson, I.	Delmont	Jefferson	Lieder	Ness	Rhodes	Tunheim
Anderson, R.	Dempsey	Jennings	Limmer	Olson, E.	Rice	Van Dellen
Asch	Dorn	Johnson, A.	Lourey	Olson, K.	Rodosovich	Vellenga
Battaglia	Erhardt	Johnson, R.	Luther	Olson, M.	Rukavina	Vickerman
Bauerly	Evans	Johnson, V.	Lynch	Onnen	Sarna	Wagenius
Beard	Farrell	Kahn	Macklin	Opatz	Seagren	Waltman
Bergson	Frerichs	Kalis	Mahon	Orenstein	Sekhon	Weaver
Bettermann	Garcia	Kelley	Mariani	Orfield	Skoglund	Wejcman
Bishop	Greenfield	Kelso	McCollum	Ostrom	Smith	Wenzel
Blatz	Greiling	Kinkel	McGuire	Ozment	Solberg	Winter
Brown, C.	Gruenes	Klinzing	Milbert	Pauly	Stanius	Wolf
Brown, K.	Gutknecht	Knickerbocker	Molnau	Pelowski	Steensma	Spk. Long
Carlson	Hasskamp	Koppendraye	Morrison	Perlt	Sviggum	
Clark	Haukoos	Krinkie	Mosel	Peterson	Swenson	
Commers	Hausman	Krueger	Munger	Pugh	Tomassoni	
Cooper	Huntley	Lasley	Murphy	Reding	Tompkins	

Those who voted in the negative were:

Bertram	Dehler	Goodno	Jaros	Nelson	Workman
Davids	Girard	Hugoson	Lindner	Worke	

The motion prevailed and the amendment was adopted.

Asch moved to amend H. F. No. 1523, as amended, as follows:

Page 11, line 16, delete everything after "holder"

Page 11, delete line 17

Page 11, line 18, delete everything before the period

The motion prevailed and the amendment was adopted.

H. F. No. 1523, A bill for an act relating to insurance; establishing and regulating the life and health guaranty association; providing for its powers and duties; amending Minnesota Statutes 1992, section 61A.02, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 61B; repealing Minnesota Statutes 1992, sections 61B.01; 61B.02; 61B.03; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.16.

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 106 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R.	Battaglia	Beard	Bertram	Bishop	Brown, K.
Anderson, I.	Asch	Bauerly	Bergson	Bettermann	Blatz	Carlson

Commers	Gutknecht	Klinzing	McGuire	Opatz	Seagren	Vickerman
Cooper	Haukoos	Knickerbocker	Milbert	Osthoff	Simoneau	Waltman
Davids	Holsten	Koppendrayner	Molnau	Ostrom	Smith	Weaver
Dehler	Hugoson	Krinkie	Morrison	Ozment	Solberg	Wenzel
Delmont	Huntley	Krueger	Mosel	Pauly	Sparby	Wolf
Dempsey	Jacobs	Lasley	Munger	Pelowski	Stanius	Worke
Dorn	Jennings	Leppik	Murphy	Perlt	Steensma	Workman
Erhardt	Johnson, A.	Lieder	Neary	Peterson	Svigum	Spk. Long
Evans	Johnson, R.	Limmer	Nelson	Pugh	Swenson	
Frerichs	Johnson, V.	Lindner	Ness	Reding	Tomassoni	
Garcia	Kahn	Luther	Olson, E.	Rest	Tompkins	
Girard	Kalis	Lynch	Olson, K.	Rhodes	Tunheim	
Goodno	Kelso	Macklin	Olson, M.	Rodosovich	Van Dellen	
Gruenes	Kinkel	Mahon	Onnen	Rukavina	Vellenga	

Those who voted in the negative were:

Brown, C.	Greenfield	Jaros	Mariani	Rice	Trimble
Clark	Greiling	Jefferson	McCollum	Sarna	Wagenius
Dawkins	Hasskamp	Kelley	Orenstein	Sekhon	Wejman
Farrell	Hausman	Lourey	Orfield	Skoglund	Winter

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

H. F. No. 592 which was temporarily laid over earlier today on Special Orders was again reported to the House.

Pugh moved to amend H. F. No. 592, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 510.01, is amended to read:

510.01 [HOMESTEAD DEFINED; EXEMPT; EXCEPTION.]

The house owned and occupied by a debtor as the debtor's dwelling place, together with the land upon which it is situated to the amount of area and value hereinafter limited and defined, shall constitute the homestead of such debtor and the debtor's family, and be exempt from seizure or sale under legal process on account of any debt not lawfully charged thereon in writing, except such as are incurred for work or materials furnished in the construction, repair, or improvement of such homestead, or for services performed by laborers or servants and as is provided in section 550.175.

Sec. 2. Minnesota Statutes 1992, section 510.02, is amended to read:

510.02 [AREA; AND VALUE; HOW LIMITED.]

The homestead may include any quantity of land not exceeding 160 acres, and not included in the laid out or platted portion of any city. If it be the homestead is within the laid out or platted portion of such place a city, its area shall must not exceed one-half of an acre. The value of the homestead exemption, whether the exemption is claimed jointly or individually, may not exceed \$200,000 or, if the homestead is used primarily for agricultural purposes, \$500,000, exclusive of the limitations set forth in section 510.05.

Sec. 3. Minnesota Statutes 1992, section 510.07, is amended to read:

510.07 [SALE OR REMOVAL PERMITTED; INSURANCE PROCEEDS; NOTICE.]

The owner may sell and convey the homestead without subjecting it, or the proceeds of such sale for the period of one year after sale, to any judgment or debt from which it was exempt in the owner's hands, except that the

proceeds of the sale are not exempt from a judgment or debt for a court ordered child support or maintenance obligation in arrears. The proceeds of an insurance claim for an exempt homestead are exempt for one year. The owner may remove therefrom without affecting such exemption, if the owner does not thereby abandon the same as the place of abode. If the owner shall cease to occupy such homestead for more than six consecutive months the owner shall be deemed to have abandoned the same unless, within such period, the owner shall file with the county recorder of the county in which it is situated a notice, executed, witnessed, and acknowledged as in the case of a deed, describing the premises and claiming the same as the owner's homestead. In no case shall the exemption continue more than five years after such filing, unless during some part of the term the premises shall have been occupied as the actual dwelling place of the debtor or the debtor's family.

Sec. 4. Minnesota Statutes 1992, section 510.08, is amended to read:

510.08 [SELECTION AFTER LEVY.]

(a) If the premises so owned and occupied by the debtor or claimed under the debtor by another as exempt shall exceed the area herein prescribed, and the homestead shall not have been set apart as such and its boundaries defined, an attachment or execution may be levied upon the whole. Thereupon the person entitled to the benefits of such exemption shall deliver to the officer making the levy a description of the part claimed as exempt, and the remainder only shall be subject to the levy so made.

(b) If the premises so owned and occupied by the debtor or claimed under the debtor by another as exempt exceeds the value prescribed in section 510.02, an attachment or execution may be levied upon the whole.

Sec. 5. Minnesota Statutes 1992, section 550.175, subdivision 3, is amended to read:

Subd. 3. [DESIGNATION OF HOMESTEAD PROPERTY.] The debtor must designate the legal description of the homestead property to be sold separately and the debtor's estimate of the value of the property. The homestead property designated may include any amount of the property. The designation must conform to local zoning, include the dwelling occupied by the debtor, and be compact so that it does not unreasonably affect the value of the remaining property. The debtor must serve a copy of the designation on the executing creditor, the sheriff, and the county recorder by ten business days before the sale is scheduled.

Sec. 6. Minnesota Statutes 1992, section 550.175, subdivision 4, is amended to read:

Subd. 4. [SALE OF PROPERTY.] (a) If the sheriff receives a homestead property designation under subdivision 3, the sheriff must offer and sell the designated homestead property, and the remaining property, separately, unless the executing creditor denies the right to the exemption, objects to the property designated, or claims the value exceeds the exemption.

(b) If the executing creditor is dissatisfied with the homestead property designation or the debtor's valuation of the property, upon proper motion to the district court of the county in which any part of the property is located, the executing creditor is entitled to a court approved designation of the homestead and a court determination of value. The court shall either approve the debtor's designation or cause the property to be surveyed and order a homestead designation consistent with the standards of subdivision 3 and require an appraisal of fair market value, as applicable. The court's designation of the homestead property must conform to the debtor's request, to the extent not inconsistent with the standards of subdivision 3.

(c) The court, in determining appraised value, shall review any appraisals provided by the debtor and executing creditor and may require a court appointed independent appraisal. The appraisals shall evaluate the property's fair market value, net of reasonable costs of sale.

(d) If the court determines that the property claimed as a homestead exceeds in value the amount of the homestead exemption or if the court determines that the property cannot be divided without material injury, the court shall order the sale of the entire property, including the designated homestead. Out of the proceeds of the sale, the court shall pay the debtor the amount of the homestead exemption and apply the balance of the proceeds of the sale on the execution.

(e) At the sale, no bid may be accepted unless it exceeds the amount of the homestead exemption. If no bid exceeds the exemption, the homestead is exempt.



(f) The cost of any court ordered survey or appraisal and of the sale must be collected on the execution, if the debtor designated as the debtor's homestead a greater quantity of property, property of greater value than the debtor was entitled to, or designated a parcel that does not meet the standards of subdivision 3. In all other cases, the costs shall be borne by the executing creditor."

Delete the title and insert:

"A bill for an act relating to creditors' remedies; limiting the value of the homestead exemption; providing for the exemption of homestead insurance proceeds; amending Minnesota Statutes 1992, sections 510.01; 510.02; 510.07; 510.08; and 550.175, subdivisions 3 and 4."

The motion prevailed and the amendment was adopted.

H. F. No. 592, A bill for an act relating to creditors' remedies; limiting the value of the homestead exemption; providing for the exemption of homestead insurance proceeds; amending Minnesota Statutes 1992, sections 510.01; 510.02; 510.07; 510.08; and 550.175, subdivisions 3 and 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	Dawkins	Holsten	Krueger	Neary	Rest	Tunheim
Anderson, I.	Dehler	Hugoson	Lasley	Nelson	Rhodes	Van Dellen
Anderson, R.	Delmont	Huntley	Leppik	Ness	Rice	Vellenga
Asch	Dempsey	Jacobs	Lieder	Olson, E.	Rodosovich	Vickerman
Battaglia	Dorn	Jaros	Limmer	Olson, K.	Rukavina	Wagenius
Bauerly	Erhardt	Jefferson	Lindner	Olson, M.	Sarna	Waltman
Beard	Evans	Jennings	Lourey	Onnen	Seagren	Weaver
Bergson	Farrell	Johnson, A.	Luther	Opatz	Sekhon	Wejcman
Bertram	Frerichs	Johnson, R.	Lynch	Orenstein	Simoneau	Wenzel
Bettermann	Garcia	Johnson, V.	Macklin	Orfield	Skoglund	Winter
Bishop	Girard	Kahn	Mahon	Osthoff	Smith	Wolf
Blatz	Goodno	Kalis	Mariani	Ostrom	Solberg	Worke
Brown, C.	Greenfield	Kelley	McCollum	Ozment	Sparby	Workman
Brown, K.	Greiling	Kelso	McGuire	Pauly	Stanis	Spk. Long
Carlson	Gruenes	Kinkel	Milbert	Pelowski	Steensma	
Clark	Gutknecht	Klinzing	Molnau	Perlt	Sviggum	
Commers	Hasskamp	Krickerbocker	Morrison	Peterson	Swenson	
Cooper	Haukoos	Koppendrayner	Mosel	Pugh	Tomassoni	
Davids	Hausman	Krinkie	Murphy	Reding	Trimble	

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

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

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

## REPORTS OF STANDING COMMITTEES

Carlson from the Committee on Education to which was referred:

H. F. No. 10, A bill for an act relating to education; establishing a youth apprenticeship program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 126.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [126.0152] [YOUTH APPRENTICESHIP PROGRAM.]

Subdivision 1. [ESTABLISHMENT; PURPOSE; NEED.] (a) A youth apprenticeship program is established to improve students' transition from high school to work by fostering partnerships between high schools, post-secondary schools, local employers, labor organizations, and communities.

(b) The purpose of the four-year combined secondary and post-secondary program is to integrate academic instruction, work-based learning, and worksite learning and experience and lead to a statewide credential of academic and occupational proficiency.

(c) The need for the program arises because improved and changing technologies in business and industry require employees to have greater occupational skills, high skill occupations require more and better trained employees, and changes in the workplace require skilled employees to solve complex problems, think critically, make important decisions, and communicate effectively.

Subd. 2. [OBJECTIVES.] (a) To improve high school students' transition from school to work, the youth apprenticeship program must obtain strong school and employer commitment and involvement.

(b) A youth apprenticeship demonstration project must accomplish the following objectives:

(1) provide students with work-based learning in skilled occupations that leads to high skill employment and opportunities for advancement;

(2) integrate students' secondary and post-secondary academic instruction and work-related learning so that they may qualify for an apprenticeship or other high skill training program;

(3) beginning in junior high school, expand the range of skilled occupations available to students to explore as career options;

(4) improve students' qualifications for an apprenticeship or other high skill training program and the opportunity to obtain secondary and post-secondary credit for their program experience;

(5) improve students' ability to use academic skills in the workplace;

(6) actively encourage women and minority students to participate in apprenticeship or other high skill training programs;

(7) increase the number of qualified students preparing to enter skilled industries and occupations and work with employers to improve students' access to such industries and occupations;

(8) involve representatives of business, industry, occupations, and labor in planning, developing, and evaluating the program, including designing the work-related curriculum;

(9) enable employers to assess students' skills and abilities before accepting the students as apprentices or employing them;

- (10) expand employers' interest in and willingness to invest in training students for skilled occupations; and
- (11) create a school program that is interesting, enjoyable, and challenging.

Subd. 3. [ACADEMIC INSTRUCTION AND WORK-RELATED LEARNING.] (a) A youth apprenticeship demonstration project must integrate academic instruction and work-related learning in the classroom and at the workplace. Schools, in collaboration with students' employers, must use competency-based measures to evaluate students' progress in the program. Students who successfully complete the program at a demonstration project must receive academic and occupational credentials from the participating school.

(b) The academic instruction provided as part of a youth apprenticeship program must:

- (1) meet applicable secondary and post-secondary education requirements;
- (2) enable the students to attain academic proficiency in at least the areas of English, mathematics, history, science, and geography; and
- (3) where appropriate, modify existing secondary and post-secondary curricula to accommodate the changing needs of the workplace.

(c) Work-based learning provided as part of the program must:

- (1) supply students with knowledge, skills, and abilities based on appropriate, nationally accepted standards in the specific industries and occupations for which the students are trained;
- (2) offer students structured job training at the worksite, including high quality supervised learning opportunities;
- (3) foster interactive, team-based learning;
- (4) encourage sound work habits and behaviors;
- (5) develop workplace skills, including the ability to manage resources, work productively with others, acquire and use information, understand and master systems, and work with technologies; and
- (6) where feasible, offer students the opportunity to participate in community service and service learning activities.

(d) Worksite learning and experience provided as part of the program must:

- (1) help youth apprentices achieve the program's academic and work-based learning requirements;
- (2) pay apprentices for their work; and
- (3) assist employers to fulfill their commitment to youth apprentices.

Subd. 4. [PROGRAM COMPONENTS.] (a) A youth apprenticeship demonstration project must require representatives of secondary and post-secondary school systems, business, industry, occupations, labor, and the community to be actively and collaboratively involved in advising and managing the program.

(b) The entities participating in a demonstration project must consult with local private industry councils to ensure that the youth apprenticeship program meets local labor market demands and provides student apprentices with the high skill training necessary for career advancement within an occupation.

(c) The program must meet applicable state education requirements and labor standards, provide support services to program participants, and accommodate the integrating of work-related learning and academic instruction through flexible schedules for students and teachers and appropriately modified curriculum.

(d) Local employers, collaborating with labor organizations where appropriate, must assist the program by analyzing workplace needs, creating work-related curriculum, employing and adequately paying youth apprentices engaged in work-related learning in the workplace, training youth apprentices to become skilled in an occupation,

providing student apprentices with a workplace mentor, periodically informing the school of an apprentice's progress, and making a reasonable effort to employ youth apprentices who successfully complete the program.

(e) A student participating in a demonstration project must sign a youth apprenticeship agreement with participating entities that obligates youth apprentices, their parents or guardians, employers, and schools to meet program requirements, indicates how academic instruction, work-based learning, and worksite learning and experience will be integrated, ensures that successful youth apprentices will receive a recognized credential of academic and occupational proficiency, and establishes the wage rate and other benefits for which youth apprentices are eligible while employed during the program.

(f) Secondary school principals or counselors or business mentors familiar with the demonstration project must inform entering secondary school students about available occupational and career opportunities and the option of entering a youth apprenticeship program to obtain post-secondary academic and occupational credentials.

Subd. 5. [NONDISPLACEMENT.] An employer participating in a youth apprenticeship demonstration project shall not displace any employee engaged in work similar to the work performed by a youth apprentice or remove any similar position as a result of the project. This precludes an employer from reducing an employee's hours of work, wages, or employment benefits.

Subd. 6. [YOUTH APPRENTICESHIP COUNCIL.] A 14-member youth apprenticeship council is established, composed of the commissioners of education, labor and industry, and jobs and training, or their designees, the chancellors of the technical and community colleges, or their designees, the president of Minnesota Technology, Inc., or the president's designee, one representative each from the Minnesota education association and the Minnesota federation of teachers, and two representatives each from business, labor, and industry organizations appointed by appropriate statewide organizations. Members serving not as a result of their office have three-year terms except that the first appointees' terms must be staggered into four one-year, five two-year, and five three-year terms as determined by lot at the council's first meeting. The council shall assist in developing and implementing youth apprenticeship programs throughout the state and, where feasible, in integrating community service and service learning curriculum into youth apprenticeship programs. The council shall submit a report to the legislature and the governor, annually by January 15, describing the actions taken during the previous calendar year to develop and implement youth apprenticeship programs under this section, what waivers of law, if any, are necessary to accomplishing the purposes of this section, and the budget and staffing needs of the programs.

## Sec. 2. [YOUTH APPRENTICESHIP DEMONSTRATION PROJECT GRANTS.]

Subdivision 1. [ESTABLISHMENT; ELIGIBILITY.] The youth apprenticeship council shall establish a grant program to fund youth apprenticeship demonstration projects under section 1. A grant applicant must represent secondary and post-secondary school systems, affected secondary school principals, business, industry, occupations, labor, and the local community.

Subd. 2. [APPLICATION PROCESS.] To obtain a grant to participate in a project, the applicant must submit an application to the youth apprenticeship council in the form and manner established by the council. The application must describe how the applicant will meet the program objectives in Minnesota Statutes, section 126.0152, subdivision 2, and what resources will be available to continue the project if it is found to be effective. The council may require additional information from the applicant.

Subd. 3. [GRANT AWARDS.] Grant recipients must be located throughout the state. The amount of the grant shall not exceed \$100,000. Grant recipients shall use the grant money to implement a youth apprenticeship demonstration project.

Subd. 4. [EVALUATION.] The council shall evaluate the projects to determine the extent to which the objectives in Minnesota Statutes, section 126.0152, subdivision 2, are realized and recommend to the legislature by January 1, 1995, whether or not such projects should be made available throughout the state. If the council recommends that the projects should be made available statewide, the council also shall recommend an implementation process.

## Sec. 3. [APPROPRIATION; DEMONSTRATION PROJECTS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education for developing and implementing youth apprenticeship programs under section 1:

\$1,000,000

1994.

The appropriation is available until June 30, 1995. Of this amount, \$50,000 in fiscal year 1994 and \$50,000 in fiscal year 1995 is available to the department to employ a staff person to assist the youth apprenticeship council in section 1.

The youth apprenticeship council shall actively seek a dollar for dollar match in funding or in-kind contributions from nonstate sources, including local program participants.

Subd. 2. [DEMONSTRATION PROJECTS.] The youth apprenticeship council under section 1, shall implement the demonstration youth apprenticeship projects during the 1994-1995 biennium. Industries and occupations participating in the demonstration projects must offer youth apprentices entry-level employment with opportunities for advancing into high skill, high wage positions.

Entities participating in a demonstration project must make a five-year commitment to effectively implementing a youth apprenticeship program."

Delete the title and insert:

"A bill for an act relating to education; establishing a youth apprenticeship program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 126."

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

The report was adopted.

Simoneau from the Committee on Health and Human Services to which was referred:

H. F. No. 483, A bill for an act relating to trusts; making certain trust provisions related to public assistance eligibility unenforceable as against public policy; clarifying availability of trusts in determining eligibility for medical assistance and other benefit programs; defining supplemental needs trusts; clarifying enforceability of supplemental needs trusts; amending Minnesota Statutes 1992, section 501B.89.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 501B.89, is amended to read:

501B.89 [EXCULPATORY CLAUSES TRUST PROVISIONS LINKED TO PUBLIC ASSISTANCE ELIGIBILITY UNENFORCEABLE; SUPPLEMENTAL NEEDS TRUSTS.]

Subdivision 1. [TRUSTS CONTAINING LIMITATIONS LINKED TO ELIGIBILITY FOR PUBLIC ASSISTANCE.]

(a) Except as allowed by subdivision 2, a provision in a trust created after July 1, 1992, purporting to make assets or income unavailable to a beneficiary that provides for the suspension, termination, limitation, or diversion of the principal, income, or beneficial interest of a beneficiary if the beneficiary applies for or is determined eligible for, or receives public assistance or benefits under a public health care program is unenforceable as against the public policy of this state, without regard to the irrevocability of the trust or the purpose for which the trust was created.

(b) This subdivision applies to trust provisions created after July 1, 1992. For purposes of this section, a trust provision is created on the date of execution of the first instrument that contains the provision, even though the trust provision is later amended or reformed or the trust is not funded until a later date.

Subd. 2. [SUPPLEMENTAL TRUSTS FOR PERSONS WITH DISABILITIES.] (a) It is the public policy of this state to enforce supplemental needs trusts as provided in this subdivision.

(b) For purposes of this subdivision, a "supplemental needs trust" is a trust created for the benefit of a person with a disability and funded by someone other than the trust beneficiary, the beneficiary's spouse, or anyone obligated to pay any sum for damages or any other purpose to or for the benefit of the trust beneficiary under the terms of a settlement agreement or judgment.

(c) For purposes of this subdivision, a "person with a disability" means a person who, prior to creation of a trust which otherwise qualifies as a supplemental needs trust for the person's benefit:

(1) is considered to be a person with a disability under the disability criteria specified in Title II or Title XVI of the Social Security Act; or

(2) has a physical or mental illness or condition which, in the expected natural course of the illness or condition, either prior to or following creation of the trust, to a reasonable degree of medical certainty, is expected to:

(i) last for a continuous period of 12 months or more; and

(ii) substantially impair the person's ability to provide for the person's care or custody.

Disability may be established conclusively for purposes of this subdivision by the written opinion of a licensed professional who is qualified to diagnose the illness or condition, confirmed by the written opinion of a second licensed professional who is qualified to diagnose the illness or condition.

(d) The general purpose of a supplemental needs trust must be to provide for the reasonable living expenses and other basic needs of a person with a disability when benefits from publicly funded benefit programs are not sufficient to provide adequately for those needs. Subject to the restrictions contained in this paragraph, a supplemental needs trust may authorize distributions to provide for all or any portion of the reasonable living expenses of the beneficiary. A supplemental needs trust may allow or require distributions only in ways and for purposes that supplement or complement the benefits available under medical assistance, Minnesota supplemental aid, and other publicly funded benefit programs for disabled persons. A supplemental needs trust must contain provisions that prohibit disbursements that would have the effect of replacing, reducing, or substituting for publicly funded benefits otherwise available to the beneficiary or rendering the beneficiary ineligible for publicly funded benefits.

(e) A supplemental needs trust is not enforceable if the trust beneficiary becomes a patient or resident after age 64 in a state institution or nursing facility for six months or more and, due to the beneficiary's medical need for care in an institutional setting, there is no reasonable expectation that the beneficiary will ever be discharged from the institution or facility. For purposes of this paragraph "reasonable expectation" means that the beneficiary's attending physician has certified that the expectation is reasonable. For purposes of this paragraph, a beneficiary participating in a group residential program is not deemed to be a patient or resident in a state institution or nursing facility.

(f) The trust income and assets of a supplemental needs trust are considered available to the beneficiary for medical assistance purposes to the extent they are considered available to the beneficiary under medical assistance, supplemental security income, or aid to families with dependent children methodology, whichever is used to determine the beneficiary's eligibility for medical assistance. For other public assistance programs established or administered under state law, assets and income will be considered available to the beneficiary in accordance with the methodology applicable to the program.

(g) Nothing in this subdivision requires submission of a supplemental needs trust to a court for interpretation or enforcement.

(h) Paragraphs (a) to (g) apply to supplemental needs trusts whenever created, but the limitations and restrictions in paragraphs (c) to (g) apply only to trusts created after June 30, 1993.

Sec. 2. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective retroactive to July 1, 1992.

Notwithstanding the provisions of section 1, subdivision 2, providing that a supplemental needs trust may not be funded by the beneficiary or a person obligated to pay the beneficiary under a settlement agreement or judgment, a supplemental needs trust may be established with the proceeds of payments made by the social security administration pursuant to the United States Supreme Court decision in Sullivan v. Zebley, 110 S.Ct. 885 (1990)."

Delete the title and insert:

"A bill for an act relating to trusts; making certain trust provisions related to public assistance eligibility unenforceable as against public policy; clarifying availability of trusts in determining eligibility for medical assistance and other benefit programs; defining supplemental needs trusts; clarifying enforceability of supplemental needs trusts; amending Minnesota Statutes 1992, section 501B.89."

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1256, A bill for an act relating to economic development; providing for community development corporations; appropriating money; amending Minnesota Statutes 1992, sections 116J.982; and 462A.21, by adding a subdivision; repealing Minnesota Statutes 1992, section 116J.982, subdivisions 6a, 8, and 9.

Reported the same back with the following amendments:

Page 5, line 19, delete "new organizations."

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

The report was adopted.

Simoneau from the Committee on Health and Human Services to which was referred:

H. F. No. 1294, A bill for an act relating to medical assistance; increasing asset allowances; removing the 30-month limitation on prohibited transfers for medical assistance eligibility; requiring the commissioner of human services to seek necessary federal law changes or waivers; providing for medical assistance liens on real property; appropriating money; amending Minnesota Statutes 1992, sections 256B.059, subdivisions 3 and 5; and 256B.0595, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 514.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 256B.059, subdivision 3, is amended to read:

Subd. 3. [COMMUNITY SPOUSE ASSET ALLOWANCE.] (a) An institutionalized spouse may transfer assets to the community spouse solely for the benefit of the community spouse. Except for increased amounts allowable under subdivision 4, the maximum amount of assets allowed to be transferred is the amount which, when added to the assets otherwise available to the community spouse, is the greater of:

(1) \$12,000 prior to July 1, 1994,

(i) \$14,148;

(2) (ii) the lesser of the spousal share or \$60,000 \$70,740; or

(3) (iii) the amount required by court order to be paid to the community spouse;

(2) for the period from July 1, 1994, to June 30, 1995,

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse; and

(3) for the period beginning July 1, 1995,

(i) \$70,740; or

(ii) the amount required by court order to be paid to the community spouse.

If the assets available to the community spouse are already at the limit permissible under this section, or the higher limit attributable to increases under subdivision 4, no assets may be transferred from the institutionalized spouse to the community spouse. The transfer must be made as soon as practicable after the date the institutionalized spouse is determined eligible for medical assistance, or within the amount of time needed for any court order required for the transfer. On January 1, 1990, and every January 1 thereafter, the ~~\$12,000 and \$60,000~~ limits in this subdivision shall be adjusted by the same percentage change in the consumer price index for all urban consumers (all items; United States city average) between the two previous Septembers. These adjustments shall also be applied to the ~~\$12,000 and \$60,000~~ limits in subdivision 5.

Sec. 2. Minnesota Statutes 1992, section 256B.059, subdivision 5, is amended to read:

Subd. 5. [ASSET AVAILABILITY.] (a) At the time of application for medical assistance benefits, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the greater of:

(1) ~~\$12,000~~ prior to July 1, 1994,

(i) \$14,148; or

(2) (ii) the lesser of the spousal share or \$60,000 \$70,740; or

(3) (iii) the amount required by court order to be paid to the community spouse;

(2) for the period from July 1, 1994, to June 30, 1995,

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse; and

(3) for the period beginning July 1, 1995,

(i) \$70,740; or

(ii) the amount required by court order to be paid to the community spouse.

If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.



(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdivision 2; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under clause (b).

(d) Assets determined to be available to the institutionalized spouse under this section must be used for the health care or personal needs of the institutionalized spouse.

(e) For purposes of this section, assets do not include assets excluded under section 256B.056, without regard to the limitations on total value in that section.

Sec. 3. Minnesota Statutes 1992, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED TRANSFERS.] (a) ~~If a person or the person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under section 256B.056, subdivision 3, within 30 months before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 2. A person, a person's spouse, or a person's authorized representative may not give away, sell, or dispose of, for less than fair market value, any asset or interest therein, for the purpose of establishing or maintaining medical assistance eligibility. For purposes of determining eligibility for medical assistance, any transfer of an asset for less than fair market value may be considered. Any transfer made within 60 months preceding application for medical assistance or during the period of medical assistance eligibility is presumed to have been made for the purpose of establishing or maintaining medical assistance eligibility and the person is ineligible for medical assistance for the period of time determined under subdivision 2, unless the person furnishes convincing evidence to establish that the transaction was exclusively for another purpose. Any other transfer of an asset for less than fair market value more than 60 months prior to application for medical assistance eligibility may be considered for purposes of determining eligibility.~~

(b) This section applies to transfers, for less than fair market value, of income or assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments.

(c) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement which was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

(d) This section applies to the portion of any asset or interest that a person or a person's spouse transfers to an irrevocable trust, annuity, or other instrument, that exceeds the value of the benefit likely to be returned to the person or spouse while alive, based on estimated life expectancy using the life expectancy tables employed by the supplemental security income program to determine the value of an agreement for services for life. The commissioner may adopt rules reducing life expectancies based on the need for long-term care.

(e) For purposes of this section, long-term care services include nursing facility services, and home- and community-based services provided pursuant to section 256B.491. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, or who is receiving home- and community-based services under section 256B.491.

Sec. 4. Minnesota Statutes 1992, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. [PERIOD OF INELIGIBILITY.] For ~~any~~ uncompensated ~~transfer~~ transfers, the number of months of ineligibility for long-term care services shall be ~~the lesser of 30 months, or the total uncompensated transfer amount value of the resources transferred,~~ divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred except that if one or more uncompensated transfers are made during a period of ineligibility, the total assets transferred during the ineligibility period shall be combined and a penalty period calculated to begin in the month the first assets were transferred. In calculating the value of uncompensated transfers, uncompensated transfers not to exceed \$1,000 in total value per month shall be disregarded for each month prior to the month of application for medical assistance. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

Sec. 5. Minnesota Statutes 1992, section 256B.0595, subdivision 3, is amended to read:

Subd. 3. [HOMESTEAD EXCEPTION TO TRANSFER PROHIBITION.] (a) An institutionalized person is not ineligible for ~~long-term care~~ medical assistance services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:

- (1) title to the homestead was transferred to the individual's
  - (i) spouse;
  - (ii) child who is under age 21;
  - (iii) blind or permanently and totally disabled child as defined in the supplemental security income program;
  - (iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or
  - (v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the facility, and who provided care to the individual that permitted the individual to reside at home rather than in an institution or facility;

(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(3) the local agency grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

(b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of ~~long-term care~~ medical assistance services granted ~~within 30 months of the transfer during the period of ineligibility under subdivision 2~~ or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G.

Sec. 6. Minnesota Statutes 1992, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. [OTHER EXCEPTIONS TO TRANSFER PROHIBITION.] An institutionalized person who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for ~~long-term care~~ medical assistance services if one of the following conditions applies:

- (1) the assets were transferred to the community spouse, as defined in section 256B.059; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of ~~long-term care~~ medical assistance services granted ~~within 30 months of the transfer, during the period of ineligibility determined under subdivision 2~~ or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter.

Sec. 7. Minnesota Statutes 1992, section 256B.15, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS ON CLAIMS.] The claim shall include only the total amount of medical assistance rendered after age 65 or during a period of institutionalization described in subdivision 1 1a, clause (b), and the total amount of general assistance medical care rendered, and shall not include interest. Claims that have been allowed but not paid shall bear interest according to section 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage.

Sec. 8. [514.980] [MEDICAL ASSISTANCE LIENS; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 514.980 to 514.985.

Subd. 2. [MEDICAL ASSISTANCE AGENCY OR AGENCY.] "Medical assistance agency" or "agency" means the state or any county medical assistance agency that provides a medical assistance benefit.

Subd. 3. [MEDICAL ASSISTANCE BENEFIT.] "Medical assistance benefit" means a benefit provided under chapter 256B to a person while in a medical institution.

Subd. 4. [MEDICAL INSTITUTION.] A "medical institution" means a nursing facility, intermediate care facility, or inpatient hospital.

Sec. 9. [514.981] [MEDICAL ASSISTANCE LIEN.]

Subdivision 1. [PROPERTY SUBJECT TO LIEN; LIEN AMOUNT.] (a) Subject to sections 514.980 to 514.985, payments made by a medical assistance agency to provide medical assistance benefits to a medical assistance recipient who owns property in this state or to the recipient's spouse constitute a lien in favor of the agency upon all real property that is owned by the medical assistance recipient on or after the time when the recipient is institutionalized.

(b) The amount of the lien is limited to the same extent as a claim against the estate under section 256B.15, subdivision 2.

Subd. 2. [ATTACHMENT.] (a) A medical assistance lien attaches and becomes enforceable against specific real property as of the date when the following conditions are met:

(1) payments have been made by an agency for a medical assistance benefit;

(2) notice and an opportunity for a hearing have been provided under paragraph (b);

(3) a lien notice has been filed as provided in section 514.982;

(4) if the property is registered property, the lien notice has been memorialized on the certificate of title of the property affected by the lien notice; and

(5) all restrictions against enforcement have ceased to apply.

(b) An agency may not file a medical assistance lien notice until the medical assistance recipient and the recipient's spouse or their legal representatives have been sent, by certified or registered mail, written notice of the agency's lien rights and there has been an opportunity for a hearing under section 256.045. In addition, the agency may not file a lien notice unless the agency determines that the medical assistance recipient cannot reasonably be expected to be discharged from a medical institution to return home, as medically verified by the recipient's attending physician.

(c) An agency may not file a medical assistance lien notice against real property while it is the home of the recipient's spouse.

(d) An agency may not file a medical assistance lien notice against real property that was the homestead of the medical assistance recipient or the recipient's spouse when the medical assistance recipient received medical institution services if any of the following persons are lawfully residing in the property:

(1) a child of the medical assistance recipient if the child is under age 21 or is blind or permanently and totally disabled according to the supplemental security income criteria;

(2) a child of the medical assistance recipient if the child resided in the homestead for at least two years immediately before the date the medical assistance recipient received medical institution services, and the child provided care to the medical assistance recipient that permitted the recipient to live without medical institution services; or

(3) a sibling of the medical assistance recipient if the sibling has an equity interest in the property and has resided in the property for at least one year immediately before the date the medical assistance recipient began receiving medical institution services.

(e) A medical assistance lien applies only to the specific real property described in the lien notice.

Subd. 3. [CONTINUATION OF LIEN NOTICE AND LIEN.] A medical assistance lien notice remains effective from the time it is filed until it can be disregarded under sections 514.980 to 514.985. A medical assistance lien that has attached to specific real property continues until the lien is satisfied, becomes unenforceable under subdivision 6, or is released and discharged under subdivision 5.

Subd. 4. [LIEN PRIORITY.] A medical assistance lien that attaches to specific real property is subject to the rights of any other person, including an owner, other than the recipient or recipient's spouse, purchaser, holder of a mortgage or security interest, or judgment lien creditor, whose interest in the real property is perfected before a lien notice has been filed under section 514.982. The rights of the other person have the same protections against a medical assistance lien as are afforded against a judgment lien that arises out of an unsecured obligation and that arises as of the time of the filing of the medical assistance lien notice under section 514.982. A medical assistance lien is inferior to a lien for taxes or special assessments or other lien that would be superior to the perfected lien of a judgment creditor.

Subd. 5. [RELEASE.] (a) An agency that files a medical assistance lien notice shall release and discharge the lien in full if:

(1) the medical assistance recipient is discharged from the medical institution and returns home;

(2) the medical assistance lien is satisfied;

(3) the agency has received reimbursement for the amount secured by the lien or a legally enforceable agreement has been executed providing for reimbursement of the agency for that amount; or

(4) the medical assistance recipient, if single, or the recipient's surviving spouse, has died, and a claim may not be filed against the estate of the decedent under section 256B.15, subdivision 3.

(b) Upon request, the agency that files a medical assistance lien notice shall release a specific parcel of real property from the lien if:

(1) the property is or was the homestead of the recipient's spouse during the time of the medical assistance recipient's institutionalization, or the property is or was attributed to the spouse under section 256B.059, subdivision 3 or 4, and the spouse is not receiving medical assistance benefits;

(2) the property would be exempt from a claim against the estate under section 256B.15, subdivision 4;

(3) the agency receives reimbursement, or other collateral sufficient to secure payment of reimbursement, in an amount equal to the lesser of the amount secured by the lien, or the amount the agency would be allowed to recover upon enforcement of the lien against the specific parcel of property if the agency attempted to enforce the lien on the date of the request to release the lien; or

(4) the medical assistance lien cannot lawfully be enforced against the property because of an error, omission, or other material defect in procedure, description, identity, timing, or other prerequisite to enforcement.

(c) The agency that files a medical assistance lien notice may release the lien if the attachment or enforcement of the lien is determined by the agency to be contrary to the public interest.

(d) The agency that files a medical assistance lien notice shall execute the release of the lien and file the release as provided in section 514.982, subdivision 2.

Subd. 6. [TIME LIMITS; CLAIM LIMITS.] (a) A medical assistance lien is not enforceable against specific real property if any of the following occurs:

(1) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within 18 months of the agency's receipt of notice of the death of the medical assistance recipient or the death of the surviving spouse, whichever occurs later; or

(2) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within three years of the death of the medical assistance recipient or the death of the surviving spouse, whichever occurs later. This limitation is tolled during any period when the provisions of section 514.983, subdivision 2, apply to delay enforcement of the lien.

(b) A medical assistance lien is not enforceable against the real property of an estate to the extent there is a determination by a court of competent jurisdiction, or by an officer of the court designated for that purpose, that there are insufficient assets in the estate to satisfy the agency's medical assistance lien in whole or in part in accordance with the priority of claims established by chapters 256B and 524. The agency's lien remains enforceable to the extent that assets are available to satisfy the agency's lien, subject to the priority of other claims, and to the extent that the agency's claim is allowed against the estate under chapters 256B and 524.

Sec. 10. [514.982] [MEDICAL ASSISTANCE LIEN NOTICE.]

Subdivision 1. [CONTENTS.] A medical assistance lien notice must be dated and must contain:

(1) the full name, last known address, and social security number of the medical assistance recipient and the full name, address, and social security number of the recipient's spouse;

(2) a statement that medical assistance payments have been made to or for the benefit of the medical assistance recipient named in the notice, specifying the first date of eligibility for benefits;

(3) a statement that all interests in real property owned by the persons named in the notice may be subject to or affected by the rights of the agency to be reimbursed for medical assistance benefits; and

(4) the legal description of the real property upon which the lien attaches, and whether the property is registered property.

Subd. 2. [FILING.] Any notice, release, or other document required to be filed under sections 514.980 to 514.985 must be filed in the office of the county recorder or registrar of titles, as appropriate, in the county where the real

property is located. Notwithstanding section 386.77, the agency shall pay the applicable filing fee for any document filed under sections 514.980 to 514.985. The commissioner of human services shall reimburse the county agency for filing fees paid under this section. An attestation, certification, or acknowledgment is not required as a condition of filing. Upon filing of a medical assistance lien notice, the registrar of titles shall record it on the certificate of title of each parcel of property described in the lien notice. The county recorder of each county shall establish an index of medical assistance lien notices, other than those that affect only registered property, showing the names of all persons named in the medical assistance lien notices filed in the county, arranged alphabetically. The index must be combined with the index of state tax lien notices. The filing or mailing of any notice, release, or other document under sections 514.980 to 514.985 is the responsibility of the agency. The agency shall send a copy of the medical assistance lien notice by registered or certified mail to each record owner and mortgagee of the real property.

Sec. 11. [514.983] [LIEN ENFORCEMENT; LIMITATION.]

Subdivision 1. [FORECLOSURE PROCEDURE.] Subject to subdivision 2, a medical assistance lien may be enforced by the agency that filed it by foreclosure in the manner provided for foreclosure of a judgment lien under chapter 550.

Subd. 2. [HOMESTEAD PROPERTY.] (a) A medical assistance lien may not be enforced against homestead property of the medical assistance recipient or the spouse while it remains the lawful residence of the medical assistance recipient's spouse.

(b) A medical assistance lien remains enforceable as provided in sections 514.980 to 514.985, notwithstanding any law limiting the enforceability of a judgment.

Sec. 12. [514.984] [LIEN DOES NOT AFFECT OTHER REMEDIES.]

Sections 514.980 to 514.985 do not limit the right of an agency to file a claim against the estate of a medical assistance recipient or the estate of the spouse or limit any other claim for reimbursement of agency expenses or the availability of any other remedy provided to the agency.

Sec. 13. [514.985] [AMOUNTS RECEIVED TO SATISFY LIEN.]

Amounts received by the state to satisfy a medical assistance lien filed by the state must be deposited in the state treasury and credited to the fund from which the medical assistance payments were made. Amounts received by a county medical assistance agency to satisfy a medical assistance lien filed by the county medical assistance agency must be deposited in the county treasury and credited to the fund from which the medical assistance payments were made.

Sec. 14. [WAIVER REQUEST TO LIMIT ASSET TRANSFERS.]

The commissioner of human services shall seek federal law changes and federal waivers necessary to implement Minnesota Statutes, section 256B.0595, subdivisions 1 and 2.

Sec. 15. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of human services for purposes of implementing this act and reimbursing counties for filing fees under Minnesota Statutes, section 514.982, and the complement of the department of human services is increased by three. Two of these positions must be used to file, monitor, and enforce medical assistance liens under Minnesota Statutes, sections 514.980 to 514.985. One position must be used to implement sections 1 to 4 and to provide technical assistance to state and county agencies dealing with estate planning and other asset and income issues.

Sec. 16. [EFFECTIVE DATE.]

Section 1 shall apply to all persons who begin their first continuous period of institutionalization on or after July 1, 1993. Sections 3 and 4 apply to transfers that occur after June 30, 1993, or after the effective date of the waivers or law changes referred to in section 14, whichever is later."

Delete the title and insert:

"A bill for an act relating to medical assistance; increasing asset allowances; removing the 30-month limitation on prohibited transfers for medical assistance eligibility; requiring the commissioner of human services to seek necessary federal law changes or waivers; providing for medical assistance liens on real property; appropriating money; amending Minnesota Statutes 1992, sections 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; and 256B.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 514."

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

The report was adopted.

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

H. F. No. 1588, A bill for an act relating to metropolitan government; providing for an advisory council on metropolitan governance.

Reported the same back with the following amendments:

Page 2, after line 30, insert:

"Sec. 3. [APPROPRIATION.]

\$..... is appropriated for fiscal year 1994 from the general fund to the metropolitan council for the purposes of sections 1 and 2."

Page 2, line 31, delete "3" and insert "4"

Correct internal references

Amend the title as follows:

Page 1, line 3, before the period insert "; appropriating money"

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

The report was adopted.

Carlson from the Committee on Education to which was referred:

H. F. No. 1727, A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1992, sections 3.9741; 16A.127, subdivision 8; 126.56, subdivision 5; 135A.03, subdivision 7; 135A.06, subdivision 1; 135A.061; 136A.02, subdivisions 5, 6, and 7; 136A.04, subdivision 1; 136A.0411; 136A.08; 136A.101, subdivision 7; 136A.121, subdivisions 6 and 9; 136A.125, subdivision 3; 136A.1352, subdivisions 1 and 2; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.1701, subdivision 4, and by adding a subdivision; 136A.233; 136A.653, subdivision 1; 136A.69; 136A.87; 136C.15; 136C.61, subdivision 7; 136E.04, subdivision 3; 137.022, subdivision 3, and by adding a subdivision; 141.25, subdivision 8; 141.26, subdivisions 1 and 5; Laws 1990, chapter 591, article 3, section 10, as amended; Laws 1991, chapter 356, articles 6, section 4, as amended;

and 9, section 8, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; repealing Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; 136A.121, subdivision 10; 136A.134; 136A.1352, subdivision 3; 136A.234; 136A.70; 136A.85; 136A.86; 136A.88; Laws 1991, chapter 356, article 8, section 23.

Reported the same back with the following amendments:

Page 5, after line 46, insert:

"Subd. 4. Cambridge Center

The board may not expend any part of this appropriation for intercollegiate athletics until it has allocated the necessary resources to the Cambridge center to achieve equity in funding between Cambridge and campuses of similar size, as required in Laws 1991, chapter 356, article 1, section 4, subdivision 2."

Page 8, line 27, delete everything after the period

Page 8, delete lines 28 to 32

Page 24, line 8, delete "January" and insert "July"

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

The report was adopted.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Rest, for the Committee on Taxes, introduced:

H. F. No. 1735, A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying proposed tax notice and hearing requirements; modifying aids to local governments; modifying provisions relating to property tax classifications and levies; changing tax increment financing provisions; changing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; providing for grants and loans in certain cases; enacting provisions relating to certain cities, counties, and special taxing districts; prescribing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.15, subdivision 6; 16A.1541; 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; 35.821, subdivision 4; 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 97A.061, subdivisions 2 and 3; 103B.635, subdivision 2, as amended; 115B.22, subdivision 7; 124.2131, subdivision 1; 134.001, by adding a subdivision; 134.351, subdivision 4; 239.785; 256E.06, subdivision 12; 270.06; 270.07, subdivision 3; 270.41; 270.70, subdivision 1; 270A.10; 270B.01, subdivision 8; 270B.12, by adding a subdivision; 270B.14, subdivision 8; 272.02, subdivision 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 6a, 13, and by adding subdivisions; 273.112, by adding a subdivision; 273.121; 273.124, subdivisions 1, 9, 13, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.135, subdivision 2; 273.1398, subdivisions 1, 2, and by adding subdivisions; 273.33, subdivision 2; 275.065, subdivisions 1, 3, 5a, 6, and by adding a subdivision; 275.07, subdivision 1, and by adding a subdivision; 275.08, subdivision 1d; 276.02; 276.04, subdivision 2; 279.37, subdivision 1a; 289A.09,



by adding a subdivision; 289A.18, subdivision 4; 289A.20, subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivision 3; 289A.50, subdivision 5; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15, and by adding subdivisions; 290.01, subdivisions 7, 19, 19a, and 19c; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.091, subdivisions 1, 2, and 6; 290.0921, subdivision 3; 290A.03, subdivisions 3, 7, and 8; 290A.04, subdivision 2h, and by adding a subdivision; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.01, by adding a subdivision; 296.02, subdivision 8; 296.03; 296.14, subdivision 1; 296.18, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 6, 13, and 15; 297A.136; 297A.14, subdivision 1; 297A.25, subdivisions 3, 7, 11, 16, 34, 41, and by adding a subdivision; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.75, subdivisions 4 and 5; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 319A.11, subdivision 1; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, subdivision 1; 469.012, subdivision 1; 469.174, subdivisions 19 and 20; 469.175, by adding a subdivision; 469.176, subdivisions 1 and 4e; 469.1763, by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1831, subdivision 4; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 4; 473.249, subdivision 2; 473.843, subdivision 3; 477A.011, subdivisions 1a, 20, and by adding subdivisions; 477A.013, by adding subdivisions; 477A.03, subdivision 1; and 477A.14; Laws 1953, chapter 387, section 1; Laws 1969, chapter 561, section 1; Laws 1971, chapters 373, sections 1 and 2; 455, section 1; Laws 1985, chapter 302, sections 1, subdivision 3; 2, subdivision 1; and 4; proposing coding for new law in Minnesota Statutes, chapters 17; 116; 134; 270; 272; 273; 295; 297A; 383A; and 469; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115, subdivision 1a; 273.1398, subdivision 5; 275.07, subdivision 3; 297A.01, subdivision 16; 297A.25, subdivision 42; 297B.09, subdivision 3; 477A.011, subdivisions 1b, 3a, 15, 16, 17, 18, 22, 23, 25, and 26; and 477A.013, subdivisions 2, 3, and 5; Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1 to 3.

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

## GENERAL ORDERS

Anderson, I., moved that the bills on General Orders for today be continued. The motion prevailed.

## MOTIONS AND RESOLUTIONS

Smith moved that his name be stricken as an author on H. F. No. 410. The motion prevailed.

Farrell moved that his name be stricken as an author on H. F. No. 619. The motion prevailed.

Osthoff moved that his name be stricken and the names of Ostrom, Frerichs and Jefferson be added as authors on H. F. No. 746. The motion prevailed.

McGuire moved that the name of Erhardt be added as an author on H. F. No. 1721. The motion prevailed.

Brown, C., moved that the names of Cooper and Winter be added as authors on H. F. No. 1726. The motion prevailed.

Wenzel moved that S. F. No. 238 be recalled from the Committee on Agriculture and together with H. F. No. 1639, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Clark moved that H. F. No. 1569 be recalled from the Committee on Environment and Natural Resources Finance and be re-referred to the Committee on Health and Human Services. The motion prevailed.

## ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, April 19, 1993. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Monday, April 19, 1993.

EDWARD A. BURDICK, Chief Clerk, House of Representatives