

STATE OF MINNESOTA  
SEVENTY-EIGHTH SESSION — 1994

SEVENTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 28, 1994

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

Prayer was offered by the Reverend Dr. Donald Meisel, House Chaplain.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abrams	Dehler	Hugoson	Lasley	Neary	Rest	Van Dellen
Anderson, R.	Delmont	Huntley	Leppik	Nelson	Rhodes	Van Engen
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	Long	Olson, M.	Sarna	Waltman
Bergson	Farrell	Johnson, A.	Lourey	Onnen	Seagren	Weaver
Bertram	Finseth	Johnson, R.	Luther	Opatz	Sekhon	Wejzman
Bettermann	Frerichs	Johnson, V.	Lynch	Orenstein	Simoneau	Wenzel
Bishop	Garcia	Kahn	Macklin	Orfield	Skoglund	Winter
Brown, C.	Girard	Kalis	Mahon	Osthoff	Smith	Wolf
Brown, K.	Goodno	Kelley	Mariani	Ostrom	Solberg	Worke
Carlson	Greenfield	Kelso	McCollum	Ozment	Stanius	Workman
Carruthers	Greiling	Kinkel	McGuire	Pauly	Steensma	Spk. Anderson, I.
Clark	Gruenes	Klinzing	Milbert	Pawlenty	Swiggum	
Commers	Gutknecht	Knickerbocker	Molnau	Pelowski	Swenson	
Cooper	Hasskamp	Knight	Morrison	Perlt	Tomassoni	
Dauner	Haukoos	Koppendrayner	Mosel	Peterson	Tompkins	
Davids	Hausman	Krinkie	Munger	Pugh	Trimble	
Dawkins	Holsten	Krueger	Murphy	Reding	Tunheim	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Luther 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

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

H. F. No. 664, A bill for an act relating to education; modifying the teacher retirement program to provide an incentive for experienced teachers to participate in job sharing; proposing coding for new law in Minnesota Statutes, chapter 125.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 354.66, subdivision 2, is amended to read:

Subd. 2. A teacher in the public elementary schools, secondary schools, or technical colleges or in the community college system or the state university system of the state who has 20 three years or more of allowable service in the fund or 20 three years or more of full-time teaching service in Minnesota public elementary schools, secondary schools, or technical colleges or in the community college system or the state university system, ~~or a teacher in the community college system or state university system who has attained at least age 55 and has ten years or more of allowable service in the fund or ten years or more of full-time teaching service as described in this subdivision,~~ may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part-time teaching position.

Sec. 2. Minnesota Statutes 1992, section 354.66, subdivision 4, is amended to read:

Subd. 4. [RETIREMENT CONTRIBUTIONS.] Notwithstanding any provision to the contrary in this chapter relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part-time position ~~pursuant to~~ under this section shall continue to make employee contributions to and to accrue allowable service credit in the retirement fund during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, prior to June 30 each year, or within 30 days after notification by the association of the amount due, whichever is later, the member and the employing board make that portion of the required employer contribution to the retirement fund, in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for the services rendered in the part-time assignment. The employing unit shall make that portion of the required employer contributions to the retirement fund on behalf of the teacher that is based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment in the manner described in section 354.43, subdivision 3. If the teacher has 20 years or more of allowable service in the fund or 20 years or more of full-time teaching service, as described in subdivision 2, the employer shall make the full employer contribution to the fund based on the compensation that would have been paid if the teacher had been employed on a full-time basis. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354.42. Full accrual of allowable service credit and employee contributions for part-time teaching service pursuant to this section and section 354A.094 shall not continue for a period longer than ten years.

Sec. 3. Minnesota Statutes 1992, section 354A.094, subdivision 3, is amended to read:

Subd. 3. A teacher in the public schools of a city of the first class who has 20 three years or more allowable service in the applicable retirement fund association or 20 three years or more of full-time teaching service in Minnesota public elementary schools, secondary schools, and technical colleges may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part-time teaching position.

Sec. 4. Minnesota Statutes 1992, section 354A.094, subdivision 4, is amended to read:

Subd. 4. [RETIREMENT CONTRIBUTIONS.] Notwithstanding any provision to the contrary in this chapter or the articles of incorporation or bylaws of an association relating to the salary figure to be used for the determination of contributions or the accrual of service credit, a teacher assigned to a part-time position ~~pursuant to~~ under this section shall continue to make employee contributions to and to accrue allowable service credit in the applicable association during the period of part-time employment on the same basis and in the same amounts as would have been paid and accrued if the teacher had been employed on a full-time basis provided that, prior to June 30 each year the member and the employing board make that portion of the required employer contribution to the applicable association in any proportion which they may agree upon, that is based on the difference between the amount of compensation that would have been paid if the teacher had been employed on a full-time basis and the amount of compensation actually received by the teacher for services rendered in the part-time assignment. The employer contributions to the applicable association on behalf of the teacher shall be based on the amount of compensation actually received by the teacher for the services rendered in the part-time assignment in the manner described in section 354.43, ~~subdivisions 1 and 5~~ subdivision 3. If the teacher has 20 years or more of allowable service in the association or 20 years or more of full-time teaching service, as described in subdivision 3, the employer shall make the full employer contribution to the fund, based on the compensation that would have been paid if the teacher had been employed on a full-time basis. The employee and employer contributions shall be based upon the rates of contribution prescribed by section 354A.12. Full membership, accrual of allowable service credit and employee contributions for part-time teaching service by a teacher pursuant to this section and section 354.66 shall not continue for a period longer than ten years.

## Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1994, and apply to teaching service after that date."

Delete the title and insert:

"A bill for an act relating to education; modifying certain teacher retirement programs to encourage experienced teachers to participate in job sharing; amending Minnesota Statutes 1992, sections 354.66, subdivisions 2 and 4; and 354A.094, subdivisions 3 and 4."

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. 942, A bill for an act relating to traffic regulation; revising the crime of reckless driving; replacing the crime of careless driving with an inattentive driving offense; providing penalties; amending Minnesota Statutes 1992, section 169.13, subdivisions 1 and 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 169.14, subdivision 1, is amended to read:

Subdivision 1. [BASIC RULE; INATTENTIVE DRIVING.] No person shall drive a vehicle on a highway at a speed greater than is reasonable and prudent under the conditions ~~and having regard to.~~ Every driver is responsible for becoming and remaining aware of the actual and potential hazards then existing on the highway and must use due care in operating a vehicle. In every event speed shall be so restricted as may be necessary to avoid colliding with any person, vehicle or other conveyance on or entering the highway in compliance with legal requirements and the duty of all persons to use due care.

## Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective August 1, 1994, and applies to offenses committed on or after that date."

Delete the title and insert:

"A bill for an act relating to traffic regulations; requiring every driver to use due care in operating a motor vehicle; amending Minnesota Statutes 1992, section 169.14, subdivision 1."

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

The report was adopted.

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

H. F. No. 1108, A bill for an act relating to transportation; appropriating money for a study of Rochester airport and for a study of high speed rail.

Reported the same back with the following amendments:

Page 1, after line 12, insert:

"Subd. 2. [HIGH SPEED RAIL STUDY.] The commissioner of transportation shall conduct a study to determine the economic benefit to the city of Rochester and southeastern Minnesota from high speed rail, in conjunction with phase II of the high speed rail study."

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

Page 1, line 16, delete "3" and insert "4"

Page 1, line 19, delete "4" and insert "5"

Pages 1 and 2, delete section 2

With the recommendation that when so amended 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. 1844, A bill for an act relating to highways; designating trunk highway marked No. 212 as the Minnesota Veterans Memorial Highway; amending Minnesota Statutes 1992, section 161.14, by adding a subdivision.

Reported the same back with the recommendation that 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. 1884, A bill for an act relating to housing; requiring a report to the legislature evaluating emergency weather procedures in manufactured home parks; appropriating money.

Reported the same back with the following amendments:

Page 1, line 6, delete "MANUFACTURED HOME PARK"

Page 1, line 11, after "study" insert "public safety in" and delete "procedures and facilities" and insert "conditions"

Page 1, delete lines 12 to 16 and insert "housing manufactured or constructed without basements. The study must identify areas with adequate evacuation and shelter plans to protect residents of housing manufactured or constructed without basements."

Page 1, line 19, after the first "of" insert "manufactured home" and after "residents" insert ", residents of other housing without basements,"

Page 1, line 20, delete everything after the period

Page 1, delete lines 21 to 23

Page 2, line 2, delete "bringing"

Page 2, delete lines 3 and 4, and insert "improving resident and public safety during emergency weather conditions,"

Amend the title as follows:

Page 1, line 3, after "evaluating" insert "public safety and"

Page 1, line 4, delete everything before the semicolon and insert "housing without basements"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

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

H. F. No. 1909, A bill for an act relating to retirement; local police and salaried firefighters relief associations; requiring continuation of surviving spouse benefits upon remarriage; amending Minnesota Statutes 1992, section 423A.17:

Reported the same back with the following amendments:

Page 1, after line 7, insert:

#### "ARTICLE 1

#### CONTINUATION OF SURVIVING SPOUSE BENEFITS UPON REMARRIAGE"

Page 1, line 19, before "a" insert "the governing body of a municipality may mandate the applicable local police or salaried firefighters relief association to provide that"

Page 1, lines 23 and 24, reinstate the stricken language

Page 1, line 25, reinstate the stricken language and delete the new language

Page 2, line 2, reinstate the stricken language and delete the new language

Page 2, line 3, reinstate the stricken language

Page 2, line 4, reinstate "described in paragraph (a) is made"

Page 2, line 14, delete the new language and insert "The change must be made by a municipal resolution adopted by a majority vote of the municipality. The resolution must"

Page 2, lines 18 and 19, delete the new language

Page 2, after line 21, insert:

#### "ARTICLE 2

#### CONFORMING CHANGE TO THE CONSOLIDATION LAW

Section 1. Minnesota Statutes 1993 Supplement, section 353B.11, subdivision 6, is amended to read:

Subd. 6. [DISCONTINUATION; SURVIVING SPOUSE BENEFIT.] ~~(a) Except as specified in paragraph (b) or (c), a surviving spouse benefit terminates upon the death or the subsequent marriage of the person entitled to receive or receiving a surviving spouse benefit.~~

~~(b) A surviving spouse benefit terminates upon the subsequent marriage of the person entitled to receive or receiving a surviving spouse benefit but recommences at the appropriate amount without any retroactive payments in the event of the termination of the subsequent marriage for any reason for the former members of the following consolidating relief associations:~~

- ~~(1) Albert Lea firefighters relief association;~~
- ~~(2) Duluth firefighters relief association;~~
- ~~(3) Minneapolis fire department relief association;~~
- ~~(4) St. Paul fire department relief association; and~~
- ~~(5) St. Paul police relief association.~~

~~(e) For all consolidating relief associations, a surviving spouse benefit shall terminate terminates only upon the death of the person entitled to receive or receiving a surviving spouse benefit, for the former members of the following consolidating relief associations:~~

- ~~(1) Albert Lea police relief association;~~
- ~~(2) Anoka police relief association;~~
- ~~(3) Bloomington police relief association;~~
- ~~(4) Buhl police relief association;~~
- ~~(5) Chisholm fire department relief association;~~
- ~~(6) Chisholm police relief association;~~
- ~~(7) Crookston fire department relief association;~~
- ~~(8) Duluth police relief association;~~
- ~~(9) Faribault fire department relief association;~~
- ~~(10) Hibbing firefighters relief association;~~
- ~~(11) Hibbing police relief association;~~
- ~~(12) Mankato fire department relief association;~~
- ~~(13) Red Wing fire department relief association;~~
- ~~(14) Red Wing police relief association;~~
- ~~(15) Rochester fire department relief association;~~
- ~~(16) Rochester police relief association;~~
- ~~(17) St. Cloud fire department relief association;~~
- ~~(18) St. Louis Park fire department relief association;~~
- ~~(19) St. Louis Park police relief association;~~
- ~~(20) South St. Paul firefighters relief association;~~
- ~~(21) South St. Paul police relief association;~~

~~(22) West St. Paul firefighters relief association;~~

~~(23) Winona fire department relief association; and~~

~~(24) Winona police relief association.~~

Sec. 2. [EFFECTIVE DATE.]

(a) Section 1 is effective on the day following final enactment.

(b) Section 1 applies to any consolidation account under Minnesota Statutes, chapter 353B, established before the date of final enactment as well as any account established after that date and applies to any person who formerly was receiving surviving spouse benefits from a consolidation account or a local relief association and who had those benefits discontinued solely by virtue of remarriage.

(c) Nothing in this article authorizes the payment of a benefit amount to an estate."

Amend the title as follows:

Page 1, line 3, after "associations" insert "and consolidation accounts"

Page 1, line 6, after "423A.17" insert "; Minnesota Statutes 1993 Supplement, section 353B.11, subdivision 6"

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

The report was adopted.

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

H. F. No. 1917, A bill for an act relating to metropolitan government; providing for financial assistance and capital expenditures of the regional transit board; amending Minnesota Statutes 1992, sections 473.375, subdivision 13; and 473.39, subdivision 1b.

Reported the same back with the following amendments:

Page 1, delete lines 11 to 19, and insert:

"Subd. 13. [FINANCIAL ASSISTANCE.] The board may provide financial assistance to the commission and other providers as provided in sections 473.371 to 473.449 in furtherance of and in conformance with the implementation plan of the board. The board may not use the proceeds of bonds issued by the council under section 473.39 to provide capital assistance to private, for-profit operators of public transit, unless the operators provide service under a contract with the board or recipients of financial assistance under sections 473.371 to 473.449."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

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

H. F. No. 1918, A bill for an act relating to licensing; requiring implementation of a system of consolidated business licensing; requiring the state to provide citizens with electronic access to state agencies for the purpose of obtaining certain licenses and permits; proposing coding for new law in Minnesota Statutes, chapters 16B; and 116J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [BUREAU OF BUSINESS LICENSES EXPANSION.]

Subdivision 1. [DEFINITIONS.] For purposes of this section the following terms have the meanings given them:

(1) "commissioner" means the commissioner of the department of trade and economic development;

(2) "bureau" means the bureau of business licenses established by Minnesota Statutes, sections 116J.73 to 116J.86;  
and

(3) "license" has the meaning given it in Minnesota Statutes, section 116J.70, subdivision 2.

Subd. 2. [EXPANSION OF SERVICES.] The commissioner, working in conjunction with other agency heads as necessary, shall expand the services and operations of the bureau and the scope of the master application procedure in accordance with this section. Other agency heads shall cooperate with and assist the commissioner upon request.

Subd. 3. [NUMBER AND KIND OF LICENSES.] The commissioner shall determine the feasibility of increasing the number and kind of licenses available through the bureau, including licenses required and issued by the federal government and local units of government. The commissioner shall particularly address licenses relating to product characteristics, business transactions, market access and competition, environmental standards, use of natural resources, use and development of technology, and tax collection.

Subd. 4. [MASTER APPLICATION PROCEDURE.] The commissioner shall expand the master application procedure for each regulated industry to enable an applicant for business licenses to submit a single application. The applicant shall pay all fees to the bureau, which would then transmit information and individual fees to the agencies issuing the licenses. The commissioner, in conjunction with the heads of agencies issuing licenses, shall also determine how a single document may be issued incorporating all the licenses for which an applicant has applied. The commissioner shall further seek to facilitate and encourage the acceptance of applications, the transmission of information among agencies, and the issuance of licenses by electronic means, including terminals installed at locations accessible to the public outside normal business hours.

Subd. 5. [STATEWIDE EXPANSION.] The commissioner shall expand the operations of the bureau throughout the state by establishing branch offices, as feasible, in state-owned or state-leased buildings or in offices of local governmental units as well as by electronic means.

Subd. 6. [HEARINGS AND INSPECTIONS.] The commissioner shall seek to coordinate further any hearings or inspections occurring or required in connection with the issuance of licenses. To the extent feasible, the commissioner shall attempt to establish a procedure in which a single hearing or inspection could be conducted with respect to all licenses for which an applicant has applied.

Subd. 7. [SCHEDULE AND DEADLINES.] The commissioner, any time after the effective date of this section, may implement any expansion of the bureau and the master application procedure for which no further statutory authority is required. By January 15, 1995, the commissioner shall report to the governor and the legislature. The report must include:

(1) a summary of activities already taken in accordance with this section;

(2) recommendations for further statutory changes necessary to achieve the purposes of this section;

(3) a timetable for completion of activities in accordance with this section; and

(4) budget recommendations to achieve the purposes of this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1994."



Delete the title and insert:

"A bill for an act relating to licensing; requiring the bureau of business licenses to expand services of the bureau; requiring a report to the governor and the legislature."

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. 1919, A bill for an act relating to manufactured homes; clarifying certain language governing application fees with in park sales; amending Minnesota Statutes 1992, section 327C.07, subdivisions 1, 2, 3, and 6.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 1927, A bill for an act relating to public employment; requiring a Medicare coverage referendum for certain public employees.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [MEDICARE REFERENDUM.]

Notwithstanding Minnesota Statutes, sections 355.07 and 355.90, subdivision 1, to the contrary, the commissioner of employee relations shall conduct an individual choice Medicare coverage referendum under Minnesota Statutes, section 355.90, for all city of Karlstad hospital employees who are members of the public employees retirement association and who do not have coverage under the federal old age, survivors, and disability insurance program. The referendum must be conducted before January 1, 1995. For each person who selects Medicare coverage in a referendum, coverage is effective on the first of the month next following the referendum.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective upon the approval of the Karlstad city council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to public employment; authorizing a Medicare coverage referendum for certain city of Karlstad hospital employees."

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

The report was adopted.

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

H. F. No. 1928, A bill for an act relating to motor vehicles; authorizing special license plates for vehicles owned by volunteer ambulance drivers; amending Minnesota Statutes 1992, section 168.12, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 1976, A bill for an act relating to highways; designating the Laura Ingalls Wilder historic highway; amending Minnesota Statutes 1992, section 161.14, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 2005, A bill for an act relating to traffic regulations; authorizing peace officers to stop drivers and issue citations for seat belt violations without first observing a moving violation; amending Minnesota Statutes 1993 Supplement, section 169.686, 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.

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

H. F. No. 2034, A bill for an act relating to transportation; changing eligibility requirements for distribution of funds from the town road account; amending Minnesota Statutes 1993 Supplement, section 162.081, subdivision 4.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 161.082, subdivision 2a, is amended to read:

Subd. 2a. [TOWN BRIDGES AND CULVERTS; TOWN ROAD ACCOUNT.] (a) An amount equal to 25 percent of the county turnback account must be expended, within counties having two or more towns or having no organized towns, on (1) town road bridge structures, or county highway bridge structures in counties having no organized towns, that are ten feet or more in length, and ~~on~~ (2) town road culverts that replace existing town road bridges, or county highway culverts that replace existing county highway bridges in counties having no organized towns.

(b) ~~In addition~~, If the present bridge structure is less than ten feet in length but a hydrological survey indicates that the replacement bridge structure or culvert must be ten feet or more in length, then the bridge or culvert is eligible for replacement funds. ~~In addition~~, If a culvert that replaces a deficient bridge is in a county comprehensive water plan approved by the board of water and soil resources and the department of natural resources, the costs of the culvert and roadway grading other than surfacing are eligible for replacement funds up to the cost of constructing a replacement bridge. The expenditures on bridge structures and culverts may be on a matching basis, and if on a matching basis, not more than 90 percent of the cost of a bridge structure or culvert may be paid from the county turnback account. When bridge approach construction work exceeds \$10,000 in costs, or when the county engineer determines that the cost of the replacement culverts alone will not exceed \$20,000, the town ~~shall be~~ or county is eligible for financial assistance from the town bridge account. Financial assistance shall be requested by resolution of the county board and shall be limited to:

(1) 100 percent of the cost of the bridge approach work that is in excess of \$10,000; or

(2) 100 percent of the cost of the replacement culverts when the cost does not exceed \$20,000 and the town board, or county board in a county having no organized towns, agrees to be responsible for all the other costs, which may include costs for structural removal, installation, and permitting. The replacement structure design and costs shall be approved and certified by the county engineer, but need not be subsequently approved by the department of transportation.

An amount equal to 47.5 percent of the county turnback account must be set aside as a town road account and distributed as provided in section 162.081."

Renumber the sections in sequence

Page 2, line 11, delete "Section 1 is" and insert "Sections 1 and 2 are"

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

Page 2, line 15, delete "1" and insert "2"

Amend the title as follows:

Page 1, line 4, after "account" insert "and town bridge account"

Page 1, line 5, delete "section" and insert "sections 161.082, subdivision 2a; and"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2054, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell lands in the Gordy Yaeger wildlife management area in Olmsted county; appropriating money.

Reported the same back with the following amendments:

Page 1, line 10, delete "natural resources" and insert "administration"

Page 1, line 16, delete "appropriated to" and insert "to be deposited in"

Page 1, line 17, delete "commissioner" and insert "general fund and are appropriated to the commissioner of natural resources"

Page 1, line 23, after the period, insert "The conveyance must provide that the land reverts to the state if it is not used for public purposes."

Page 2, line 4, after the period, insert "The conveyance must provide that the land reverts to the state if it is not used for public purposes."

Amend the title as follows:

Page 1, line 3, delete "natural resources" and insert "administration"

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.

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

H. F. No. 2057, A bill for an act relating to partition fences; requiring the department of natural resources to share in the expense of partition fences; amending Minnesota Statutes 1992, section 344.03, subdivision 1.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

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

H. F. No. 2094, A bill for an act relating to highways; designating bridge as Missing Children's Bridge of Hope; amending Minnesota Statutes 1992, section 161.14, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 2105, A bill for an act relating to veterans; extending eligibility for special veterans' license plates to allied veterans; amending Minnesota Statutes 1992, section 168.123, subdivisions 1 and 2.

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

The report was adopted.

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

H. F. No. 2125, A bill for an act relating to water resources; authorizing planning, design, and engineering work on the proposed Lewis and Clark rural water system; designating a lead state agency to negotiate with federal authorities; appropriating money.

Reported the same back with the following amendments:

Page 1, line 16, delete "negotiate" and insert "coordinate state water policy issues and respond to proposals to establish"

Page 1, lines 23 and 24, delete "; PLANNING, DESIGN, AND ENGINEERING GRANT"

Page 2, line 2, delete "planning, design, and" and insert "activities described in paragraph (b), clauses (1) to (4)."

Page 2, delete lines 3 and 4

Page 2, line 6, delete "to" and insert "for approval by"

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.

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

H. F. No. 2135, A bill for an act relating to manufactured home parks; prohibiting manufactured home parks from prohibiting senior citizens from keeping pet dogs, cats, and birds on the park premises; amending Minnesota Statutes 1992, section 327.27, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, before "pet" insert "house"

Amend the title as follows:

Page 1, line 4, before "pet" insert "house"

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. 2158, A bill for an act relating to pollution; requiring that cities and counties adopt ordinances complying with pollution control agency rules regarding individual sewage treatment systems; requiring the agency to license sewage treatment professionals; requiring rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

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

H. F. No. 2159, A bill for an act relating to limited liability companies; providing for the application of workers' compensation and unemployment compensation laws; amending Minnesota Statutes 1992, sections 176.041, subdivision 1; and 268.04, subdivision 7, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 176.041, subdivision 1a; and 268.04, subdivision 12.

Reported the same back with the following amendments:

Pages 1 to 5, delete sections 1, 2, and 3

Page 5, line 17, delete "Sec. 4." and insert "Section 1."

Page 5, line 22, reinstate the stricken "any member of a limited liability company who"

Page 5, line 24, after the stricken "company" insert "is a servant under the law of master and servant" and reinstate the stricken semicolon

Page 5, line 25, reinstate the stricken "(c)"

Page 6, line 1, reinstate the stricken "(d)" and delete "(c)"

Page 18, delete section 5, and insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1995."

Renumber the sections in sequence and correct the internal references

Delete the title and insert:

"A bill for an act relating to limited liability companies; providing for the application of unemployment compensation laws; amending Minnesota Statutes 1993 Supplement, section 268.04, subdivision 12."

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

The report was adopted.

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

H. F. No. 2183, A bill for an act relating to transportation; regulating the transportation of hazardous material and hazardous waste; making technical changes; specifying that certain federal regulations do not apply to cargo tanks under 3,000 gallons used in the intrastate transportation of gasoline; establishing a uniform registration and permitting program for transporters of hazardous material and hazardous waste; defining terms; establishing requirements for applications; describing methods for calculating fees; specifying treatment of application data; establishing enforcement authority and administrative penalties; providing for suspension or revocation of registration and permits; providing for base state agreements; preempting and suspending conflicting programs; providing for the deposit and use of fees and grants; establishing exemptions; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; and 221.033, subdivisions 1 and 2b; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1992, section 221.033, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 28, after "Data" insert "submitted under section 4, subdivision 9, and"

Page 1, line 31, delete everything after "9" and insert a period

Page 1, delete lines 32 and 33

Page 2, line 15, after "paragraphs" insert "(b), (c),"

Page 2, line 16, after "(c)," insert "(d)(1)," and after "(f)," insert "(g),"

Page 2, line 18, after "if" insert "before providing transportation under this subdivision"

Page 2, delete line 19

Page 2, line 20, before the first "the" insert "(1)"

Page 2, after line 28, insert:

"(b) A cargo tank operated under this subdivision must:

(1) be visually inspected annually by a person authorized to perform such inspections under Code of Federal Regulations, title 49, section 180.409, and a copy of the annual inspection must be kept in the vehicle; and

(2) be visually inspected monthly by the operator in a manner prescribed by the commissioner, and a copy of each monthly inspection must be kept at the operator's principal place of business for at least one year beyond the date of the inspection.

(c) No person may operate a cargo tank described in this subdivision that (1) violates paragraph (a) or (b), or (2) leaks gasoline from any portion of the tank that regularly contains gasoline."

Page 2, line 29, delete "(b)" and insert "(d)"

Page 6, line 15, after the period, insert "A registration is valid for one year from the date a notice of registration form is issued and a permit is valid for three years from the date issued or until a carrier fails to renew its registration, whichever occurs first."

Page 6, after line 26, insert:

"(d) A permit under this subdivision becomes a license under section 221.035, subdivision 1, on August 1, 1996, and is subject to the provisions of section 221.035 until it expires."

Page 6, line 31, after the first "the" insert "total"

Page 6, line 32, delete "intends to register" and insert "operates"

Page 7, line 11, after the period, insert "If a carrier operates more than one fleet under the international registration plan, the carrier must add all miles traveled by all vehicles in all fleets to calculate its mileage. A Minnesota carrier who operates in an adjacent state under a reciprocal agreement with that state must include the miles operated under the agreement as miles traveled in Minnesota in calculating mileage under this clause."

Page 8, after line 35, insert:

"Subd. 7a. [RAIL AND WATER CARRIERS.] (a) A carrier of hazardous material by rail or water who is required to comply with Code of Federal Regulations, title 49, sections 107.601 to 107.620, shall file with the commissioner a complete and accurate copy of its current registration statement, on the form described in Code of Federal Regulations, title 49, section 107.608, and a copy of its current federal certificate of registration. The fee for filing the registration statement is \$250. If the carrier is required to pay a fee under section 299K.095, the commissioner shall credit the actual amount paid by the carrier during the previous 12 months toward payment of the fee required in this subdivision, not to exceed \$250 annually.

(b) Upon a carrier's compliance with this subdivision, the commissioner shall issue a certificate of registration to the carrier. A certificate of registration must bear an effective date and show the carrier's Minnesota hazardous material transportation registration number. A certificate of registration is valid for one year from the date it is issued and must be kept at the carrier's principal place of business.

(c) A carrier whose name, principal place of business, or business telephone number has changed during the time a certificate of registration is effective, shall notify the commissioner of the change by submitting an amended registration statement not later than 30 days after the change. Upon receiving an amended registration statement, the commissioner shall issue an amended certificate of registration. There is no fee for filing an amended registration statement or for issuing an amended certificate of registration."

Page 11, line 23, delete "SUSPENSION OF OTHER STATE PROGRAMS" and insert "HAZARDOUS WASTE LICENSES"

Page 11, line 27, delete everything after the period, and insert "A person who is licensed under section 221.035 need not obtain a permit under subdivision 4 or 5 until the person's license has expired."

Page 11, delete lines 28 to 36

Page 12, delete lines 1 to 8, and insert:

"Subd. 16: [REVOLVING ACCOUNT.] (a) The commissioner shall deposit in a separate account in the trunk highway fund all federal funds received for implementing, administering, and enforcing this section. Money in the account is appropriated to the commissioner for those purposes."

Page 12, line 18, after "waste" insert "jointly"

Page 12, line 19, after the first "the" insert "commissioner of transportation and the"

Page 12, after line 20, insert:

"Sec. 5. Minnesota Statutes 1993 Supplement, section 221.036, subdivision 1, is amended to read:

Subdivision 1. [ORDERS.] The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.033, subdivision 2b; (3) section 221.041, subdivision 3; ~~(3)~~ (4) section 221.081; (4) ~~(5)~~ section 221.151; ~~(5)~~ (6) section 221.171; ~~(6)~~ (7) section 221.141; ~~(7)~~ (8) section 221.035, a material term or condition of a license issued under that section; or rules of the board or commissioner relating to the transportation of hazardous waste, motor carrier operations, insurance, or tariffs and accounting. An order must be issued as provided in this section.

Sec. 6. Minnesota Statutes 1993 Supplement, section 221.036, subdivision 3, is amended to read:

Subd. 3. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) The commissioner may issue an order assessing a penalty of up to \$5,000 for all violations of section 221.021; 221.041, subdivision 3; 221.081; 221.141; 221.151; or 221.171, or rules of the board or commissioner relating to motor carrier operations, insurance, or tariffs and accounting, identified during a single inspection, audit, or investigation.

(b) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations of section 221.033, subdivision 2b, or 221.035, and rules adopted under ~~that section~~ those sections, identified during a single inspection or audit.

(c) In determining the amount of a penalty, the commissioner shall consider:

- (1) the willfulness of the violation;
- (2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;
- (3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;
- (4) the economic benefit gained by the person by allowing or committing the violation; and
- (5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order."

Page 12, line 25, delete "5" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 20, before "proposing" insert "Minnesota Statutes 1993 Supplement, section 221.036, subdivisions 1 and 3;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

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

H. F. No. 2198, A bill for an act relating to housing projects; providing for a housing bond credit enhancement program administered by the metropolitan council; authorizing the metropolitan council to provide additional security for bonds issued for qualifying housing projects; proposing coding for new law in Minnesota Statutes, chapter 473.

Reported the same back with the following amendments:

Page 2, line 20, delete "the highest" and after "develop" insert "or redevelop"

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

The report was adopted.

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

H. F. No. 2234, A bill for an act relating to natural resources; personnel working on certain projects; terms and conditions of certain 1993 appropriations; amending Minnesota Statutes 1992, section 116P.09, subdivision 4; Laws 1993, chapter 172, section 14, subdivisions 4, 11, and 12.



Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 116P.05, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) The commission shall recommend a budget plan for expenditures from the environment and natural resources trust fund and shall adopt a strategic plan as provided in section 116P.08.

(b) The commission shall recommend expenditures to the legislature from the Minnesota future resources fund under section 116P.13.

(c) It is a condition of acceptance of the appropriations made from the Minnesota future resources fund, Minnesota environment and natural resources trust fund, and oil overcharge money under section 4.071, subdivision 2, that the agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided may be spent unless the commission has approved the pertinent work program.

(d) The peer review panel created under section 116P.08 must also review, comment, and report to the commission on research proposals applying for an appropriation from the Minnesota resources fund and from oil overcharge money under section 4.071, subdivision 2.

(e) The commission may adopt operating procedures to fulfill its duties under sections 116P.01 to 116P.13.

Sec. 2. Minnesota Statutes 1992, section 116P.08, subdivision 6, is amended to read:

Subd. 6. [PEER REVIEW.] (a) Research proposals must include a stated purpose, timeline, potential outcomes, and an explanation of the need for the research. All research proposals must be reviewed by a peer review panel before receiving an appropriation ~~from the trust fund~~.

(b) In conducting research proposal reviews, the peer review panel shall:

(1) comment on the methodology proposed and whether it can be expected to yield appropriate and useful information and data;

(2) comment on the need for the research and about similar existing information available, if any; and

(3) ~~comment on whether the research proposed meets the categories of subdivision 1; and~~

(4) report to the commission and advisory committee on clauses (1) ~~to (3)~~ and (2).

(c) The peer review panel also must review completed research proposals that have received an appropriation ~~from the trust fund~~ and comment and report upon whether the project reached the intended goals.

Sec. 3. Minnesota Statutes 1992, section 116P.08, subdivision 7, is amended to read:

Subd. 7. [PEER REVIEW PANEL MEMBERSHIP.] (a) The peer review panel must consist of at least five ~~but not more than 11~~ members who are knowledgeable in general research methods, ~~including but not limited to in the areas of air quality research, water research, forest research, fish and wildlife management research, environmental health research, and soil conservation research~~ environment and natural resources. Not more than two members of the panel may be employees of state agencies in Minnesota.

(b) ~~Members of the peer review panel shall be selected by the commission and serve four year staggered terms according to section 15.059. The commission may select additional temporary members for any research proposal deemed to be too technical for adequate peer review by the panel in paragraph (a). Members of the peer review panel~~ The commission shall elect select a chair every two years who shall be responsible for convening meetings of the panel as often as is necessary to fulfill its duties as prescribed in this section. Compensation of panel members is governed by section 15.059, subdivision 3.

Sec. 4. Minnesota Statutes 1992, section 116P.09, subdivision 4, is amended to read:

Subd. 4. [PERSONNEL.] Persons who are employed by a state agency to work on a project and are paid by an appropriation from the trust fund or Minnesota future resources fund are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. When the appropriation has been spent, their positions must be canceled and the approved complement of the agency reduced accordingly. Part-time employment of persons for a project is authorized. The use of classified employees is authorized when approved as part of the work program required by section 116P.05, subdivision 2, paragraph (c).

Sec. 5. Minnesota Statutes 1993 Supplement, section 116P.11, is amended to read:

116P.11 [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

(a) The amount biennially available from the trust fund for the budget plan developed by the commission consists of the interest earnings generated from the trust fund. ~~Interest~~ Earnings generated from the trust fund shall equal the amount of interest on debt securities and dividends on equity securities. Gains and losses arising from the sale of securities shall be apportioned as follows:

(1) if the sale of securities results in a net gain during a fiscal year, the gain shall be apportioned in equal installments over the next ten fiscal years to offset net losses in those years. If any portion of an installment is not needed to recover subsequent losses identified in paragraph (b), it shall be added to the principal of the fund; and

(2) if the sale of securities results in a net loss during a fiscal year, the net loss shall be recovered from the gains in paragraph (a) apportioned to that fiscal year. If such gains are insufficient, any remaining net loss shall be recovered from interest and dividend income in equal installments over the following ten fiscal years.

(b) For funding projects ~~through~~ until fiscal year 1997, the following additional amounts are available from the trust fund for the budget plans developed by the commission:

(1) for the 1991-1993 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1990 and 1991;

(2) for the 1993-1995 biennium, up to 20 percent of the revenue deposited in the trust fund in fiscal year 1992 and up to 15 percent of the revenue deposited in the fund in fiscal year 1993;

(3) for the 1993-1995 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1994 and 1995, to be expended only for capital investments in parks and trails; and

(4) for the 1995-1997 biennium, up to ten percent of the revenue deposited in the fund in fiscal year 1996.

(c) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.

Sec. 6. Laws 1993, chapter 172, section 14, subdivision 4, is amended to read:

Subd. 4. Energy

(a) Reducing Energy and CO2

230,000

This appropriation is from the oil overcharge money to the commissioner of administration for a contract with the center for energy and urban environment to develop a comprehensive action plan that will focus on energy efficiency, alternative energy, and fuel switching through an assessment of opportunities for the reduction of CO2 and other greenhouse gases.

(b) Photovoltaic Demonstration Project

230,000

This appropriation is from the future resources fund to the commissioner of public service for a grant to the St. Paul school district for purchase and installation of a photovoltaic demonstration system at the Battle Creek environmental magnet school.

## (c) Operational Implications of Alternate Transit Bus Fuels

78,000

This appropriation is from the oil overcharge money to the commissioner of administration for a contract with the metropolitan transit commission to test alternate bus fuels to evaluate their potential for reduced fuel consumption and increased operational efficiency.

## (d) The Bus, Bike, or Car Pool (B-BOP) Challenge

150,000

This appropriation is from the oil overcharge money to the commissioner of administration for a contract with the center for energy and urban environment to reduce energy use by the delivery of an employer-based program that cost effectively reduces the use of single occupant vehicles by commuters who pledge to B-BOP or telecommute regularly during the summer.

## (e) Tree and Grass Production for Ethanol

380,000

This appropriation is from the oil overcharge money to the commissioner of administration for a contract with the agricultural utilization research institute to implement a program to supply biomass feedstock derived from trees and grass to a national renewable energy laboratory (NREL), United States Department of Energy Engineering Development facility for converting biomass to ethanol and thermochemical fuels. This appropriation is contingent on a NREL an agreement by January 1, 1994, with Minnesota Power Company to purchase biomass.

Sec. 7. Laws 1993, chapter 172, section 14, subdivision 11, is amended to read:

Subd. 11. Water

## (a) Minnesota River Implementation - Continuation

1,100,000

This appropriation is from the trust fund to the commissioner of the pollution control agency to accelerate the adoption of best management practices (BMPs) and to accelerate related state and local implementation activities for the Minnesota river basin.

## (b) Local River Planning - Continuation

480,000

This appropriation is from the future resources fund to the commissioner of natural resources for contracts of up to two-thirds of the cost to counties or groups of counties acting pursuant to a joint powers agreement, to develop comprehensive plans for the management and protection of rivers in northern and central Minnesota. The commissioner of natural resources shall include in the work plan for review and approval by the legislative commission on Minnesota resources a proposed list of rivers and a planning process developed by the consensus of the affected counties. All plans must meet or exceed the requirements of state shoreland and floodplain laws. Up to \$100,000 is available for administration and technical assistance.

## (c) Mercury Reduction in Fish - Continuation

200,000

This appropriation is from the trust fund to the commissioner of the pollution control agency for a contract with the University of Minnesota to complete pilot studies testing mercury reduction in fish for Minnesota waters. Grant requests to supplement this appropriation must be submitted to the United States Environmental Protection Agency and the results reported to the legislative commission on Minnesota resources.

(d) Stream Flow Protection

280,000

This appropriation is from the future resources fund to the commissioner of natural resources to collect stream habitat data (width, depth, velocity, substrate, water elevation) in up to 39 watersheds to develop community-based flows that protect stream resources. This project must comply with the data compatibility requirements set forth in subdivision 15.

(e) The South Central Minnesota Groundwater Contamination Susceptibility Project - Continuation

290,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Mankato state university to couple surface hydrology, subsurface geology, and hydrogeology for environmental analysis to assess present environmental conditions, establish benchmarks, and develop regional priorities for south central Minnesota. This project must comply with the data compatibility requirements set forth in subdivision 14.

(f) White Bear Lake Levels Feasibility Study

~~228,000~~ 175,000

This appropriation is from the future resources fund to the commissioner of natural resources to ~~install additional observation wells at White Bear Lake (\$50,000), to study lake and groundwater relationships, to conduct a feasibility study to address lake level issues (\$50,000), and to abandon or retrofit existing augmentation wells (\$128,000)~~ develop an enhanced water budgeting computer model (\$100,000) and to install ground water level observation wells around White Bear Lake (\$75,000). This appropriation is available until June 30, 1996.

(g) County Geologic Atlases and Regional Hydrogeologic Assessments - Continuation

850,000

\$425,000 is from the trust fund to the University of Minnesota, Minnesota geologic survey, and \$425,000 is from the trust fund to the commissioner of natural resources to expand production of county geologic atlases and regional hydrogeologic assessments. This project must comply with the data compatibility requirements set forth in subdivision 14.

(h) Septic System Replacement for Water Related Tourism Businesses

500,000

This appropriation is from the future resources fund to the commissioner of trade and economic development to provide matching grants of up to \$10,000 to resorts and related tourism

businesses located on lakes and rivers for replacement of failing or nonconforming septic systems. Businesses that begin replacement of failing or nonconforming septic systems after the effective date of this act are eligible for these grants.

(i) Optical Brighteners: Indicators of Sewage Contamination of Groundwaters

157,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a contract with Dakota county to study the correlation of optical brighteners present in domestic sewage from detergent use with nonagricultural nitrogen as interferences with atrazine detection.

Sec. 8. [APPROPRIATION.]

\$300,000 is appropriated from the future resources fund to the commissioner of natural resources for the restoration of the Niemackl watershed by improvement of water quality, flood reduction, fish and wildlife habitat, and recreation through citizen participation with federal, state, and local governments, and nongovernment agencies. \$150,000 is contingent on a match of \$300,000 of nonstate funds by October 1, 1994.

Sec. 9. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; personnel working on certain projects; terms and conditions of certain 1993 appropriations; appropriating money; amending Minnesota Statutes 1992, sections 116P.05, subdivision 2; 116P.08, subdivisions 6 and 7; and 116P.09, subdivision 4; Minnesota Statutes 1993 Supplement, section 116P.11; Laws 1993, chapter 172, section 14, subdivisions 4 and 11."

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.

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

H. F. No. 2244, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Roseau county.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 2249, A bill for an act relating to agricultural businesses; providing an interest buy-down program for farmers and small businesses; authorizing a protein analysis equipment lease pilot program; providing supplemental funding for certain emergency employment programs; creating a crop disaster insurance program; increasing funding for the farm advocates program, agricultural resource centers, farm and small business management programs at technical colleges, and the Farmers' Legal Action Group; expanding research on grain diseases, soybean varieties, and genetics; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17B.

Reported the same back with the following amendments:

Page 2, line 12, delete "established in the"

Page 2, line 13, delete "guidelines adopted" and insert "announced"

Page 4, line 27, delete "ADOPTION" and insert "ANNOUNCEMENT" and delete "GUIDELINES" and insert "PROCEDURES"

Page 4, line 29, delete "adopt and make available to the public guidelines" and insert "announce procedures"

Page 4, line 30, delete everything after the period

Page 4, delete line 31

Page 6, line 8, delete "5" and insert "6"

Page 8, after line 12, insert:

#### "ARTICLE 5

#### CORN PRODUCER CHECKOFF FEES

Section 1. Minnesota Statutes 1992, section 17.63, is amended to read:

##### 17.63 [REFUND OF FEES.]

(a) Any producer, except

(1) a producer of potatoes in area number one, as listed in section 17.54, subdivision 9, or;

(2) a producer of paddy wild rice; or

(3) a producer of corn.

may, by the use of forms to be provided by the commissioner and upon presentation of such proof as the commissioner requires, have the checkoff fee paid pursuant to sections 17.51 to 17.69 fully or partially refunded, provided the checkoff fee was remitted on a timely basis. The request for refund must be received in the office of the commissioner within the time specified in the promotion order following the payment of the checkoff fee. In no event shall these requests for refund be accepted more often than 12 times per year. Refund shall be made by the commissioner and council within 30 days of the request for refund provided that the checkoff fee sought to be refunded has been received. Rules governing the refund of checkoff fees for all commodities shall be formulated by the commissioner, shall be fully outlined in the promotion order, and shall be available for the information of all producers concerned with the referendum.

(b) Notwithstanding the provisions of paragraph (a) that prohibit checkoff refunds to producers of corn, the commissioner must shall, not later than June 30, 1994, implement procedures to allow partial refund requests from corn producers who have checked off and must allow for assignment of payment to certify by signature assignment of partial refund payments to the Minnesota corn growers association for purposes of paying annual membership dues or fees if the Minnesota corn research and promotion council requests such action by the commissioner.

(c) The Minnesota corn research and promotion council shall not elect to impose membership on any individual producer not requesting a partial refund or assignment of payment to the association."

Page 8, line 13, delete "5" and insert "6"

Amend the title as follows:

Page 1, line 7, delete "program" and insert "study; limiting corn producer checkoff refunds"

Page 1, line 12, after the second semicolon, insert "amending Minnesota Statutes 1992, section 17.63;"

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.

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

H. F. No. 2269, A bill for an act relating to retirement; teachers retirement association; requiring a special hearing to determine the retirement annuity accrual date for Elwin Leverington.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TEACHERS RETIREMENT ASSOCIATION; EFFECTIVE DATE FOR RETIREMENT ANNUITY ACCRUAL.]

(a) Elwin Leverington of Roseau, Minnesota, must have his retirement effective date revised under paragraph (b), must have his retirement annuity recomputed under paragraph (c), is entitled to a back payment of omitted postretirement adjustment amounts under paragraph (d), and must have additional retirement reserves appropriated on his behalf under paragraph (e).

(b) Notwithstanding any provision of law to the contrary, Elwin Leverington must be considered to have retired effective July 1, 1982, and to have accrued a retirement annuity from that date.

(c) Notwithstanding any provision of law to the contrary, Elwin Leverington must have his future retirement annuity amount increased to account for the adjustment paid to other eligible annuitants from the Minnesota postretirement investment fund on January 1, 1984, and the compounding effect of subsequent postretirement adjustments through the date of enactment to function as his new base retirement annuity for postretirement adjustments after the date of enactment.

(d) Elwin Leverington is entitled to a lump sum payment of postretirement adjustment amounts omitted by virtue of the failure to receive the January 1, 1984, postretirement adjustment under Minnesota Statutes, section 11A.18, including the compounding effect of subsequent postretirement adjustments for the period January 1, 1984, through the date of enactment.

(e) The amount of the required reserves for the recomputed retirement annuity for transfer to the Minnesota postretirement investment fund under paragraph (c) and the amount of the lump sum back payment under paragraph (d) are appropriated from the teachers retirement fund.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on the day following final enactment."

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon, and insert "determining"

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

The report was adopted.

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

H. F. No. 2277, A bill for an act relating to the environment; providing for the continuation of certain environmental advisory boards; amending Minnesota Statutes 1992, sections 115A.072, subdivision 1; and 115A.12.

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

The report was adopted.

Clark from the Committee on Housing to which was referred:

H. F. No. 2308, A bill for an act relating to cities; Saint Paul; providing for a rental tax equity pilot project.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [RENTAL TAX EQUITY; SAINT PAUL PILOT PROJECT.]

Subdivision 1. [PILOT; TERM.] A pilot project for rental tax equity in the city of Saint Paul is established. The program begins for property taxes payable in 1995 and ends with property taxes payable in 1999. The program is available to owners of single- and two-family nonhomestead property.

Subd. 2. [PRIMARY OBJECTIVE.] The pilot project's primary objective is to help stabilize costs for the conscientious, industrious landlord who is already providing safe, decent, and affordable housing. The property tax reduction provided by the program is intended to give an incentive to other landlords to improve their tenant-occupied property and still offer affordable housing.

Sec. 2. [PROPERTY TAX TREATMENT.]

(a) Notwithstanding Minnesota Statutes, section 273.13, or any other law to the contrary, single- and two-family nonhomestead property located in the city of Saint Paul and existing on the effective date of this act, that, on the effective day of this act, is otherwise classified under Minnesota Statutes, section 273.13, subdivision 25, paragraph (b), clause (1), and that meets the requirements of sections 1 to 9, is classified as class 1a property under Minnesota Statutes, section 273.13, subdivision 22, paragraph (a), for purposes of determining the property tax payable on the property.

(b) The value of improvements made under section 3, paragraphs (d) and (g), to property classified under paragraph (a) must be excluded from the valuation of the property for assessment purposes under Minnesota Statutes, section 273.11, subdivision 1. The assessor shall note the qualifying value of each improvement on the property's assessment records and the sum of those amounts must be subtracted from the market value of the property each year until the valuation exclusion terminates, or the landlord withdraws the property from the program. The qualifying value must be added back in the first assessment year following the termination or withdrawal.

(c) The city shall provide the county treasurer with a list of buildings certified for participation in the Saint Paul rental equity program described in this act, and a list of the names of the tenants who lived in each building at the time of certification.

(d) The program is not a housing or building code enforcement program.

(e) Participation in the program is voluntary.

Sec. 3. [PROGRAM STEPS.]

(a) A landlord who owns eligible property and who wishes to participate must arrange for a certified evaluator who is licensed by the city of Saint Paul to evaluate the property.

(b) The landlord must notify the tenant of the evaluation so that the tenant may be present if the tenant wishes.



(c) The evaluator must evaluate the property using program guidelines adopted by resolution of the Saint Paul city council prior to implementation of the program under this act.

(d) If the evaluator determines that repairs are necessary, the landlord must make the repairs and call for a reinspection by the evaluator. If the evaluator identifies life or safety hazards, the evaluator must notify appropriate city officials, who shall take immediate action to require and enforce repair of the life or safety hazard items.

(e) The evaluator must reinspect the property to see if the program guidelines have been followed.

(f) The evaluator must submit a report on the property's evaluation to the appropriate city officials, the landlord, and the tenant. A filing fee must be paid at the time the report is submitted to the city.

(g) Appropriate city officials must review the report and approve it or issue orders for further repair. In so doing, city staff members may make an on-site review. The landlord may withdraw from the program at any time without making required repairs except those for life or safety hazards, which may be otherwise required.

(h) A landlord who chooses to participate must complete an application for certification by November 1 of the year before the first taxes payable year in which the property would qualify.

(i) An owner may apply this program to no more than ten nonhomestead, single- or two-family, tenant-occupied properties.

#### Sec. 4. [APPEALS.]

(a) The board of equalization must serve as a board of review to hear appeals relating to the value of improvements and properties. Procedures for board actions and for appeals from board decisions are as provided for other matters decided by the board of equalization.

(b) The city may appoint a board of appeals to hear disputes regarding qualification and recertification for the program. The board shall meet to hear appeals under sections 1 to 9 between November 1 and December 1 each year of the program.

#### Sec. 5. [RECERTIFICATION.]

Each year during the term of the project, a participant from the previous year must apply to the city by November 1 to be recertified. Before recertifying a property, the city must provide each tenant with an opportunity to evaluate the condition of the property. The city must recertify the participant's property if there are no violations of the program guidelines, or no reported tenant concerns with the condition of the property. If tenants have reported concerns with the condition of the property, an evaluator must reinspect the property, order repairs if necessary, and reinspect before the property may be recertified. The participant may appeal a denial of recertification to the board of review.

#### Sec. 6. [CITY FEES.]

The landlord must pay the housing evaluator a fee, as determined by the city, for the initial inspection and necessary reinspections. The evaluator must pay a filing fee, as determined by the city, to file the evaluator's report. The evaluator may be reimbursed by the landlord for this fee. The landlord must pay the city a fee, as determined by the city, to apply for recertification. If additional inspections are required, a reinspection fee, as determined by the city, must be paid by the landlord.

#### Sec. 7. [PROPERTY TAX REFUNDS.]

Notwithstanding Minnesota Statutes, section 290A.03, subdivision 11, for purposes of calculating a claimant's property tax refund, in the case of a claimant who resides in a unit certified for participation in the Saint Paul rental equity project under this act, the claimant's "rent constituting property taxes paid" for property taxes payable in 1995 to 1999 shall be the rent constituting property tax as defined in Minnesota Statutes, section 290A.03, subdivision 11, for the unit in the year preceding the year in which the unit was certified for the Saint Paul rental equity project.

An owner or managing agent of a unit certified for participation in the Saint Paul rental equity project shall indicate that the unit was certified for participation on the rent certificate prescribed in Minnesota Statutes, section 290A.19, paragraph (a). In the event that the owner or managing agent fails to provide a rent certificate and the renter obtains

a statement from the county treasurer, as prescribed in Minnesota Statutes, section 290A.19, paragraph (c), the county treasurer shall also indicate on the statement if the building was certified for participation in the Saint Paul rental equity project. If the building was certified for participation, the county treasurer shall include on the statement the amount of property tax on the parcel in the year preceding certification for the Saint Paul rental equity project.

Sec. 8. [GENERAL FUND; REPLACEMENT OF REVENUE.]

Payment from the general fund shall be made as provided in this section for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in this act.

The Ramsey county auditor shall certify each year to the commissioner of revenue the amount of reduction resulting from this act. This certification shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under the provisions of Minnesota Statutes, section 275.29. The commissioner of revenue shall review the certifications to determine their accuracy and make changes in the certification as necessary or return a certification to the county auditor for corrections.

Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall annually determine the taxing district distribution of the amounts certified. The commissioner of revenue shall pay to each taxing district its total payment for the year in equal installments on or before July 15 and December 15 of each year.

The reimbursement paid under this section in 1995 is limited to \$2,000,000.

Sec. 9. [LIMITED MARKET VALUE.]

For purposes of determining limited market value under Minnesota Statutes, section 273.11, subdivision 1a, the term "assessment" in that subdivision means the value prior to any exclusion for improvements under section 2, paragraph (b).

Sec. 10. [REPORT TO THE LEGISLATURE.]

By January 15, 1995, the Saint Paul city council shall provide a report to the committee on housing and the committee on taxes and tax laws of the senate and the tax committee of the house of representatives on the program. The report must include the program guidelines, housing costs, rents, and the extent of participation in the program for the payable 1995 tax year.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment and apply to property taxes payable in years 1995 to 1999 on nonhomestead, single- and two-family rental properties existing on the effective date."

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

The report was adopted.

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

H. F. No. 2309, A bill for an act relating to highways; changing highway description; amending Minnesota Statutes 1992, section 161.115, subdivision 224.

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

The report was adopted.

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

H. F. No. 2347, A bill for an act relating to taxation; motor fuels; providing for the disposition of unrefunded gasoline tax attributable to off-highway motorcycle use; amending Minnesota Statutes 1992, section 296.16, subdivision 1; Minnesota Statutes 1993 Supplement, section 84.794, subdivision 1.

Reported the same back with the following amendments:

Page 2, lines 22 and 27, delete "..." and insert "0.046"

Page 2, after line 29, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1994. Section 2 applies to gasoline received or produced in or brought into this state on and after that date."

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

The report was adopted.

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

H. F. No. 2358, A bill for an act relating to taxation; motor fuels; providing for the disposition of unrefunded gasoline tax attributable to off-road vehicle use; amending Minnesota Statutes 1992, section 296.16, subdivision 1; Minnesota Statutes 1993 Supplement, section 84.803, subdivision 1.

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

The report was adopted.

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

H. F. No. 2359, A bill for an act relating to public safety; making technical corrections; allowing special, coded license plates to be issued, following impoundment of former plates, to licensed driver identified by vehicle's registered owner; requiring department of public safety to keep records for five years of cancellations and disqualifications of drivers' licenses, unless rescinded; classifying offenses of following too closely and erratic lane change as serious traffic offenses for purposes of disqualifying driver from operating commercial motor vehicle; requiring same waiting period for Minnesota limited driver's license whether offense was committed in Minnesota or in another state; amending Minnesota Statutes 1992, sections 168.042, subdivision 12; 171.12, subdivisions 1, 3, and 3a; 171.165, subdivision 4; and 260.151, subdivision 1; Minnesota Statutes 1993 Supplement, sections 171.22, subdivision 1; 171.29, subdivision 2; and 171.30, subdivision 2a.

Reported the same back with the following amendments:

Page 1, after line 21, insert:

"Section 1. Minnesota Statutes 1992, section 168.012, is amended by adding a subdivision to read:

Subd. 1d. [STATE LOTTERY VEHICLES.] Unmarked passenger vehicles used by the state lottery for the purpose of conducting security or criminal investigations or ensuring that lottery retailers are in compliance with law and with their contracts are not required to display tax-exempt number plates, but must be registered and must display passenger vehicle license plates. The registrar shall furnish the license plates to the director of the state lottery at cost. On applying for initial registration or renewal of a registration under this subdivision, the director of the state lottery must certify, on a form prescribed by the registrar and signed by the director, that the vehicles will be used exclusively for the purposes of this subdivision."

Page 2, after line 7, insert:

"Sec. 3. Minnesota Statutes 1993 Supplement, 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 \$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 shall retain the 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."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "exempting state lottery from registration tax for license plates on vehicles used for conducting security or criminal investigations; requiring district court agents to retain filing fee for receiving and forwarding drivers' license applications and fees;"

Page 1, line 16, after "sections" insert "168.012, by adding a subdivision;"

Page 1, line 19, after "sections" insert "171.06, subdivision 4;"

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

The report was adopted.

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

H. F. No. 2362, A bill for an act relating to animals; changing the definition of a potentially dangerous dog; changing the identification tag requirements for a dangerous dog; amending Minnesota Statutes 1992, sections 347.50, subdivision 3; and 347.51, subdivision 7.

Reported the same back with the following amendments:

Page 1, line 14, after "person" insert ", including a person on a bicycle,"

Page 1, line 25, after the period, insert "The tag must be of a plastic material, must be between 1.5 and 2 inches in diameter, and must contain the uniform dangerous dog symbol designed under section 347.51, subdivision 2a, with the same yellow background, red symbol, and black dog."

Delete page 1, line 26 to page 2, line 3

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

The report was adopted.

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

H. F. No. 2365, A bill for an act relating to traffic regulations; making technical changes; requiring that transportation for students in Head Start programs be by school bus; removing requirement for auxiliary low beam lights to be removed or covered when snowplow blade removed; requiring seat belts for commercial motor vehicles;

allowing transportation within state of raw farm and forest products exceeding maximum weight limitation by not more than three percent; amending Minnesota Statutes 1992, sections 169.448, subdivision 3; 169.743; and 169.851, subdivisions 3 and 5; Minnesota Statutes 1993 Supplement, sections 169.47, subdivision 1; 169.522, subdivision 1; 169.56, subdivision 5; and 169.686, subdivision 1.

Reported the same back with the following amendments:

Page 1, delete lines 17 to 22 and insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 169.122, subdivision 5, is amended to read:

Subd. 5. [EXCEPTION.] This section does not apply to the possession or consumption of alcoholic beverages by passengers in:

(1) a bus operated under a charter as defined in section 221.011, subdivision 20; or

(2) a vehicle providing limousine service as defined in section ~~168.011, subdivision 35~~ 221.84, subdivision 1."

Page 5, delete section 7

Page 5, line 25, delete "three" and insert "ten"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before "removing"

Page 1, line 11, delete everything after "sections"

Page 1, line 12, delete "subdivisions 3 and" and insert "subdivision"

Page 1, line 13, after "sections" insert "169.122, subdivision 5;"

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

The report was adopted.

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

H. F. No. 2371, A bill for an act relating to unemployment compensation; establishing a self-employment assistance program; proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [STUDY.]

The department of jobs and training and the unemployment advisory committee shall study the self-employment assistance program permitted under federal law and recommend an appropriate program to the legislature by January 15, 1995. The department shall consult with the department of trade and economic development,

representatives of the technical college system, business organizations, organizations presently assisting individuals in starting their own business, and local economic development groups. The department shall encourage input from interested legislators and representatives of other interested groups."

Delete the title and insert:

"A bill for an act relating to unemployment compensation; requiring a study of self-employment assistance programs."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2375, A bill for an act relating to local economic development; authorizing the city of Minneapolis to establish a jobs park.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CITY OF MINNEAPOLIS; NORTH WASHINGTON INDUSTRIAL PARK REDEVELOPMENT PROJECT.]

Subdivision 1. [AUTHORIZATION; SPECIAL RULES.] With respect to a hazardous substance subdistrict to be established by the Minneapolis community development agency and the city of Minneapolis within the North Washington industrial park redevelopment project in the city of Minneapolis:

(1) In addition to the authorized uses of tax increment revenues provided at Minnesota Statutes, section 469.176, subdivision 4e, either the city of Minneapolis or the Minneapolis community development agency may use tax increment revenues derived from the hazardous substance subdistrict to acquire property within the hazardous substance subdistrict.

(2) At any time on or after approval of the tax increment financing plan with respect to the hazardous substance subdistrict, the Minneapolis community development agency may elect to designate any tax increment revenues from the hazardous substance subdistrict to be tax increment revenues generated solely from the hazardous substance subdistrict.

(3) A parcel described in the tax increment financing plan or plan amendment may be designated and certified for inclusion in the hazardous substance subdistrict without approval of a development action response plan.

(4) The provisions of Minnesota Statutes, section 273.1399, do not apply to the hazardous substance subdistrict.

(5) In addition to the authorized uses of tax increment revenues provided at Minnesota Statutes, sections 469.174 to 469.179, as amended, the Minneapolis community development agency may use tax increment revenues to provide jobs training or job training grants to businesses located or to be located at the jobs park within the North Washington industrial park.

Subd. 2. [EXEMPTION FROM SALES TAX.] Minnesota Statutes, sections 297A.01 to 297A.44, do not apply to the purchase of any machinery or equipment to be located on real property within the hazardous substance subdistrict to be located within North Washington industrial park redevelopment project.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective upon compliance by the governing body of the city of Minneapolis with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to the city of Minneapolis; authorizing special rules for hazardous substance subdistrict; providing for exemption from sales tax."

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

The report was adopted.

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

H. F. No. 2384, A bill for an act relating to traffic regulations; establishing Minnesota child passenger restraint and education account to assist families in financial need to obtain child passenger restraint systems; amending Minnesota Statutes 1992, section 169.685, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 169.685, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [169.687] [CHILD RESTRAINT DISTRIBUTION AND EDUCATION PROGRAM.]

The commissioner of public safety shall establish and implement a child passenger restraint distribution and education program. As part of the program the commissioner shall (1) conduct a public education campaign on the need for, and proper use of, child passenger restraint systems, and (2) take action, including grants to appropriate county agencies, to provide child passenger restraint systems to families with household income that is at or below the poverty line established by the United States Office of Management and Budget in accordance with the most recent state population figures established by the United States Department of Commerce, Bureau of the Census. The commissioner may spend not more than \$..... in fiscal year 1995 for the purposes of this section. The commissioner may receive donations, including donations of child passenger restraint systems, for the purposes of this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to highway safety; directing the commissioner of public safety to establish and implement a child passenger restraint distribution and education program; proposing coding for new law in Minnesota Statutes, chapter 169."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

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

H. F. No. 2386, A bill for an act relating to agriculture; establishing certification and labeling program to identify milk and milk products free of recombinant bovine growth hormone; amending regulations regarding use and clarification of recombinant bovine somatotropin; appropriating money; amending Minnesota Statutes 1992, sections 32.103; 151.01, subdivision 28; 151.15, subdivision 3; and 151.25; proposing coding for new law in Minnesota Statutes, chapter 32.

Reported the same back with the following amendments:

Page 1, line 25, delete everything after the period

Page 1, delete lines 26 to 28

Page 2, delete lines 1 to 6

Page 4, line 3, delete "producer," and after "plant" delete the comma

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.

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

H. F. No. 2410, A bill for an act relating to natural resources; sale of native tree seed and tree planting stock; terms and conditions governing the leasing of state timber lands; amending Minnesota Statutes 1992, sections 89.36, subdivision 3; 89.37, by adding a subdivision; 90.101, subdivision 2; 90.151, subdivision 1; 90.161, subdivisions 1 and 2; 90.191, subdivision 2; and 90.193; Minnesota Statutes 1993 Supplement, sections 90.101, subdivision 1; and 90.121; repealing Minnesota Statutes 1992, section 90.151, subdivisions 13 and 14.

Reported the same back with the following amendments:

Page 2, line 7, after "private" insert "Minnesota" and before the period insert "when supplies of seed from geographically adapted sources are not available from private Minnesota seed dealers"

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. 2415, A bill for an act relating to economic development; clarifying applications and criteria for Minnesota companies to participate in the international business partnership program; amending Minnesota Statutes 1992, section 116J.974.

Reported the same back with the following amendments:

Page 2, line 14, strike "an" and insert "the"

Page 2, line 16, delete the new language and after "governments" insert a semicolon

Page 2, line 17, delete the new language and strike ". An international partnership"

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

The report was adopted.

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

H. F. No. 2416, A bill for an act relating to insurance; providing liability coverage for lead abatement through the Minnesota joint underwriting association; amending Minnesota Statutes 1992, section 62I.02, subdivisions 1 and 3.



Reported the same back with the following amendments:

Page 3, after line 3, insert:

"Sec. 3. [EXPIRATION.]

The amendments made by sections 1 and 2 expire June 30, 1995."

Page 3, line 4, delete "3" and insert "4"

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. 2418, A bill for an act relating to drivers' licenses; allowing commissioner of public safety to determine driver's test taken for license reinstatement; amending Minnesota Statutes 1992, section 171.29, subdivision 1.

Reported the same back with the following amendments:

Page 1, lines 17 to 19, delete the new language

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

The report was adopted.

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

H. F. No. 2426, A bill for an act relating to traffic regulations; allowing any city to establish citizen enforcement programs to enforce vehicle parking laws relating to the physically disabled; amending Minnesota Statutes 1993 Supplement, section 169.346, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 22, after the period, insert "A citizen volunteer while performing duties in a program established under this section is an agent of the city for purposes of section 466.02."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "specifying that citizen volunteers are agents of the city for liability purposes;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2433, A bill for an act relating to the city of Duluth; authorizing the issuance of general obligation bonds to finance improvements to the Duluth entertainment convention center.

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

The report was adopted.

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

H. F. No. 2436, A bill for an act relating to youth and young adult corps; authorizing insurance and education awards to members and former members; amending Minnesota Statutes 1992, section 84.0887, by adding subdivisions.

Reported the same back with the following amendments:

Page 2, line 12, delete "three" and insert "seven"

Page 2, line 13, after "tuition" insert ", related educational expenses,"

Amend the title as follows:

Page 1, line 3, delete "and former"

Page 1, line 4, delete "members"

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.

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

H. F. No. 2457, A bill for an act relating to transportation; increasing money set aside from the county state-aid highway and municipal state-aid street funds to the disaster accounts and research accounts; changing composition of disaster account boards; providing that remaining money from research accounts lapse to the appropriate funds after two years; amending Minnesota Statutes 1992, sections 162.06, subdivisions 3 and 4; and 162.12, subdivisions 3 and 4.

Reported the same back with the following amendments:

Page 4, after line 19, insert:

"Sec. 5. [APPROPRIATION.]

\$8,500,000 is appropriated from the trunk highway fund to the commissioner of transportation for state road operations, including field operations and program delivery, to be available until June 30, 1995.

Sec. 6. [EFFECTIVE DATE.]

Section 5 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "appropriating money;"

With the recommendation that when so amended 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. 2508, A bill for an act relating to motor vehicles; making technical corrections; taxing commuter vans as buses for vehicle registration purposes; allowing holder of personalized license plates to have priority for those plates in next registration period as long as holder keeps registration current; providing for temporary 60-day permits while

waiting for special ready reserve license plates or special collegiate license plates; requiring vehicle dealers to file information relating to temporary registration permits issued to new purchasers; requiring drive-away in transit license plates and insurance for transporting vehicles; regulating vehicle dealers; requiring that parking certificate for disabled person hang from rearview mirror; specifying parking certificate expiration times for persons with permanent and temporary disabilities; providing for administrative hearings regarding deputy registrars; requiring secured parties to be notified when a dealer buys a late model or high value salvage vehicle; amending Minnesota Statutes 1992, sections 168.011, subdivision 7; 168.013, subdivision 1f, and by adding a subdivision; 168.053, subdivision 1; 168.054; 168.09, subdivision 7; 168.092, subdivision 2; 168.12, subdivision 2a; 168.126, subdivision 1; 168.27, subdivisions 1, 12, 13, 15, 16, and 17; 168.33, subdivision 2; 168A.11, subdivision 2; 168A.153, subdivision 2; 169.345, subdivision 1; and 325F.662, subdivision 3; Minnesota Statutes 1993 Supplement, section 169.345, subdivision 3.

Reported the same back with the following amendments:

Page 2, after line 4, insert:

"Sec. 2. Minnesota Statutes 1992, section 168.012, is amended by adding a subdivision to read:

Subd. 1d. [STATE LOTTERY VEHICLES.] Unmarked passenger vehicles used by the state lottery for the purpose of conducting security or criminal investigations or ensuring that lottery retailers are in compliance with law and with their contracts are not required to display tax-exempt number plates, but must be registered and must display passenger vehicle license plates. The registrar shall furnish the license plates to the director of the state lottery at cost. On applying for initial registration or renewal of a registration under this subdivision, the director of the state lottery must certify, on a form prescribed by the registrar and signed by the director, that the vehicles will be used exclusively for the purposes of this subdivision."

Page 20, after line 2, insert:

"Sec. 22. Minnesota Statutes 1993 Supplement, 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 \$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 shall retain the 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."

Page 21, after line 1, insert:

"Sec. 24. [299F.013] [FUEL DISPENSING.]

Any rule of the commissioner of public safety that adopts provisions of the uniform fire code relating to flammable and combustible liquids must permit the dispensing of class I and class II liquids from a fuel-dispensing system supplied by exterior aboveground tanks, for operations not open to the public. The following dispensing operations are permitted:

(1) dispensing of class I liquids from one tank having a capacity of up to 560 gallons having the dispenser located on or adjacent to the tank;

(2) dispensing of class II liquids from up to two tanks having a capacity of up to 1,000 gallons each and having the dispenser located on or adjacent to the tank.

Dispensing operations authorized under this section are subject to all other applicable requirements of the uniform fire code."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "exempting license plates on state lottery vehicles from registration tax when used for security or criminal investigation purposes;"

Page 1, line 19, after the semicolon, insert "requiring district court agents to retain filing fee for receiving and forwarding drivers' license applications and fees;"

Page 1, line 21, after the semicolon, insert "providing exemption from uniform fire code for dispensing certain flammable liquids;"

Page 1, line 22, after the semicolon, insert "168.012, by adding a subdivision;"

Page 1, line 30, delete "section" and insert "sections"

Page 1, line 31, before the period, insert "; and 171.06, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299F"

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

The report was adopted.

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

H. F. No. 2511, A bill for an act relating to railroads; authorizing rail carriers to participate in loan guarantee program; defining terms; amending eligibility requirements; amending Minnesota Statutes 1992, sections 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; and 222.58, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 222.55, is amended to read:

222.55 [RAIL USER AND RAIL CARRIER LOAN GUARANTEE PROGRAM; PURPOSE.]

In order to aid rail users in obtaining credit for participation in contracts for rail line and rolling stock rehabilitation, acquisition, or installation and for paying the costs of capital improvements necessary to improve rail service or reduce the impact of discontinuance of rail service, and to aid rail carriers in the rehabilitation of locomotives and the acquisition and rehabilitation of rolling stock, there is established a rail user and rail carrier loan guarantee program to provide state money in guarantee of loans made according to the provisions of sections 222.55 to 222.62.

Sec. 2. Minnesota Statutes 1992, section 222.56, subdivision 5, is amended to read:

Subd. 5. [LOAN.] "Loan" means a loan or advance of credit provided by a financial institution to a rail user or rail carrier for participation in contracts for rail line or rolling stock rehabilitation, acquisition, or installation, a rail carrier for rehabilitation of locomotives or for paying the costs of capital improvements necessary to improve rail service or reduce the impact of discontinuance of rail service.

Sec. 3. Minnesota Statutes 1992, section 222.56, subdivision 6, is amended to read:

Subd. 6. [~~PERSONAL~~ GUARANTEE.] "~~Personal~~ Guarantee" means a personal or corporate obligation to pay the loan.

Sec. 4. Minnesota Statutes 1992, section 222.56, is amended by adding a subdivision to read:

Subd. 8. [RAIL CARRIER.] "Rail carrier" means a common carrier by rail engaged in rail transportation of people, goods, or products for hire.

Sec. 5. Minnesota Statutes 1992, section 222.56, is amended by adding a subdivision to read:

Subd. 9. [ROLLING STOCK.] "Rolling stock" means rail cars, machinery, and equipment used by a rail carrier to move people, goods, and products, but does not include maintenance of way equipment or tools used in the maintenance or upgrade of track.

Sec. 6. Minnesota Statutes 1992, section 222.57, is amended to read:

222.57 [RAIL USER AND RAIL CARRIER LOAN GUARANTEE ACCOUNT.]

There is created a rail user and rail carrier loan guarantee account as a separate account in the rail service improvement account, which shall be used by the commissioner for carrying out the provisions of sections 222.55 to 222.62 with respect to loans insured under section 222.58. The commissioner may transfer to the rail user and rail carrier loan guarantee account from money otherwise available in the rail service improvement account whatever amount is necessary to implement the rail user loan guarantee program and may withdraw any amount from the rail user and rail carrier loan guarantee account that is not required to insure outstanding loans as provided in section 222.60, subdivision 1.

Sec. 7. Minnesota Statutes 1992, section 222.58, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY REQUIREMENTS.] A loan is eligible for insurance under this section under the following conditions:

(a) The loan shall be in an original principal amount, bear an interest rate, contain complete amortization provisions, and have a maturity satisfactory under such terms as the commissioner may prescribe by rule.

(b) The proceeds of the loan shall be used solely for

(i) (1) participation in contracts for capital investment loans for rail line rehabilitation, or acquisition, or installation;

(ii) (2) capital improvement projects designed to improve rail service or reduce the economic impact of discontinuance of rail service. The projects, and may include but are not limited to construction or improvement of short segments of rail line such as side track, team track, and connections between existing lines; and construction and improvement of loading, unloading, storage, and transfer facilities, and rail facilities of the rail user users or rail carriers;

(3) rehabilitation of locomotives owned by rail carriers primarily in operation on railroad lines within the state;

(4) rehabilitation or acquisition of rolling stock owned or acquired by rail users or rail carriers operating or doing business primarily within the state; or

(5) costs of technical and inspection services related to the rehabilitation of locomotives or rolling stock.

(c) The loan agreement shall contain such terms and provisions with respect to any other matters as the commissioner may prescribe.

(d) The borrower provides a personal guarantee and collateral for the loan which is acceptable to the commissioner as sufficient security to protect the interests of the state."

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

The report was adopted.

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

H. F. No. 2522, A bill for an act relating to natural resources; authorizing departmental sponsored competition in natural resources conservation related activities; proposing coding for new law in Minnesota Statutes, chapter 84.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 2523, A bill for an act relating to occupations and professions; requiring that concrete and masonry workers be licensed as residential contractors; amending Minnesota Statutes 1993 Supplement, sections 326.83, subdivisions 7, 19, and by adding a subdivision; 326.842; and 326.94, subdivision 1.

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. 2526, A bill for an act relating to transportation; providing that cities with a combined population of at least 5,000 may qualify for municipal state aid if certain conditions are met; amending Minnesota Statutes 1992, section 162.09, subdivision 4.

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

The report was adopted.

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

H. F. No. 2552, A bill for an act relating to taxation; exempting passenger restraint systems for children from the sales and use tax and the motor vehicle excise tax; amending Minnesota Statutes 1992, sections 297A.25, by adding a subdivision; and 297B.01, subdivision 8.

Reported the same back without recommendation.

The report was adopted.

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

H. F. No. 2577, A bill for an act relating to employment; establishing a retraining and targeted training grants program for certain workers; proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Page 2, line 13, delete "and" and insert:

"(5) evidence that the proposal has the support and involvement of labor; and"

Page 2, line 14, delete "(5)" and insert "(6)"

Page 3, line 1, delete "and" and insert:

"(6) evidence that the proposal has the support and involvement of labor; and"

Page 3, line 2, delete "(6)" and insert "(7)"

Page 3, line 18, delete ", in consultation with"

Page 3, line 19, delete "the governor's job training council,"

Page 3, line 20, after "grants" insert ", if approved by the governor's job training council,"

Page 3, line 23, after "match" insert "of at least one for one"

Page 3, line 29, delete "or" and insert "and"

Page 3, after line 33, insert:

"Subd. 7. [LIMITATION.] No more than five percent of the amount available under section 268.022, subdivision 2, paragraph (e), may be used for the grants authorized under this section. The funds shall be used from the allocation under section 268.022, subdivision 2, paragraph (e), clause (2)."

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. 2605, A bill for an act relating to transportation; bonding; abolishing requirement that electorate approve bonds in excess of tax limitations for airports and authorizing issuance by 60 percent vote of governing body; allowing taxes to be levied by local governing body to pay bond principal or interest; allowing one municipality to issue bonds on behalf of other municipalities in a joint agreement; amending Minnesota Statutes 1992, sections 360.036, subdivisions 2 and 3; 360.037, subdivision 2; and 360.042, subdivision 10.

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

The report was adopted.

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

H. F. No. 2625, A bill for an act relating to the metropolitan waste control commission; reducing the salary range of the chair; providing for a part-time chair; amending Minnesota Statutes 1992, sections 15A.081, subdivision 7; and 473.503.

Reported the same back with the following amendments:

Page 2, line 13, before the period, insert ", unless the metropolitan waste control commission is abolished by house file 2276 or senate file 2015 if enacted into law"

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

The report was adopted.

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

H. F. No. 2630, A bill for an act relating to traffic regulations; increasing from \$500 to \$1,000 the threshold level of reportable motor vehicle accidents; amending Minnesota Statutes 1993 Supplement, section 169.09, subdivision 7.

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

The report was adopted.

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

H. F. No. 2634, A bill for an act relating to transportation; requiring understandable notice of requirements for appealing town road damage awards; amending Minnesota Statutes 1992, section 164.07, subdivision 6.

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

The report was adopted.

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

H. F. No. 2638, A bill for an act relating to metropolitan waste control commission; authorizing the commission to enter into agreements to implement total watershed management; proposing coding for new law in Minnesota Statutes, chapter 473.

Reported the same back with the following amendments:

Page 1, line 8, after "commission" insert "with the approval of the metropolitan council"

Page 1, line 20, after "Carver," insert "Dakota,"

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. 2648, A bill for an act relating to traffic regulations; applying inspection requirements for commercial motor vehicles to school buses; amending Minnesota Statutes 1992, section 169.781, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. [APPROPRIATIONS; SUMMARY.]

Except as otherwise provided in this act, the sums set forth in the columns designated "fiscal year 1994" and "fiscal year 1995" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this act and are added to appropriations for the fiscal years ending June 30, 1994, and June 30, 1995, in Laws 1993, chapter 266, or other named law.

APPROPRIATIONS	
Available for the fiscal Year	
Ending June 30	
1994	1995

## Sec. 2. REGIONAL TRANSIT BOARD

\$25,100,000

\$6,300,000 is to fund regular route transit service.

\$2,500,000 is to fund special transportation service (metro mobility).

\$2,550,000 is to fund community-based transit service and administration.



APPROPRIATIONS  
Available for the fiscal Year  
Ending June 30  
1994 1995

\$5,600,000 is to implement the Vision for Transit.

\$3,900,000 is to fund the metropolitan transit commission operations.

\$1,000,000 is for the downtown Minneapolis travel demand management organization's Nicollet Mall shuttle, if matched by the city of Minneapolis.

\$3,250,000 is for the metropolitan transit commission to implement high-speed bus service.

Sec. 3. TRANSPORTATION

3,612,000

(a) \$3,500,000 is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 3, paragraph (a), and is to maintain existing transit service in greater Minnesota and to expand transit service to areas of the state without service.

(b) \$112,000 is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 3, paragraph (b), for transit administration.

Any unencumbered balance from the appropriation in Laws 1993, chapter 266, section 2, subdivision 3, for fiscal year 1994 is available for the same purposes in fiscal year 1995."

Page 2, after line 12, insert:

"Sec. 5. Minnesota Statutes 1992, section 473.39, is amended by adding a subdivision to read:

Subd. 1c. [OBLIGATIONS; 1995-1998.] The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not to exceed \$90,000,000, which may be used by the transit commission for transit vehicles and capital improvements, and related costs including the cost of issuance and sale of obligations.

Sec. 6. [APPLICATION.]

Sections 2 and 5 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 7. [EFFECTIVE DATE.]

This act is effective July 1, 1994."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "traffic regulations" and insert "transportation"

Page 1, line 4, after the semicolon, insert "appropriating money for transit; authorizing issuance of debt instruments for transit purposes;" and delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 473.39, by adding a subdivision"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

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

H. F. No. 2666, A bill for an act relating to local government; prohibiting the adoption of certain zoning ordinances by municipalities and counties; amending Minnesota Statutes 1992, sections 394.25, by adding a subdivision; and 462.357, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. [366.151] [CERTAIN ORDINANCES; MANUFACTURED HOMES.]

A town board must not enact, amend, or enforce a zoning ordinance that has the effect of altering the existing density, lot-size requirements, or manufactured home setback requirements in any manufactured home park constructed before January 1, 1995, if the manufactured home park, when constructed, complied with the then existing density, lot-size and setback requirements, or if the manufactured home park did not so comply, the town board nevertheless permitted the construction of the manufactured home park and the manufactured home park has operated for three years without commencement of an enforcement action by the town.

Page 1, line 14, delete "unless" and insert "if"

Page 2, line 1, delete "unless" and insert "if"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "and" and insert a comma

Page 1, line 4, before the semicolon, insert ", and towns"

Page 1, line 6, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 366"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2691, A bill for an act relating to natural resources; making violations of rules governing ecologically harmful species misdemeanors; amending Minnesota Statutes 1992, section 84.9691.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 18.317, as amended by Laws 1993, chapter 235, section 1, is amended to read:

18.317 [WATER TRANSMITTED HARMFUL UNDESIRABLE EXOTIC SPECIES AQUATIC PLANTS OR WILD ANIMALS.]

Subdivision 1. [TRANSPORTATION PROHIBITED.] Except as provided in subdivision 2, a person may not transport Eurasian or Northern water milfoil, myriophyllum spicatum or exalbensis, zebra mussels, or ~~other water transmitted harmful exotic species~~ undesirable exotic aquatic plants or wild animals identified by the commissioner of natural resources on a road or highway, as defined in section 160.02, subdivision 7, or on forest roads.

Subd. 1a. [PLACEMENT PROHIBITED.] A person may not intentionally place ~~ecologically harmful exotic species~~ undesirable exotic aquatic plants or wild animals, as defined in section 84.967, in public waters within the state.

Subd. 2. [EXCEPTION.] A person may transport Eurasian or Northern water milfoil, *myriophyllum spicatum* or *exalbescons*, or ~~other water-transmitted harmful exotic species~~ undesirable exotic aquatic plants or wild animals identified by the commissioner of natural resources for disposal as part of a harvest or control activity conducted under permit or as specified by the commissioner.

Subd. 3. [LAUNCHING OF WATERCRAFT WITH EURASIAN OR NORTHERN WATER MILFOIL OR OTHER HARMFUL SPECIES PROHIBITED.] (a) A person may not place a trailer or launch a watercraft with Eurasian or Northern water milfoil, zebra mussels, or ~~other water-transmitted harmful exotic species~~ undesirable exotic aquatic plants or wild animals identified by the commissioner of natural resources as attached onto the trailer or watercraft into waters of the state. A conservation officer or other licensed peace officer may order the removal of Eurasian or Northern water milfoil, zebra mussels, or ~~other water-transmitted harmful exotic species~~ undesirable exotic aquatic plants or wild animals identified by the commissioner of natural resources from a trailer or watercraft before being placed or launched into waters of the state.

(b) For purposes of this section, the meaning of watercraft includes a float plane and "waters of the state" has the meaning given in section 103G.005, subdivision 17.

(c) A commercial harvester shall clean aquatic plant harvesting equipment of all aquatic vegetation at a suitable location before launching the equipment in another body of water.

Subd. 3a. [INSPECTION OF WATERCRAFT AND EQUIPMENT.] Licensed watercraft and associated equipment, including weed harvesters, that are removed from any waters of the state that the commissioner of natural resources identifies as being contaminated with Eurasian water milfoil, zebra mussels, or ~~other water-transmitted exotic harmful species~~ undesirable exotic aquatic plants or wild animals identified by the commissioner of natural resources, shall be randomly inspected between May 1 and October 15 for a minimum of 10,000 hours by personnel authorized by the commissioner of natural resources. Beginning in calendar year 1994, a minimum of 20,000 hours of random inspections must be conducted per year.

Subd. 4. [ENFORCEMENT.] This section may be enforced by conservation officers under sections 97A.205 and, 97A.211, and 97A.221, subdivision 1, paragraph (a), clause (1), and other licensed peace officers.

Subd. 5. [PENALTY.] A person who violates subdivision 1, 1a, 3, or 3a is guilty of a misdemeanor. A person who refuses to obey the order of a peace officer or conservation officer to remove ~~Eurasian or Northern water milfoil, zebra mussels, or~~ undesirable exotic aquatic plants or wild animals from a trailer or watercraft is guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 1992, section 84.966, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For the purpose of this section, "purple loosestrife" means *lythrum salicaria*, *lythrum virgatum*, or combinations thereof.

Sec. 3. Minnesota Statutes 1992, section 84.967, is amended to read:

84.967 [ECOLOGICALLY HARMFUL SPECIES; DEFINITION.]

Subdivision 1. [SCOPE.] For the purposes of sections 84.967 to ~~84.969~~ 84.969, the following terms have the meanings given them.

Subd. 2. [ECOLOGICALLY HARMFUL EXOTIC SPECIES.] "Ecologically harmful exotic species" means nonnative aquatic plants or wild animals that can naturalize, have high propagation potential, are highly competitive for limiting factors, and cause or may cause displacement of, or otherwise threaten, native plants or native animals in their natural communities.

Subd. 3. [LIMITED INFESTATION OF EURASIAN WATER MILFOIL.] "Limited infestation" means an infestation of Eurasian water milfoil that occupies less than 20 percent of the littoral area of a water body up to a maximum of 75 acres, excluding water bodies where mechanical harvesting is used to manage Eurasian water milfoil or where no Eurasian water milfoil control is planned.

Sec. 4. Minnesota Statutes 1992, section 84.968, subdivision 2, is amended to read:

Subd. 2. [REPORT.] The commissioner of natural resources shall by January 1 each year submit a report on ecologically harmful exotic species to the legislative committees having jurisdiction over environmental and natural resource issues. The report must include:

- (1) detailed information on expenditures for administration, education, eradication, inspections, and research;
- (2) an analysis of the effectiveness of management activities conducted in the state, including chemical eradication, harvesting, educational efforts, and inspections;
- (3) information on the participation of other state agencies, local government units, and interest groups in control efforts;
- (4) information on management efforts in other states;
- (5) information on the progress made by species; and
- (6) an estimate of future management needs; and
- ~~(7) an analysis of the financial impact on persons who transport weed harvesters of the prohibition in section 18.317, subdivision 1.~~

Sec. 5. Minnesota Statutes 1992, section 84.9691, is amended to read:

84.9691 [RULEMAKING.]

(a) The commissioner of natural resources may adopt emergency and permanent rules restricting the introduction, propagation, use, possession, and spread of ecologically harmful exotic species in the state, as outlined in section 84.967. The emergency rulemaking authority granted in this paragraph expires July 1, 1994.

(b) The commissioner shall adopt rules to identify bodies of water with limited infestation of Eurasian water milfoil. The areas that are infested shall be marked and prohibited for use.

(c) A violation of a rule adopted under this section is a misdemeanor.

Sec. 6. Minnesota Statutes 1993 Supplement, section 84.9692, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO ISSUE.] After appropriate training, conservation officers, peace officers, and other staff designated by the commissioner may issue warnings or citations to persons who:

- (1) unlawfully transport ecologically harmful exotic species on a public road;
- (2) place a trailer or launch a watercraft with ecologically harmful species attached into waters of the state;
- (3) operate a watercraft in a marked Eurasian water milfoil limited infestation area; or
- (4) damage, remove, or sink a buoy marking a Eurasian water milfoil infestation area.

Sec. 7. Minnesota Statutes 1993 Supplement, section 84.9692, subdivision 2, is amended to read:

Subd. 2. [PENALTY AMOUNT.] A citation issued under this section may impose up to the following penalty amounts:

- (1) \$50 for transporting visible Eurasian water milfoil on a public road in each of the following locations:
  - (i) the exterior of the watercraft below the gunwales including the propulsion system;
  - (ii) any surface of a watercraft trailer;
  - (iii) any surface of a watercraft interior of the gunwales;

- (iv) any water container including live wells, minnow buckets, or coolers which hold water; or
- (v) any other area where visible Eurasian water milfoil is found not previously described in items (i) to (iv);
- (2) \$150 for transporting visible zebra mussels on a public road;
- (3) \$300 for transporting live ruffe or live rusty crayfish on a public road;
- (4) for attempting to launch or launching into noninfested waters a watercraft with visible Eurasian water milfoil or adult zebra mussels attached, \$500 for a first offense and \$1,000 for a second or subsequent offense;
- (5) \$100 for operating a watercraft in a marked Eurasian water milfoil limited infestation area other than as provided by law;
- (6) \$150 for intentionally damaging, moving, removing, or sinking a milfoil buoy; or
- (7) \$150 for launching or attempting to launch into infested waters a watercraft with visible Eurasian water milfoil or visible zebra mussels attached.

Sec. 8. Minnesota Statutes 1992, section 86B.401, subdivision 11, is amended to read:

Subd. 11. [~~SUSPENSION FOR NOT REMOVING EURASIAN OR NORTHERN WATER MILFOIL OR OTHER HARMFUL UNDESIRABLE EXOTIC SPECIES.~~] The commissioner, after notice and an opportunity for hearing, may suspend for a period of not more than one year the license of a watercraft if the owner or person in control of the watercraft or its trailer refuses to comply with an inspection order of a conservation officer or other licensed peace officer or an order to remove Eurasian or Northern water milfoil, *Myriophyllum spicatum* or *exalbescentis*, zebra mussels, or other ~~ecologically harmful~~ undesirable exotic plant and wild animal species identified by the commissioner from the watercraft or its trailer as provided in section 18.317, subdivision 3.

Sec. 9. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to waters; prohibiting transportation or placement of undesirable exotic aquatic plants or wild animals; defining terms; penalty for rule violation; amending Minnesota Statutes 1992, sections 18.317, as amended; 84.966, subdivision 1; 84.967; 84.968, subdivision 2; 84.9691; and 86B.401, subdivision 11; Minnesota Statutes 1993 Supplement, section 84.9692, subdivisions 1 and 2."

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. 2726, A bill for an act relating to insurance; accident and health; regulating assignments of benefits; amending Minnesota Statutes 1992, section 72A.201, subdivisions 3 and 4.

Reported the same back with the following amendments:

Page 3, line 34, delete "certified letters" and insert "written notice sent by certified mail"

Page 3, line 35, delete "and notarized" and after "insured" insert "and notarized"

Page 4, line 6, reinstate the stricken language

Page 6, line 28, delete "until" and insert "unless"

Page 6, line 29, delete "is" and insert "has been"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2743, A bill for an act relating to agriculture; authorizing the commissioner of agriculture to lease certain grain testing equipment to country elevators; requiring training of equipment operators; requiring inspection of equipment for accuracy; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17B.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

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

H. F. No. 2762, A bill for an act relating to traffic regulations; regulating use and operation of Head Start school buses; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; 169.28, subdivision 1; 169.441, subdivisions 2 and 4; 169.442, subdivision 5; 169.443, subdivisions 5 and 6; 169.447; 169.448, subdivisions 1 and 3; 169.451; 169.64, subdivision 8; 169.781, subdivision 1; 169.87, subdivision 3; 171.01, by adding a subdivision; 171.3215; 221.011, subdivision 21; and 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 171.321, subdivision 2; 221.025; and 221.031, subdivision 3b.

Reported the same back with the following amendments:

Page 9, line 9, reinstate the stricken "axle"

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. 2786, A bill for an act relating to local government; authorizing establishment of Nashwauk area ambulance district.

Reported the same back with the following amendments:

Page 1, line 9, after "Nashwauk" delete "and" and after "Balsam," insert "and Bearville,"

Page 3, line 16, delete ", but not to exceed \$25,000 each year"

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

The report was adopted.

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

H. F. No. 2795, A bill for an act relating to state government; providing new impasse procedures for labor agreements involving faculty in the state university system; proposing coding for new law in Minnesota Statutes, chapter 179A.

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

The report was adopted.

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

H. F. No. 2796, A bill for an act relating to the environment; toxic pollution prevention act; adding a definition; clarifying applicability; modifying the schedule for submitting plans; amending Minnesota Statutes 1992, section 115D.03, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 115D.07, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1992, section 115D.03, subdivision 5, is amended to read:

Subd. 5. [ELIGIBLE RECIPIENTS.] "Eligible recipients" means persons who use, generate, or release toxic pollutants, hazardous substances, or hazardous wastes or individuals or organizations that provide information or assistance to those persons."

Page 2, after line 2, insert:

"Sec. 3. Minnesota Statutes 1992, section 115D.05, is amended to read:

115D.05 [POLLUTION PREVENTION GRANTS.]

Subdivision 1. [PURPOSE.] The director may make grants to ~~study or demonstrate the feasibility of applying specific technologies and methods to prevent~~ eligible recipients for the purposes of developing and implementing pollution prevention projects or practices.

Subd. 2. [ELIGIBILITY.] (a) Eligible recipients may receive grants under this section.

(b) Grants may be awarded up to a maximum of two-thirds of the total cost of the project. ~~Grant money awarded under this section may not be spent for capital improvements or equipment.~~

Subd. 3. [PROCEDURE FOR AWARDED GRANTS.] (a) In determining whether to award a grant, the director shall consider at least the following:

- (1) the potential of the project to prevent pollution;
- (2) the likelihood that the project will ~~develop techniques or processes that will~~ minimize the transfer of pollution from one environmental medium to another;
- (3) the extent to which information to be developed through the project will be applicable to other persons in the state;
- (4) ~~the willingness of the grant applicant to implement feasible methods and technologies developed under the grant;~~
- (5) the willingness of the grant applicant to assist the director in disseminating information about the pollution prevention methods to be developed through the project; and
- (6) (5) the extent to which the project will conform to the pollution prevention policy established in section 115D.02.

(b) The director shall adopt rules to administer the grant program. ~~Prior to completion of any new rulemaking, The director may administer the program under the procedures established in rules promulgated under in conjunction with the solid waste reduction grant program established in section 115A.154 115A.55."~~

Page 3, after line 6, insert:

"Sec. 5. Minnesota Statutes 1992, section 115D.08, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT TO SUBMIT PROGRESS REPORT.] (a) All persons required to prepare a toxic pollution prevention plan under section 115D.07 shall submit an annual progress report to the ~~commissioner~~ commission that may be drafted in a manner that does not disclose proprietary information. Progress reports are due ~~on October~~ on October July 1 of each year beginning in 1995. ~~The first commission shall provide copies of the progress reports are due in 1992 to the agency and the office.~~

(b) At a minimum, each progress report must include:

- (1) a summary of each objective established in the plan including the schedule for meeting the objective;
- (2) a summary of progress made during the past year, if any, toward meeting each objective established in the plan including the quantity of each toxic pollutant eliminated or reduced;
- (3) a statement of the methods through which elimination or reduction has been achieved;
- (4) if necessary, an explanation of the reasons objectives were not achieved during the previous year, including identification of any technological, economic, or other impediments the facility faced in its efforts to achieve its objectives; and
- (5) a certification, signed and dated by the facility manager and an officer of the company under penalty of section 609.63, attesting that a plan meeting the requirements of section 115D.07 has been prepared and also attesting to the accuracy of the information in the progress report.

Sec. 6. Minnesota Statutes 1993 Supplement, section 115D.12, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) Persons required by United States Code, title 42, section 11023, to submit a toxic chemical release form to the commission, and owners or operators of facilities listed in section 299K.08, subdivision 3, shall pay a pollution prevention fee of \$150 for each toxic pollutant reported released plus a fee based on the total pounds of toxic pollutants reported as released from each facility. ~~Facilities reporting less than 25,000 pounds annually of toxic pollutants released per facility shall be assessed a fee of \$500. Facilities reporting annual releases of toxic pollutants in excess of 25,000 pounds shall be assessed a graduated fee at the rate of two cents per pound of toxic pollutants reported.~~

(b) Persons who generate more than 1,000 kilograms of hazardous waste per month but who are not subject to the fee under paragraph (a) must pay a pollution prevention fee of \$500 per facility. Hazardous waste as used in this paragraph has the meaning given it in section 116.06, subdivision 11, and Minnesota Rules, chapter 7045.

(c) Fees required under this subdivision must be paid to the director by January 1 of each year. The fees shall be deposited in the state treasury and credited to the environmental fund."

Renumber the remaining sections

Amend the title as follows:

Page 1, line 3, delete "a definition" and insert "definitions"

Page 1, line 5, before the semicolon, insert "and reports"

Page 1, line 5, delete "section" and insert "sections"

Page 1, line 6, after the comma, insert "subdivision 5, and" and after the semicolon, insert "115D.05; and 115D.08, subdivision 1;"



Page 1, line 7, delete "section" and insert "sections" and before the period, insert "; and 115D.12, subdivision 2"

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. 2815, A bill for an act relating to transportation; requiring metropolitan council and department of transportation to conduct a study on road pricing finance options; appropriating money.

Reported the same back with the following amendments:

Page 2, after line 19, insert:

"Sec. 3. [APPLICATION.]

This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

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

H. F. No. 2836, A bill for an act relating to occupations and professions; requiring that fireworks operators be certified by the state fire marshal; appropriating money; amending Minnesota Statutes 1992, section 624.22.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [FIREWORKS STUDY.]

The state fire marshal shall conduct a study concerning safety aspects of public fireworks displays and fireworks display operator qualifications that makes recommendations for:

(1) legislation to increase the level of safety of public fireworks displays;

(2) minimum qualification requirements for fireworks operators; and

(3) methods for establishing a program for the certification of public display operators by the state fire marshal.

The study shall be completed and submitted to the appropriate committees of the legislature by December 31, 1994."

Delete the title and insert:

"A bill for an act relating to occupations and professions; requiring the state fire marshal to conduct a study on fireworks safety and operator qualifications."

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

The report was adopted.

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

H. F. No. 2856, A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited lands that border public water in Mower county.

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

The report was adopted.

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

H. F. No. 2861, A bill for an act relating to conservation of natural resources; providing for use of the Minnesota conservation fund; appropriating money; amending Minnesota Statutes 1992, section 40A.151, subdivision 2.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

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

H. F. No. 2882, A bill for an act relating to motor carriers; exempt carriers; providing an exemption for transportation of potatoes; amending Minnesota Statutes 1993 Supplement, section 221.025.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 2888, A bill for an act relating to economic development; regulating community action agencies; amending Minnesota Statutes 1992, sections 268.53, subdivision 5; and 466.01, subdivision 1.

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

The report was adopted.

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

H. F. No. 2893, A bill for an act relating to unemployment compensation; extending benefits for certain employees; proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Page 2, line 1, after "DATE" insert "; APPLICATION"

Page 2, line 2, before the period, insert "and applies to claimants eligible for unemployment compensation on March 1, 1994"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2894, A bill for an act relating to the environment; providing for evaluation of motor vehicle salvage facilities by the pollution control agency; providing for a report to the legislature; reallocating money; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Lieder from the Committee on General Legislation, Veterans Affairs and Elections to which was referred:

H. F. No. 2896, A bill for an act relating to Itasca county; permitting the county board to submit a question to nonbinding referendum.

Reported the same back with the recommendation that 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. 2898, A bill for an act relating to commerce; authorizing local units of government to license the retail sale of tobacco; requiring a county to license the retail sale of tobacco under certain conditions; providing for regular compliance checks for all licensed vendors; providing for mandatory penalties against license holders for sales to minors; amending Minnesota Statutes 1992, sections 461.12; 461.13; and 461.15; proposing coding for new law in Minnesota Statutes, chapter 461.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [461.16] [INSPECTIONS; REPORTS.]

The commissioner of public safety shall coordinate annual, random, unannounced inspections at locations where tobacco products are sold to test compliance with section 609.685 and to conform with the requirements of federal law. The inspections shall be performed by local law enforcement or by the department of public safety. A person under the age of 18 may assist in the tests of compliance only under the supervision of a law officer or an employee of the department of public safety and only with the written consent of a parent. The commissioner shall annually submit the report required by United States Code, title 14, section 300x-26, and otherwise ensure the state's compliance with that law and any regulations adopted to implement it.

Sec. 2. [461.17] [TRAINING.]

The employer at each retail location where tobacco products are sold shall conduct a training program for the individuals who sell tobacco products at the location that instructs them about the law, the related penalties, and the employer's policy with regard to tobacco sales. The commissioner of public safety may impose an administrative penalty of not more than \$100 upon the retailer at each location where the employees have not been trained as required by this section. If an inspection at any location discloses a violation of section 609.685 notice shall be given to the employer and the employees shall be retrained as provided by this section. Any employer may immediately dismiss an employee who violates section 609.685."

Delete the title and insert:

"A bill for an act relating to commerce; requiring inspections of, reports on, and training for tobacco retailers and employees; proposing coding for new law in Minnesota Statutes, chapter 461."

With the recommendation that when so amended 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. 2918, A bill for an act relating to natural resources; motor vehicles; establishing special vehicle license plates for wetlands wildlife purposes; creating the wetlands wildlife legacy account; proposing coding for new law in Minnesota Statutes, chapters 84; and 168.

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.

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

H. F. No. 2935, A bill for an act relating to occupations and professions; exempting some social workers employed in a hospital or nursing home from examination; modifying licensure requirements; requiring hospital and nursing home social workers to be licensed; amending Minnesota Statutes 1992, sections 148B.23, subdivisions 1 and 2; 148B.27, subdivision 2; and 148B.60, subdivision 3; repealing Minnesota Statutes 1992, sections 148B.18, subdivisions 4, 5, 6, and 7; 148B.19, subdivision 3; 148B.23, subdivision 1a; and 148B.28, subdivision 6.

Reported the same back with the following amendments:

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1992, section 144A.46, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] The following individuals or organizations are exempt from the requirement to obtain a home care provider license:

(1) a person who is licensed as a registered nurse under sections 148.171 to 148.285 and who independently provides nursing services in the home without any contractual or employment relationship to a home care provider or other organization;

(2) a personal care assistant who provides services under the medical assistance program as authorized under sections 256B.0625, subdivision 19, and 256B.04, subdivision 16;

(3) a person or organization that exclusively offers, provides, or arranges for personal care assistant services under the medical assistance program as authorized under sections 256B.0625, subdivision 19, and 256B.04, subdivision 16;

(4) a person who is registered under sections 148.65 to 148.78 and who independently provides physical therapy services in the home without any contractual or employment relationship to a home care provider or other organization;

(5) a provider that is licensed by the commissioner of human services to provide semi-independent living services under Minnesota Rules, parts 9525.0500 to 9525.0660 when providing home care services to a person with a developmental disability;

(6) a provider that is licensed by the commissioner of human services to provide home- and community-based services under Minnesota Rules, parts 9525.2000 to 9525.2140 when providing home care services to a person with a developmental disability; or

(7) a person or organization that provides only home management services, if the person or organization is registered under section 144A.43, subdivision 3; or

(8) a person who is licensed as a social worker under sections 148B.18 to 148B.28 and who provides social work services in the home independently and not through any contractual or employment relationship with a home care provider or other organization.

An exemption under this subdivision does not excuse the individual from complying with applicable provisions of the home care bill of rights."

Page 1, line 22, delete "1994" and insert "1995"

Page 5, line 21, after "repealed" insert "effective July 1, 1995"

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "exempting certain social workers from requirement to obtain home care provider license;"

Page 1, line 7, after "sections" insert "144A.46, subdivision 2;"

Page 1, line 9, delete "148B.18,"

Page 1, delete line 10

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. 2936, A bill for an act relating to Ramsey county; providing for funding the maintenance of turnback roads in Ramsey county; amending Minnesota Statutes 1992, section 383A.16, subdivision 2, and by adding subdivisions; repealing Minnesota Statutes 1992, section 383A.16, subdivision 1.

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

The report was adopted.

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

H. F. No. 2962, A bill for an act relating to employment; modifying the emergency jobs program; appropriating money; amending Minnesota Statutes 1992, sections 268.676, subdivision 1; and 268.677, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268.

Reported the same back with the following amendments:

Page 3, after line 7, insert:

"Sec. 3. Minnesota Statutes 1992, section 268.681, subdivision 2, is amended to read:

Subd. 2. [PRIORITIES.] (a) In allocating funds among eligible businesses, the local service unit or its contractor shall give priority to:

(1) businesses engaged in manufacturing;

(2) nonretail businesses that are small businesses as defined in section 645.445; and

(3) businesses that export products outside the state, or businesses that provide materials or services to businesses that export products outside the state.

(b) In addition to paragraph (a), a local service unit must give priority to businesses that:

(1) have a high potential for growth and long-term job creation;

(2) are labor intensive;

(3) make high use of local and Minnesota resources;

- (4) are under ownership of women and minorities;
- (5) make high use of new technology;
- (6) produce energy conserving materials or services or are involved in development of renewable sources of energy;  
and
- (7) have their primary place of business in Minnesota; and
- (8) teach transferable skills to employees hired with these funds."

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 4, delete "and"

Page 1, line 5, after the semicolon, insert "and 268.681, subdivision 2;"

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.

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

H. F. No. 2967, A bill for an act relating to local government; giving the Minneapolis school district and the municipal building commission the same authority as the city of Minneapolis to negotiate certain trade and craft contracts; amending Laws 1988, chapter 471, sections 1 and 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 2973, A bill for an act relating to buildings; specifying a required ratio of women's to men's restroom facilities for certain buildings; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the following amendments:

Page 1, line 25, after the period, insert "The rules may provide for a greater ratio of women's to men's facilities for certain types of occupancies than is required in subdivision 3, and may apply the required ratios to categories of occupancies other than those defined as places of public accommodation under subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2978, A bill for an act relating to education; modifying teacher contract arbitration provisions; amending Minnesota Statutes 1992, section 179A.16, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 11, delete "179.18" and insert "179A.18"

Page 1, after line 15, insert:

"Sec. 2. [SUNSET.]

Section 1 expires January 1, 1996."

Page 1, line 16, delete "2" and insert "3"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2998, A bill for an act relating to game and fish; allowing use of retractable broadhead arrows in taking big game; amending Minnesota Statutes 1992, section 97B.211, subdivision 2.

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

The report was adopted.

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

H. F. No. 3011, A bill for an act relating to highways; changing mileage limitation for municipal state-aid streets; amending Minnesota Statutes 1992, section 162.09, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 3046, A bill for an act relating to the environment; requiring town board or city council approval prior to issuance of a permit by the pollution control agency for spreading soil that contains harmful substances on land; amending Minnesota Statutes 1992, section 116.07, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 12, delete "or city"

Page 1, line 16, delete "or city council" and delete "or city"

Amend the title as follows:

Page 1, lines 2 and 3, delete "or city council"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3051, A bill for an act relating to local government in Pine county; providing for creation of sewer district and a sanitary sewer board to administer the district; providing for collection, treatment, and disposal of sewage in the Cross Lake area.

Reported the same back with the following amendments:

Page 17, line 15, delete "access" and insert "assess"

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

The report was adopted.

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

H. F. No. 3053, A bill for an act relating to unemployment compensation; changing its name; modifying provisions relating to reporting requirements, eligibility conditions, and liability for benefits; amending Minnesota Statutes 1992, sections 268.03; 268.08, subdivision 1; and 268.10, subdivision 1; Minnesota Statutes 1993 Supplement, sections 268.08, subdivision 6; 268.09, subdivision 1; 268.10, subdivision 2; and 268.161, subdivision 9.

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

The report was adopted.

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

H. F. No. 3056, A bill for an act relating to education; establishing responsibilities relating to school bus operations, equipment, and safety; marketing technical changes; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 123.39, subdivision 1; 126.15, subdivision 4; 169.01, subdivision 6; 169.21, subdivision 2; 169.442, subdivision 1; 169.443, subdivision 8, and by adding a subdivision; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3; 171.3215; 609.72, subdivision 1; and 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 124.225, subdivision 1; and 171.321, subdivision 2; Laws 1993, chapter 224, article 12, section 39; proposing coding for new law in Minnesota Statutes, chapters 123, 127, and 169; repealing Minnesota Statutes 1992, sections 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; and 169.45; Minnesota Statutes 1993 Supplement, section 123.80; Minnesota Rules, parts 3520.3600 and 3520.3700.

Reported the same back with the following amendments:

Page 2, delete section 2

Page 3, line 22, delete "and"

Page 3, line 25, before the period, insert "; and

(5) rules governing the use of type III vehicles, drivers of type III vehicles, and the circumstances under which a student may be transported in a type III vehicle"

Page 10, line 15, after "experience" insert ", as determined by the commissioner of public safety,"

Page 12, line 34, delete "brought into the state" and insert "initially inspected by the Minnesota state patrol"

Page 17, line 33, delete the second "or" and insert ", an"



Page 17, line 34, before the period, insert ", or a mechanic trained in the procedure"

Page 33, line 7, delete "14" and insert "13"

Page 33, line 11, delete "30" and insert "29"

Page 33, line 13, delete "19" and insert "18"

Page 33, line 26, delete "15" and insert "14"

Page 33, line 27, delete "6" and insert "5"

Renumber the sections in article 1 in sequence

Amend the title as follows:

Page 1, line 17, delete "123,"

With the recommendation that when so amended 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. 3057, A bill for an act relating to cities; authorizing and establishing the Chisholm/Hibbing airport authority.

Reported the same back with the following amendments:

Page 3, line 23, after "act" insert "shall"

Page 3, lines 24 and 26, after "whom" insert "shall be"

Page 3, line 33, after "serve" insert "the remainder of their term and"

Page 6, line 36, delete everything after "(3)"

Page 7, line 2, delete "real or"

Page 7, line 9, after "facilities" insert "with approval of the city councils"

Page 10, line 21, delete "airports" and insert "airport"

Page 12, line 10, delete "may" and insert "shall, at the request of the authority,"

Page 13, line 13, after the comma, insert "the Chisholm/Hibbing airport commission is dissolved and"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3079, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to make subgrants of certain money; amending Minnesota Statutes 1992, section 84.085, subdivision 1; repealing Minnesota Statutes 1992, section 88.063.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

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

H. F. No. 3095, A bill for an act relating to employment; establishing the governor's workforce development council to replace the governor's job training council; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1993 Supplement, section 268.9755.

Reported the same back with the following amendments:

Page 2, line 35, after "two" insert "nonvoting"

Page 3, line 1, after "two" insert "nonvoting"

Page 4, line 35, delete "that" and insert "in order to"

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. 3109, A bill for an act relating to transportation; modifying distribution of money in transit assistance fund; establishing annual gasoline excise tax rate adjustment; modifying amounts of motor vehicle excise tax money transferred to transit assistance fund; appropriating money; amending Minnesota Statutes 1992, sections 296.02, by adding a subdivision; and 297B.09, subdivision 1; Minnesota Statutes 1993 Supplement, section 174.32, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 161.04, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION.] The trunk highway fund ~~shall consist~~ consists of 62 percent of the net highway user tax distribution fund as provided in article 14 of the Constitution; the proceeds of the sale of any bonds authorized by article 14 of the constitution; money received from the federal government as aid in the construction and maintenance of trunk highways; and any other money otherwise allotted, appropriated, or legislated therefor.

Sec. 2. Minnesota Statutes 1992, section 161.082, subdivision 1, is amended to read:

Subdivision 1. [RULES.] Except as hereinafter provided, all money ~~accruing~~ appropriated to the county turnback account shall be expended in accordance with rules of the commissioner of transportation in paying a county for the restoration of former trunk highways, or portions thereof, that have reverted to the county in accordance with law, and have become a part of the county state-aid highway system.

## Sec. 3. [161.0821] [TOWN BRIDGE FUND; TOWN ROAD FUND.]

Subdivision 1. [TOWN BRIDGE ACCOUNT.] A town bridge fund is created in the state treasury, consisting of amounts appropriated to the fund by law and interest thereon. Money in the fund may be expended, within counties having two or more towns, on town road bridge structures that are ten feet or more in length and on town road culverts that replace existing town road bridges. In addition, if the present bridge structure is less than ten feet in length but a hydrological survey indicates that the replacement bridge structure or culvert must be ten feet or more in length, then the bridge or culvert is eligible for replacement funds. In addition, if a culvert that replaces a deficient bridge is in a county comprehensive water plan approved by the board of water and soil resources and the department of natural resources, the costs of the culvert and roadway grading other than surfacing are eligible for replacement funds up to the cost of constructing a replacement bridge. The expenditures on bridge structures and culverts may be on a matching basis. When bridge approach construction work exceeds \$10,000 in costs, or when the county engineer determines that the cost of the replacement culverts alone will not exceed \$20,000, the town is eligible for financial assistance from the town bridge fund. Financial assistance must be limited to (1) 100 percent of the cost of the bridge approach work that is in excess of \$10,000, or (2) 100 percent of the cost of the replacement culverts when the cost does not exceed \$20,000 and the town board agrees to be responsible for all the other costs, which may include costs for structural removal, installation, and permitting.

Subd. 2. [TOWN ROAD FUND.] A town road fund is created in the state treasury, consisting of amounts appropriated to the fund by law and interest thereon. To be eligible for distribution of funds from the town road fund in a calendar year, a town must have levied in the previous year for road and bridge purposes at least 0.04835 percent of taxable market value.

Money distributed to a town under this subdivision may be expended by the town only for the construction, reconstruction, and gravel maintenance of town roads within the town.

Sec. 4. Minnesota Statutes 1992, section 161.083, is amended to read:

## 161.083 [MUNICIPAL TURNBACK ACCOUNT, EXPENDITURE.]

Except as hereinafter provided, all money ~~accruing~~ appropriated to the municipal turnback account shall be expended in accordance with rules of the commissioner of transportation in paying a municipality having a population of 5,000 or more for the reconstruction and improvement of former trunk highways, or portions thereof, that have reverted to such municipality in accordance with law, and have become a part of the municipal state-aid street system.

Sec. 5. Minnesota Statutes 1992, section 162.02, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES FROM RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to this section and section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

Sec. 6. Minnesota Statutes 1992, section 162.021, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) The commissioner shall establish a natural preservation routes category within the county state-aid highway system.

(b) Natural preservation routes include those routes that possess particular scenic, environmental, or historical characteristics, such as routes along lakes or through forests, wetlands, or flood plains, that would be harmed by construction or reconstruction meeting the engineering standards under section 162.07 or the rules adopted under that section developed for county state-aid highways.

(c) The commissioner shall adopt rules establishing minimum construction and reconstruction standards that address public safety and reflect the function, lower traffic volume, and slower speed on natural preservation routes. The rules may not establish standards for natural preservation routes that are higher than the standards for national forest highways within national forests and state park access roads within state parks. Design standards specifying the width of vehicle recovery areas on forest highways, forest and park roads, and on natural preservation routes must minimize harmful environmental impact.

Sec. 7. Minnesota Statutes 1992, section 162.05, is amended to read:

**162.05 [PAYMENTS INTO COUNTY STATE-AID HIGHWAY FUND.]**

In addition to the ~~29 percent of the net highway user tax distribution fund~~ money appropriated to the county state-aid highway fund, there shall be paid into the county state-aid highway fund all money accruing from the income derived from the investments in the internal improvement land fund.

Sec. 8. Minnesota Statutes 1992, section 162.08, subdivision 3, is amended to read:

Subd. 3. [AID TO TOWNS.] Any county having within its boundaries organized town governments may, by resolution, allocate to the towns within its boundaries so much of the money ~~apportioned allocated~~ to it under the provisions of sections 162.01 to 162.181, from the county state-aid highway fund that it deems necessary to aid the townships in the construction of town roads. The resolution shall set forth the amount of money ~~or the percentage of its apportionment~~ that the county has allocated to the towns. A certified copy of the resolution shall be forwarded to the commissioner on or before the second Tuesday of January of each year. Upon receipt of such resolution and upon determining the amount of money to be ~~apportioned allocated~~ to the county, the commissioner shall certify to the commissioner of finance the amount of money, as set forth in the resolution, that is to be paid out of the county's ~~apportionment~~ county state-aid highway fund allocation for distribution to the towns. The commissioner of finance shall thereupon issue a warrant in that amount payable to the county treasurer; and the proceeds thereof shall be distributed by the county to the towns. All money so allocated and distributed shall be used by the towns solely for the construction of town roads. Each county board so allocating such funds may devise a formula taking into account each town's levy for road and bridge purposes, its mileage of town roads and population outside the corporate limits of all cities within the township, and such other factors as the county board shall deem advisable as a means of dividing the allocation among the several towns in order that such division among the towns be as equitable as possible. ~~No part of the money allocated for expenditure solely within cities having a population of less than 5,000 shall be allocated or distributed to the towns.~~ The commissioner of transportation shall maintain a permanent record of the allocations of county state-aid highway funds to the townships in each county. ~~In making the annual apportionments of county state-aid highway funds, the commissioner shall reduce the money needs of said counties in the amounts necessary to equalize their status with those counties not making such township allotments.~~

Sec. 9. Minnesota Statutes 1993 Supplement, section 162.08, subdivision 4, is amended to read:

Subd. 4. [PURPOSES; OTHER USES OF MUNICIPAL ACCOUNT ALLOCATION.] Except as provided in subdivision 3, money ~~so apportioned and~~ allocated to each county from the county state-aid highway fund shall be used for aid in the establishment, location, construction, reconstruction, improvement, and maintenance of the county state-aid highway system within each county, including the expense of commissioner-approved signals and safety devices on county state-aid highways, and systems that permit an emergency vehicle operator to activate a green traffic signal for the emergency vehicle; provided, that in the event of hardship, or in the event that the county state-aid highway system of any county is improved to the standards set forth in the commissioner's rules, ~~a portion of the money apportioned other than the money allocated for expenditures within cities having a population of less than 5,000, may be used~~ county may use a portion of its allocation on other roads within the county with the consent and in accordance with the commissioner's rules. ~~If the portion of the county state-aid highway system lying within cities having a population of less than 5,000 is improved to the standard set forth in the commissioner's rules, a portion of the money credited to the municipal account may be used on other county highways or other streets lying within such cities. Upon the authorization of the commissioner, a county may expend accumulated municipal account funds on county state-aid highways within the county outside of cities having a population of less than 5,000. The commissioner shall authorize the expenditure if:~~

(a) ~~the county submits a written request to the commissioner and holds a hearing within 30 days of the request to receive and consider any objections by the governing bodies of cities within the county having a population of less than 5,000; and~~

(b) no written objection is filed with the commissioner by any such city within 14 days of that hearing as provided in this subdivision.

The county shall notify all of the cities of the public hearing by certified mail and shall notify the commissioner in writing of the results of the hearing and any objections to the use of the funds as requested by the county.

If, within 14 days of the hearing, a city having a population of less than 5,000 files a written objection with the commissioner identifying a specific county state aid highway within the city which is requested for improvement, the commissioner shall investigate the nature of the requested improvement. Notwithstanding clause (b), the commissioner may authorize the expenditure requested by the county if: (1) the identified highway is not deficient in meeting minimum state aid street standards; or (2) the county shows evidence that the identified highway has been programmed for construction in the county's five-year capital improvement budget in a manner consistent with the county's transportation plan; or (3) there are conditions created by or within the city and beyond the control of the county that prohibit programming or constructing the identified highway.

Authorization by the commissioner for use of municipal account funds on county state aid highways outside of cities having a population of less than 5,000 shall be applicable only to the county's accumulated and current year allocation. Future municipal account allocations shall be used as directed by law unless subsequent requests are made by the county and approved in accordance with the provisions of this section.

Sec. 10. Minnesota Statutes 1992, section 162.08, subdivision 10, is amended to read:

Subd. 10. [PROJECT APPROVAL, REPORTS.] When the county board of any county determines to do any construction work on a county state-aid highway or other road eligible for the expenditure of state aid funds within the county, and desires to expend on such work a portion of the money apportioned or allocated to it out of the county state-aid highway fund, the county shall first obtain approval of the project by the commissioner. Thereafter the county engineer shall make such reports in such manner as the commissioner requires under rules of the commissioner. Upon receipt of satisfactory reports, the commissioner shall certify to the commissioner of finance the amount of money that is eligible to be paid from the county's apportionment or allocation for the work under contract or actually completed. The commissioner of finance shall thereupon issue a warrant in that amount payable to the county treasurer. In no event shall the warrant with all other warrants issued exceed the amount apportioned and allocated to the county.

Sec. 11. Minnesota Statutes 1992, section 162.09, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES FROM RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2 for municipal state-aid streets. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

Sec. 12. Minnesota Statutes 1992, section 162.14, subdivision 2, is amended to read:

Subd. 2. [PURPOSES, OTHER USES, OTHER FUNDS.] Money so apportioned allocated from the municipal state-aid street fund to each such eligible city shall be used for aid in the establishment, location, construction, reconstruction, improvement, and maintenance of the municipal state-aid street system within each city including the expense of sidewalks, signals and safety devices, including systems that permit an emergency vehicle operator to activate a green traffic signal for the emergency vehicle, on such system approved by the commissioner, provided that in the event of hardship or in the event that the municipal state-aid street system of any municipality is improved to the standards set forth in the commissioner's rules, and subject to the consent of the commissioner and under rules of the commissioner, a portion of the money so apportioned allocated may be used on other streets or roads within the city. The governing body of any such city may, subject to the consent of the commissioner, and under the rules of the commissioner, use a portion of the money so apportioned allocated on any state trunk highway or county state-aid highway within the city. The amount of money to be appropriated by such cities from other funds for use in the establishment, location, construction, reconstruction, improvement, and maintenance of the municipal state-aid street system within the city is hereby left to the direction of the individual governing bodies of the cities.

Sec. 13. Minnesota Statutes 1992, section 162.14, subdivision 3, is amended to read:

Subd. 3. [MAINTENANCE.] The proportion of each ~~such~~ eligible city's annual ~~apportionment allocation~~ to be used for maintenance on its respective municipal state-aid street system shall be a joint determination of the commissioner and the governing body of each city. In the event that agreement cannot be reached, the determination of the commissioner shall be final.

Sec. 14. Minnesota Statutes 1992, section 162.14, subdivision 4, is amended to read:

Subd. 4. [PROJECT APPROVAL AND REPORTS.] When the governing body of any ~~such~~ eligible city determines to do any construction work on any municipal state-aid street or other streets within the city upon which money ~~apportioned out of allocated from~~ the municipal state-aid street fund may be used as provided in subdivision 2, the governing body shall first obtain the approval of the commissioner. Thereafter, the engineer of the city shall make reports in such manner as the commissioner requires in accordance with the commissioner's rules. Upon receipt of satisfactory reports the commissioner shall certify to the commissioner of finance the amount of money that is eligible to be paid from the city's ~~apportionment allocation~~ for the work under contract or actually completed. The commissioner of finance shall thereupon issue a warrant in that amount payable to the fiscal officers of the city. In no event shall the warrant with all other warrants issued exceed the amount ~~apportioned allocated~~ to the city.

Sec. 15. Minnesota Statutes 1992, section 162.14, subdivision 6, is amended to read:

Subd. 6. [ADVANCES.] Any such city, except cities of the first class, may make advances from any funds available to it for the purpose of expediting the construction, reconstruction, improvement, or maintenance of its municipal state-aid street system; ~~provided that such advances shall not exceed the city's total estimated apportionment for the three years following the year the advance is made. Advances made by any such city shall be repaid out of subsequent apportionments made to such city in accordance with the commissioner's rules.~~

Sec. 16. Minnesota Statutes 1992, section 162.155, is amended to read:

162.155 [RULES FOR VARIANCES.]

The commissioner shall adopt rules, ~~no later than January 1, 1980, in accordance with sections 15.041 to 15.052 chapter 14, setting forth the criteria to be considered by the commissioner in evaluating requests for variances under sections 162.02, subdivision 3a and 162.09, subdivision 3a. The rules shall include, but are not limited to, economic, engineering and safety guidelines. The Engineering standards adopted pursuant to section 162.07, subdivision 2, or 162.13, subdivision 2, shall for county state-aid highways and municipal state-aid streets must be adopted pursuant to the requirements of chapter 15 by July 1, 1980 14.~~

Sec. 17. Minnesota Statutes 1992, section 469.201, subdivision 4, is amended to read:

Subd. 4. [CITY MATCHING MONEY.] (a) "City matching money" means the money of a city specified in a revitalization program. The sources of city matching money may include:

- (1) money from the general fund or a special fund of a city used to implement a revitalization program;
- (2) money paid or repaid to a city from the proceeds of a grant that a city has received from the federal government, a profit or nonprofit corporation, or another entity or individual, that is to be used to implement a revitalization program;
- (3) tax increments received by a city under sections 469.174 to 469.179 or other law, if eligible, to be spent in the targeted neighborhood;
- (4) the greater of the fair market value or the cost to the city of acquiring land, buildings, equipment, or other real or personal property that a city contributes, grants, leases, or loans to a profit or nonprofit corporation or other entity or individual, in connection with the implementation of a revitalization program;
- (5) city money to be used to acquire, install, reinstall, repair, or improve the infrastructure facilities of a targeted neighborhood;

(6) money contributed by a city to pay issuance costs, fund bond reserves, or to otherwise provide financial support for revenue bonds or obligations issued by a city for a project or program related to the implementation of a revitalization program;

(7) money derived from fees received by a city in connection with its community development activities that are to be used in implementing a revitalization program;

(8) money derived from the municipal state-aid street fund apportionment allocation to the city under section 162.14 or by special law, and expended in a targeted neighborhood for an activity related to the revitalization program;

(9) administrative expenses of the city that are incurred in connection with the planning, implementation, or reporting requirements of sections 469.201 to 469.207.

(b) City matching money does not include:

(1) city money used to provide a service or to exercise a function that is ordinarily provided throughout the city, unless an increased level of the service or function is to be provided in a targeted neighborhood in accordance with a revitalization program;

(2) the proceeds of bonds issued by the city under chapter 462C or 469 and payable solely from repayments made by one or more nongovernmental persons in consideration for the financing provided by the bonds; or

(3) money given by the state to fund any part of the revitalization program.

#### Sec. 18. [FUND AND DEDICATION ABOLISHED; INSTRUCTION TO REVISOR.]

Subdivision 1. [HIGHWAY USER TAX DISTRIBUTION FUND ABOLISHED.] The highway user tax distribution fund is abolished. All money required by law to be deposited in or credited to the highway user tax distribution fund on the effective date of this section must, on and after that date, be deposited in or credited to the general fund. On the effective date of this section, the commissioner of finance shall transfer all money in the highway user tax distribution fund to the general fund.

Subd. 2. [TRUNK HIGHWAY FUND; DEDICATION ABOLISHED.] All money required by law to be deposited in or credited to the trunk highway fund on the effective date of this section must, on and after that date, be deposited in or credited to the general fund.

Subd. 3. [INSTRUCTION TO REVISOR.] In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor of statutes shall make the changes in terminology, cross references, and other changes necessary to incorporate subdivisions 1 and 2.

#### Sec. 19. [CONSTITUTIONAL AMENDMENT.]

The following amendment to the Minnesota Constitution, article XIV, sections 5, 9, and 10, is proposed to the people.

If the amendment is adopted, article XIV, section 5, is repealed.

Article XIV, section 9, will read:

Sec. 9. The legislature by law may tax motor vehicles using the public streets and highways on a more onerous basis than other personal property. Any such tax on motor vehicles shall be in lieu of all other taxes thereon, except wheelage taxes imposed by political subdivisions solely for highway purposes. The legislature may impose this tax on motor vehicles of companies paying taxes under the gross earnings system of taxation notwithstanding that earnings from the vehicles may be included in the earnings on which gross earnings taxes are computed. ~~The proceeds of the tax shall be paid into the highway user tax distribution fund.~~ The law may exempt from taxation any motor vehicle owned by a nonresident of the state properly licensed in another state and transiently or temporarily using the streets and highways of the state.

Article XIV, section 10, will read:

Sec. 10. The legislature may levy an excise tax on any means or substance used for propelling vehicles on the public highways of this state or on the business of selling it. ~~The proceeds of the tax shall be paid into the highway user tax distribution fund.~~

## Sec. 20. [SUBMISSION TO VOTERS.]

The proposed amendment must be submitted to the people at the 1994 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to repeal the dedication of taxes on motor fuel and motor vehicles exclusively to highway purposes?"

Yes .....  
No .....

## Sec. 21. [REPEALER.]

Minnesota Statutes 1992, sections 161.041; 161.082, subdivisions 2 and 2a; 161.085; 162.06; 162.07; 162.08, subdivisions 1, 2, 5, 6, 7, and 9; 162.081, subdivisions 1, 2, and 3; 162.11; 162.12; 162.13; 162.14, subdivision 1; and 162.18; and Minnesota Statutes 1993 Supplement, sections 161.081; 161.082, subdivision 2a; and 162.081, subdivision 4, are repealed.

## Sec. 22. [EFFECTIVE DATE.]

Sections 1 to 18 and 21 are effective on the July 1 next following certification by the secretary of state that the constitutional amendments proposed in section 19 have been adopted by the people. Sections 19 and 20 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to highways; abolishing highway user tax distribution fund; abolishing transportation services fund; repealing statutory dedication of highway user taxes; repealing statutory dedication of money to the highway user tax distribution fund and trunk highway fund; repealing statutory provisions for allocation of the county state-aid highway fund and municipal state-aid street fund; proposing an amendment to repeal the constitutional dedication of highway user taxes in article XIV, section 5; amending the Minnesota Constitution, article XIV, sections 9 and 10; amending Minnesota Statutes 1992, sections 161.04, subdivision 1; 161.082, subdivision 1; 161.083; 162.02, subdivision 3a; 162.021, subdivision 1; 162.05; 162.08, subdivisions 3 and 10; 162.09, subdivision 3a; 162.14, subdivisions 2, 3, 4, and 6; 162.155; and 469.201, subdivision 4; Minnesota Statutes 1993 Supplement, section 162.08, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1992, sections 161.041; 161.082, subdivisions 2 and 2a; 161.085; 162.06; 162.07; 162.08, subdivisions 1, 2, 5, 6, 7, and 9; 162.081, subdivisions 1, 2, and 3; 162.11; 162.12; 162.13; 162.14, subdivision 1; and 162.18; Minnesota Statutes 1993 Supplement, sections 161.081; 161.082, subdivision 2a; and 162.081, subdivision 4."

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

The report was adopted.

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

H. F. No. 3110, A bill for an act relating to waters; requiring marking or illumination of motor vehicles on ice at night and marking of shelters on ice; amending Minnesota Statutes 1992, section 97C.355, subdivision 1.

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 3133, A bill for an act relating to ethanol; increasing the cap on ethanol development payments to ethanol producers; extending expiration of payments for ethanol development; increasing minimum oxygen content of gasoline; eliminating tax credit for agricultural alcohol gasoline; amending Minnesota Statutes 1992, sections 41A.09,



subdivision 5; and 296.02, subdivision 7; Minnesota Statutes 1993 Supplement, section 41A.09, subdivision 3; and 239.791, subdivision 1.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

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

S. F. No. 1692, A bill for an act relating to contracts; creating the public contractors' performance and payment bond act by amending existing provisions; amending Minnesota Statutes 1992, sections 574.26; 574.261; 574.262, subdivision 1; 574.263, by adding a subdivision; 574.264, subdivision 1; 574.27; 574.28; 574.29; 574.30; 574.31; and 574.32.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 574.26, is amended to read:

574.26 [CONTRACTORS' BONDS FOR PUBLIC WORK.]

Subdivision 1. [CITATION.] (a) Sections 574.26 to 574.32 are the "public contractors' performance and payment bond act," within those sections referred to as "the act."

(b) For the purposes of the act, (1) "public body" means the state, municipal corporation, school district, or other public board or body; and (2) "labor and materials" means work, skill, tools, machinery, materials, insurance premiums, equipment or supplies, or taxes incurred under section 290.02 or chapter 297A; and (3) "contract" means a contract with a public body for the doing of public work.

Subd. 2. [TERMS.] Except as provided in sections 574.263 and 574.264 or if the amount of the contract is \$10,000 or less, a contract with the state, or with any municipal corporation or other public board or body thereof, a public body for the doing of any public work, is not valid unless the contractor shall give gives (1) a performance bond to the state or other public body contracted with whom the contractor entered into the contract, for the use and benefit of the obligee, the state and public body to complete the contract according to its terms, and conditioned on saving the public body harmless from all costs and charges that may accrue on account of completing the specified work, and (2) a payment bond for the use and benefit of all persons doing work or furnishing skill, tools, machinery, or materials or insurance premiums or equipment or supplies for any camp maintained for the feeding or keeping of workers and animals labor and materials engaged under, or for the purpose of, such to perform the contract, conditioned for the payment, as they become due, of all just claims for such work, tools, machinery, skill, materials, insurance premiums, equipment, taxes incurred under section 290.02 or chapter 297A, and supplies for the completion of the contract in accordance with its terms, for saving the obligee harmless from all costs and charges that may accrue on account of the doing of the work specified, and for the enforcing of the terms of the bond the labor and materials. Reasonable attorneys' fees, costs, and disbursements may be awarded in an action to enforce claims under the act if the action is brought on the bond, including reasonable attorney's fees, in any case where such action is successfully maintained and for the compliance with the laws appertaining thereto or successfully appealed.

Subd. 3. [PENALTY.] The penalty of such bond shall be each bond must not be less than the contract price, and if after the giving of the bond the contract price should for any reason be is increased, for any reason, the obligee public body may require an additional bond bonds, the penalty penalties of which shall be not less than the amount of such the increase, and if such the additional bond be bonds are not furnished within ten days after such demand, the work on the contract shall cease until such the additional bond shall have been bonds are furnished. In contracts made by the commissioner of administration or the department of transportation of the state, the penalty of the bond shall be in such amount as the commissioner of administration or the commissioner of transportation, respectively, may fix the amount of the bond penalty, but at not less than three-quarters of the contract price.

Sec. 2. Minnesota Statutes 1992, section 574.261, is amended to read:

574.261 [SECURITY IN LIEU PLACE OF BOND.]

Subdivision 1. [CERTIFIED OR CASHIER'S CHECK.] With the approval of the commissioner of administration and ~~where if the amount of the contract is not in excess of more than \$5,000 a person may make a contract with the state for the doing of any to do public work and in lieu place of giving the bond bonds required by section 574.26, submit to the commissioner of administration for deposit with the state treasurer (1) a certified check or cashier's check in the same amount as would be is required for a performance bond as security for protection of to protect the state, including its tax revenues, and (2) a certified or cashier's check in the same amount as is required for a payment bond for all persons doing work or furnishing skills, tools, machinery, or labor and materials under or for the purpose of executing such to perform the contract. Such deposit shall be The deposits are security for the payment, as they become due, of all just claims for work, skills, tools, machinery, and labor and materials; and for the performance and completion of the contract in accordance with according to its terms; and as security for all costs and charges that may accrue for the doing of the work specified and compliance with the laws relating thereto.~~

Subd. 1a. [LETTERS OF CREDIT.] Whenever this act or other law or home rule charter requires a performance bond from a contractor doing a public work project of under \$50,000 for a public body, the public body may permit the contractor to provide, in place of the performance bond, an irrevocable bank letter of credit in the same amount as required for the bond and subject to the same conditions as the bond.

Subd. 2. [CLAIMS.] A person entitled to the protection of such the deposit in place of a payment bond and wishing to take advantage of its benefits shall, ~~at the time of commencing any action against either the contractor or any subcontractor engaged in such work no later than 120 days after the person's last contribution of labor and materials was furnished to the public work that is the subject of the contract, notify in writing the commissioner of administration and the state treasurer of the commencement of such suit person's claim, giving the names of the parties involved and the amount and nature of the claim. No If an action is commenced to obtain the benefit of the deposit in place of a payment bond, a judgment shall must not be entered within 30 days after the giving of such the notice of the claim and the state and or any person entitled to the protection of such the deposit may be admitted on its motion as a party to the action and the court shall determine the rights of all parties in the premises. In such suit in which the state treasurer is a party, the court may order the treasurer to make payment among the parties to the suit entitled thereto to payment.~~ If the amount of the deposit is insufficient to pay the claims in full, the court may direct that they be paid on a ~~pro rata prorated~~ basis. The deposit in place of a payment bond made with the treasurer pursuant to the terms of under this section shall be held by the treasurer for 90 120 days after the contract with the state has been completed last item of labor and materials was furnished to the public work that is the subject of the contract. If no suit a claim is commenced not filed within said period of 90 days the 120-day period, the deposit shall be returned to the person making it. If suit a claim is commenced filed within said 90 day the 120-day period, the deposit shall be disbursed by the state treasurer pursuant to the under an order of the court. Such moneys as are deposited with the state treasurer pursuant to the terms of this section are hereby annually appropriated to the state treasurer for the purpose of carrying out the terms and provisions hereof.

Subd. 3. [APPROPRIATION.] Money deposited with the state treasurer under this section is annually appropriated to the state treasurer to carry out this section.

Sec. 3. Minnesota Statutes 1992, section 574.262, subdivision 1, is amended to read:

Subdivision 1. [BONDS.] To carry out the programs, established elsewhere by law, for awarding certain portions of state construction and procurement contracts and subcontracts to small businesses and small businesses owned by economically and socially disadvantaged persons, the commissioners of administration and transportation may, when deemed appropriate, arrange, through competitive bidding or negotiation, to partially indemnify bonding companies which provide bid and, performance, and payment bonds covering all or any part of the construction and procurement contracts or subcontracts which are designated for award to small businesses and small businesses owned by economically and socially disadvantaged persons. The amount of the indemnity for all the bonds on each contract shall not exceed \$100,000. Bonds which are subject to indemnity shall be provided to contractors at a cost which shall not exceed the cost of bid and, performance, and payment bonds if purchased in the usual manner by other businesses for similar contract work or procurement.

Sec. 4. Minnesota Statutes 1992, section 574.263, subdivision 3, is amended to read:

Subd. 3. [BID DEPOSIT IN PLACE OF PERFORMANCE BOND.]

For a contract made by the commissioner for a forestry development project, the commissioner may require a bid deposit in lieu place of a performance bond for charges that may accrue because of doing the specified work and to enforce the terms of the contract, ~~including reasonable attorney's fees if an action is successful.~~ The commissioner may set the amount of the bid deposit, but it may not be less than five percent of the contract price.

Sec. 5. Minnesota Statutes 1992, section 574.263, is amended by adding a subdivision to read:

Subd. 4. [PAYMENT BOND.] A contract with the state for a forestry development project may require a payment bond at the discretion of the commissioner of natural resources. If the commissioner determines that a payment bond is required, the commissioner also has the discretion to decide whether the bond may be in the form of securities in place of a bond as provided in section 574.264. If so, the securities cannot have less value than five percent of the contract price.

Sec. 6. Minnesota Statutes 1992, section 574.264, is amended to read:

574.264 [SECURITY IN LIEU PLACE OF BOND.]

Subdivision 1. [FOREST DEVELOPMENT PROJECTS.] In place of a performance or payment bond or bid deposit for a state contract for a forestry development project less than \$50,000, the person required to file the bond or bid deposit may deposit in a local designated state depository or with the state treasurer a certified check, a cashier's check, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit, in the same amount that would be required for a the bond or bid deposit. If securities listed in this section are deposited, their value shall not be less than the amount required for the bond or bid deposit and the person required to file the performance bond or bid deposit shall submit an agreement authorizing the commissioner to sell or otherwise take possession of the securities in the event of default under the contract or nonpayment of any persons furnishing labor and materials under, or to perform, the contract. The security deposits are for the protection of the state and for the performance and completion of the contract in accordance with its terms and as security for all costs and charges that may accrue for the doing of the work specified and compliance with the laws relating to it.

Subd. 2. [CLAIMS AGAINST SECURITIES IN PLACE OF BID DEPOSITS.] The bid deposit is Securities in place of payment bonds are subject to claims as provided for other deposits in section 574.261, subdivision 2.

Sec. 7. Minnesota Statutes 1992, section 574.27, is amended to read:

574.27 [BIDDERS TO HAVE RIGHT OF ACTION IN CERTAIN CASES.]

A public body may require that a bidder provide a bid bond or other security as a proposal guaranty that the bidder will enter into a contract if its bid is accepted. Any bidder upon any public work or public improvement of any kind in this state where bids therefor are received and where, in connection with such bids, a deposit of money, or a certified check, or bid bond or other security is required to must be given for the performance of provided with the bid if accepted, the political subdivision of the state public body causing such public work or other public improvement to be made or done shall be liable to such bidder for a return of the money, certified check, or other thing of value so deposited in the event of the nonacceptance of if the bidder's bid on such public work or improvement is not accepted, or, in the event of the acceptance of if the bidder's bid, during the interval between such acceptance and the entering into of a contract for such work and the giving of security in connection therewith by the bidder, and is accepted before the bid expires, after the bidder enters into a contract for the work and provides acceptable security in connection with it. This liability shall exist exists even though the failure to return such the money, certified check, or other thing of value be occasioned by is due to the defalcation or unlawful conversion thereof of the thing of value by the officer of such political subdivision clothed the public body charged with the custody thereof of it.

Sec. 8. Minnesota Statutes 1992, section 574.28, is amended to read:

574.28 [APPROVAL AND FILING OF BOND.]

Such bond shall be approved by, and filed Before beginning work on the contract for the public work, the contractor on whose behalf the payment and performance bonds were issued must file both bonds with; the treasurer, board, or officer having financial management of the obligee named therein unless the contract be for work upon a state trunk highway, or erection, improvement, or repair of buildings for a state institution, in which case it shall be approved and filed with the board or officer having the financial management thereof in the bonds. If such bond be not taken, the corporation or body for which work is done under the contract shall be liable to all persons furnishing labor, skill, or material to the contractor thereunder for any loss resulting to them from such failure. No The payment and performance bonds must list the address of the contractor on whose behalf the bonds were issued and of the surety providing the bonds. The payment and performance bonds, if acceptable in form and content, must be approved by the board or officer having financial management of the obligee, or by the obligee's treasurer. An assignment, modification, or change of the contract, or change in the work covered thereby by the contract, nor any or an extension of time for completion of to complete the contract, shall does not release the sureties on the bond bonds.

Sec. 9. Minnesota Statutes 1992, section 574.29, is amended to read:

574.29 [ACTION ON FAILURE TO GET PAYMENT BOND.]

Any person entitled to the protection of such bond may maintain an action thereon for the amount due. The person shall notify the obligee named in the bond of the beginning of such action, giving the names of the parties, describing the bond sued upon, and stating the amount and nature of the claim. No judgment shall be entered in such action within 30 days after the giving of such notice. The obligee, or any other person having a cause of action on such bond, may be admitted, on motion, as a party to such action, and the court shall determine the rights of all parties thereto. If the amount realized on the bond be insufficient to discharge all such claims in full, such amount shall be distributed among the parties pro rata. If the state or other public body fails to get and approve a valid payment bond or securities in place of a payment bond as required by the act, the public body for which work is done under the contract is liable to all persons furnishing labor and materials under or to perform the contract for any loss resulting to them from the failure. The public body is not liable if the bond does not list the proper address of the contractor on whose behalf the bond was issued or of the surety providing the bond.

Sec. 10. Minnesota Statutes 1992, section 574.30, is amended to read:

574.30 [INSOLVENT OR INSUFFICIENT SURETIES.]

When, in its the obligee's judgment, any of the sureties a surety on such a bond have become required by the act is insolvent; or for any cause are is no longer a proper or sufficient sureties surety, the obligee may require the contractor to furnish a new or additional bond within ten days; and thereupon, if so ordered by such the obligee, all work on such the contract shall must cease until such the new or additional bond is bonds are furnished. If such bond be the bonds are not furnished within such time the ten days, the obligee may, at its option, determine terminate the contract and complete the same as the agent, and at the expense of such the contractor and its sureties.

Sec. 11. Minnesota Statutes 1992, section 574.31, is amended to read:

574.31 [LIMIT OF TIME TO BRING ACTION.]

Subdivision 1. [CLAIMS ON PERFORMANCE BONDS.] In the event of a claim by the public body on a performance bond, no action shall be maintained on any such bond unless within 90 days after the completion of the contract and acceptance thereof by the proper public authorities, the claimant shall file a written notice later than permitted under the statute of limitations applicable to the claim. As a condition precedent to bringing an action upon a performance bond, the public body must first serve written notice of claim under the contractor's bond personally or by certified mail upon the surety who issued the bond and upon the contractor on whose behalf the bond was issued specifying the nature and amount of the claim and the date of furnishing the last item thereof, in the office of the commissioner of commerce, in case the contract is for the performance of work for the state or any department thereof, and, in case the contract is let by any county, municipal corporation, or other public board or body, then such notice shall be filed in the office of the auditor of the county letting the contract or the county in which such municipal corporation, public board or body is situate, and if situate in two or more counties, then such notice shall be filed in the office of the auditor of each county; nor unless the action is begun within one year after the filing of such notice. The county auditor shall enter the time of filing every such notice in a book kept for that purpose, which shall be properly indexed breach or default, and the performance requested of the surety.

Subd. 2. [CLAIMS ON PAYMENT BONDS.] (a) In the event of a claim on a payment bond by a person furnishing labor and materials, no action shall be maintained on the payment bond unless, within 120 days after completion, delivery, or provision by the person of its last item of labor and materials, for the public work, the person serves written notice of claim under the payment bond personally or by certified mail upon the surety that issued the bond and the contractor on whose behalf the bond was issued at their addresses as stated in the bond specifying the nature and amount of the claim and the date the claimant furnished its last item of labor and materials for the public work. For the purpose of this section, notice is sufficient if served personally or via certified mail to the addresses of the contractor and surety listed on the bond. The form of notice is sufficient if it is substantially as follows:

NOTICE OF CLAIM ON PAYMENT BOND FOR PUBLIC WORK

TO: .....  
 (Surety that issued payment bond)  
 and .....  
 (The contractor on whose behalf the bond was issued)

NOTICE IS HEREBY GIVEN that the undersigned claimant has a claim against the above named surety for labor and materials furnished by the undersigned for the public work described as follows: .....

(Description of the public work)

The labor and materials were furnished under a contract or agreement with .....

(Name and address of contractor or supplier requesting labor and materials from the claimant)

The nature of the labor and materials furnished is as follows: .....

The amount of the claim is: .....

The date the claimant last furnished labor and materials to this public work is the .... day of ....., 19...

Claimant seeks payment of the claim according to the law.

.....  
 Claimant

.....  
 Address

STATE OF .....

ss.

COUNTY OF .....

..... being duly sworn on oath says that ... is ..... of the claimant named above and has knowledge of the claim and that the claim is correct, and no part of the claim has been paid.

Signed and sworn to before me

on ....., 19.....

by .....

Notary Public

.....  
 (Notary Seal)

(b) If the contractor providing the payment bond fails to comply with the filing requirements of section 574.28 by failing to state its address or the address of the surety providing the bond, then a claimant under the bond need not provide the surety or the contractor written notice of its claim under paragraph (a).

(c) An action to enforce a claim against the surety under the bond must be commenced within one year from the date of completion, delivery, or provision by the claimant of its last item of labor and materials for the public work stated in its notice of claim. If no notice of claim was required because the contractor providing the bond failed to comply with the requirements of section 574.28, then any action under the bond must be commenced within one year

from the actual date of completion, delivery, or provision by the claimant of its last item of labor and materials for the public work. Any other person having a cause of action on a payment bond may be admitted, on motion, as a party to the action, and the court shall determine the rights of all parties. If the amount realized on the bond is insufficient to discharge all the claims in full, the amount must be prorated among the parties.

Sec. 12. Minnesota Statutes 1992, section 574.32, is amended to read:

**574.32 [NOTICE APPLICATION OF PAYMENTS.]**

The commissioner of commerce or the county auditor in whose office the written notice is filed shall, upon receipt of such written notice, mail one copy of the same, by certified mail, to the principal contractor, at its last known address, and to each of the sureties on the contractor's bond, at their last known addresses, and the claimant shall, at the time of filing the written notice, furnish the commissioner of commerce or the county auditor in whose office the notice is filed, at least three copies of the notice. The commissioner of commerce or county auditor with whom the notice is filed shall be entitled to charge a fee of \$15 for filing the notice and may also charge a fee to cover the cost of mailing the copies as herein provided. The failure of the commissioner of commerce or the county auditor with whom the notice is filed to mail these copies as herein provided, shall in no way affect the validity of the claim or the right of the claimant to maintain an action thereon. If a claimant on a payment bond had actual knowledge or should have known that a payment it received was for labor and materials supplied under, or to perform, public work under which a payment bond was provided, then the claimant must prove that it applied the payment to its account for that public work. Its claim must be reduced to the extent it cannot so prove.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective August 1, 1994, to apply to contracts for public work awarded after July 31, 1994."

Delete the title and insert:

"A bill for an act relating to contracts; creating the public contractors' performance and payment bond act by amending existing provisions; amending Minnesota Statutes 1992, sections 574.26; 574.261; 574.262, subdivision 1; 574.263, subdivision 3, and by adding a subdivision; 574.264; 574.27; 574.28; 574.29; 574.30; 574.31; and 574.32."

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:

S. F. No. 1806, A bill for an act relating to nursing; allowing certified clinical specialists in psychiatric or mental health nursing to prescribe and administer drugs; amending Minnesota Statutes 1992, section 148.235, by adding subdivisions; Minnesota Statutes 1993 Supplement, section 148.235, subdivision 2.

Reported the same back with the following amendments to the unofficial engrossment:

Page 3, line 8, before "The" insert "(a)"

Page 3, after line 16, insert:

"(b) The repeal of section 148.235, subdivision 2, paragraph (b), does not automatically repeal rules adopted under that paragraph."

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

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 664, 942, 1844, 1909, 1918, 1919, 1927, 1928, 1976, 2034, 2094, 2105, 2135, 2159, 2244, 2269, 2277, 2309, 2359, 2362, 2365, 2371, 2410, 2415, 2416, 2418, 2426, 2508, 2511, 2522, 2552, 2577, 2625, 2630, 2634, 2638, 2666, 2691, 2726, 2762, 2796, 2836, 2856, 2882, 2888, 2893, 2896, 2935, 2936, 2967, 2973, 2978, 2998, 3011, 3046, 3053, 3057, 3095 and 3110 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. Nos. 1692 and 1806 were read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Asch introduced:

H. F. No. 3146, A bill for an act relating to commerce; restraint of trade; providing a civil remedy for injury to business reputation or dilution of quality of a mark; providing grounds for injunctive relief; proposing coding for new law in Minnesota Statutes, chapter 325D.

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

Lasley introduced:

H. F. No. 3147, A bill for an act relating to real property; mortgage foreclosures; permitting prospective borrowers to waive the right to a longer redemption period based upon agricultural use; amending Minnesota Statutes 1992, section 580.23, by adding a subdivision.

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

Olson, K.; Evans; Mosel; Neary and Carlson introduced:

H. F. No. 3148, A bill for an act relating to education; increasing the number of years that a referendum may be authorized; allowing school boards to convert net tax capacity referendum levies to market value referendum levies; extending the expiration date of existing referendum authority; amending Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 124A; repealing Laws 1993, chapter 224, article 1, section 37.

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

Asch, Bauerly, Luther, McCollum and Winter introduced:

H. F. No. 3149, A bill for an act relating to education; increasing the number of years that a referendum may be authorized; allowing school boards to convert net tax capacity referendum levies to market value referendum levies; extending the expiration date of existing referendum authority; amending Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 124A; repealing Laws 1993, chapter 224, article 1, section 37.

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

Osthoff introduced:

H. F. No. 3150, A bill for an act relating to highways; abolishing highway user tax distribution fund; abolishing transportation services fund; repealing statutory dedication of highway user taxes; repealing statutory dedication of money to the highway user tax distribution fund and trunk highway fund; repealing statutory provisions for allocation of the county state-aid highway fund and municipal state-aid street fund; proposing an amendment to repeal the constitutional dedication of highway user taxes in article XIV, section 5; amending the Minnesota Constitution, article XIV, sections 9 and 10; amending Minnesota Statutes 1992, sections 161.04, subdivision 1; 161.082, subdivision 1;

161.083; 162.02, subdivision 3a; 162.021, subdivision 1; 162.05; 162.08, subdivisions 3 and 10; 162.14, subdivisions 2, 3, 4, and 6; 162.155; 162.09, subdivision 3a; and 469.201, subdivision 4; Minnesota Statutes 1993 Supplement, section 162.08, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1992, sections 161.041; 161.082, subdivisions 2 and 2a; 161.085; 162.06; 162.07; 162.08, subdivisions 1, 2, 5, 6, 7, and 9; 162.081, subdivisions 1, 2, and 3; 162.11; 162.12; 162.13; 162.14, subdivision 1; and 162.18; Minnesota Statutes 1993 Supplement, sections 161.081; 161.082, subdivision 2a; and 162.081, subdivision 4.

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

Neary, Hasskamp, Skoglund, McGuire and Johnson, A., introduced:

H. F. No. 3151, A bill for an act relating to human rights; prohibiting marital status discrimination by public accommodations; amending Minnesota Statutes 1993 Supplement, section 363.03, subdivision 3.

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

Tomassoni and Solberg introduced:

H. F. No. 3152, A bill for an act relating to state lands; requiring the sale of certain school trust lands bordering public waters in St. Louis county.

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

Pauly introduced:

H. F. No. 3153, A bill for an act relating to capital improvements; appropriating money for the construction of priority highway projects for which the predesign and design phases have been completed; authorizing the issuance of state bonds.

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

Lourey, Cooper and Sekhon introduced:

H. F. No. 3154, A bill for an act relating to insurance; health plans; requiring coverage of hospitalization and anesthesia for certain dental services; proposing coding for new law in Minnesota Statutes, chapter 62A.

The bill was read for the first time and referred to the Committee on Financial Institutions and Insurance.

Krueger introduced:

H. F. No. 3155, A bill for an act relating to state finance; requiring fees to cover costs; requiring commissioner of finance to approve fees not set by rule; amending Minnesota Statutes 1992, sections 16A.127, subdivision 1; 116.07, subdivision 4d; 144.98, subdivision 3; 221.0335; 326.2421, subdivision 3; and 341.10; Minnesota Statutes 1993 Supplement, sections 4A.05, subdivision 2; 16A.1285, subdivisions 2, 4, and 5; and 18E.03, subdivision 3; repealing Minnesota Statutes 1992, sections 14.1311; 14.235; and 14.305.

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

Milbert introduced:

H. F. No. 3156, A bill for an act relating to lawful gambling; increasing the percentage of gross profits for bingo expendable for allowable expenses; amending Minnesota Statutes 1992, section 349.15.

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



Olson, K.; Vellenga; Kelso; Tunheim and Bauerly introduced:

H. F. No. 3157, A bill for an act relating to education; modifying the grant application process of the cooperative secondary facilities grant act to include reorganized school districts; amending Minnesota Statutes 1992, sections 124.494, subdivisions 3, 4, 5, and 6; Minnesota Statutes 1993 Supplement, sections 124.494, subdivisions 1, 2, and 4a; proposing coding for new law in Minnesota Statutes, chapter 124.

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

Olson, K.; Tunheim; Kelso; Bauerly and Vellenga introduced:

H. F. No. 3158, A bill for an act relating to education; modifying the interactive television revenue program; amending Minnesota Statutes 1993 Supplement, section 124.91, subdivision 5.

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

Murphy introduced:

H. F. No. 3159, A bill for an act relating to corrections; providing that certain changes made to law regarding per diem costs of confinement of juveniles charged to counties due to become effective July 1, 1994, shall not go into effect; amending Minnesota Statutes 1993 Supplement, sections 242.51; and 401.13; Laws 1993, chapter 146, article 2, section 32.

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

Bergson, Weaver and Jacobs introduced:

H. F. No. 3160, A bill for an act relating to capital improvements; appropriating money and authorizing state bonds to repair the Coon Rapids dam.

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

Carruthers introduced:

H. F. No. 3161, A bill for an act relating to education; creating an additional general education revenue component to fund programs for at-risk students; expanding the uses of learning and development revenue; making permanent the flexibility between the capital expenditure equipment and facility accounts; appropriating money; amending Minnesota Statutes 1992, section 124A.22, subdivision 1, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 124.243, subdivision 8; and 124A.225, subdivision 4.

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

Cooper introduced:

H. F. No. 3162, A bill for an act relating to education; providing for a pilot enhanced pairing agreement of independent school district Nos. 648, Danube, 654, Renville, 655, Sacred Heart, and 631, Belview.

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

Olson, E.; Brown, K.; Olson, K.; Lieder and Frerichs introduced:

H. F. No. 3163, A bill for an act relating to motor carriers; delaying application and enforcement of rule against class II permit holder owning, leasing, or controlling more than one terminal.

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

Bertram, Pelowski, Bauerly, Kalis and Ness introduced:

H. F. No. 3164, A bill for an act relating to education; transferring management of the F.I.R.E. Center to the higher education board.

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

Olson, M., and Waltman introduced:

H. F. No. 3165, A bill for an act relating to education; permitting a school district to not comply with a state mandate under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 126.

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

Olson, M.; Tunheim; Johnson, R.; Anderson, I., and Stanius introduced:

H. F. No. 3166, A resolution memorializing Congress and the President to negotiate with Canadian officials over fishing disputes in border waters.

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

Erhardt introduced:

H. F. No. 3167, A bill for an act relating to taxation; conforming income and corporate franchise taxes to changes in the federal income tax law; providing a subtraction for certain social security income; amending Minnesota Statutes 1992, sections 289A.02, by adding a subdivision; 289A.25, subdivision 5; 290.01, subdivision 19b, and by adding a subdivision; 290.05, subdivision 3; 290.068, subdivision 2; 290.0802, subdivision 1; 290.0921, subdivision 2; 297.01, by adding a subdivision; and 298.017, subdivision 2; Minnesota Statutes 1993 Supplement, sections 289A.26, subdivision 7; 290.01, subdivision 19; 290.091, subdivision 2; repealing Minnesota Statutes 1992, section 290.067, subdivision 6; Minnesota Statutes 1993 Supplement, section 289A.25, subdivision 5a.

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

Osthoff, Milbert, Klinzing and Brown, K., introduced:

H. F. No. 3168, A bill for an act relating to public finance; changing procedures for allocation of certain bonding authority; amending Minnesota Statutes 1992, section 474A.091, subdivision 3; Minnesota Statutes 1993 Supplement, section 474A.061, subdivision 2a.

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

Lindner, Pawlenty, Krinkie, Van Engen and Dehler introduced:

H. F. No. 3169, A bill for an act relating to state government; providing for the size of the legislature; providing conditions for the organization of legislative committees; providing for legislative pensions; providing term limits; proposing an amendment to the Minnesota Constitution, article IV, section 4, and article V, sections 2 and 4; amending Minnesota Statutes 1992, sections 2.021; 3A.03; 3A.04, subdivisions 1 and 2; 3A.12, subdivision 1; 352D.03; 352D.04, subdivision 2; 352D.11, subdivision 1; and 352D.12; Minnesota Statutes 1993 Supplement, sections 3A.02, subdivision 1; and 352D.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3; 3A; and 352D.

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

Pugh introduced:

H. F. No. 3170, A bill for an act relating to insurance; motor vehicles; requiring proof of automobile insurance at time of emission control inspection; amending Minnesota Statutes 1992, sections 116.60, by adding a subdivision; and 116.62, subdivisions 3 and 5.

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

Knight and Workman introduced:

H. F. No. 3171, A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, by adding a section; affirming the right of parents to direct the upbringing and education of their children.

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

Lieder; Rice; Kalis; Anderson, I., and Osthoff introduced:

H. F. No. 3172, A bill for an act proposing an amendment to the Minnesota Constitution, article XI; providing for dedication of a portion of motor vehicle excise tax receipts to transit assistance; increasing motor fuel tax, contingent on adoption of the constitutional amendment; amending Minnesota Statutes 1992, section 296.02, subdivision 1b.

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

Dawkins introduced:

H. F. No. 3173, A bill for an act relating to public administration; authorizing expenditures of a capital nature; requiring the commissioner of human services to establish two pilot neighborhood family services centers; authorizing the issuance of state bonds; appropriating money; amending Minnesota Statutes 1992, section 256.01, by adding a subdivision.

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

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 2090, A bill for an act relating to local government; providing that the statutory procedure for tree removal does not apply to trees removed from town roads dedicated by plat; amending Minnesota Statutes 1992, section 160.22, subdivision 7a, and by adding a subdivision.

H. F. No. 1906, A bill for an act relating to state trails; routing an existing trail; establishing new trails; amending Minnesota Statutes 1992, section 85.015, subdivision 7, and by adding subdivisions.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1845, A bill for an act relating to education; permitting school boards to begin the 1994-1995 school year before Labor Day because a religious holiday is observed the day following Labor Day.

PATRICK E. FLAHAVEN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Rhodes moved that the House concur in the Senate amendments to H. F. No. 1845 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1845, A bill for an act relating to education; permitting school boards to begin the 1994-1995 school year before Labor Day.

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

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 2074, A bill for an act relating to crime prevention; juvenile justice; providing for adult court jurisdiction over juveniles alleged to have committed first degree murder or first degree criminal sexual conduct after age 16; providing for presumptive certification to adult court for juveniles alleged to have committed other prison-level felonies; authorizing the court or the prosecutor to designate a juvenile a serious youthful offender; authorizing adult felony sentences for serious youthful offenders; extending juvenile court jurisdiction to age 23; limiting certification to adult court to felony offenses; extending a right to jury trial to serious youthful offenders; requiring that a juvenile have an in-person consultation with counsel before waiving right to counsel; requiring appointment of counsel or standby counsel for juveniles charged with gross misdemeanors or felonies or when out-of-home delinquency placement is proposed; providing for adult court jurisdiction over juveniles alleged to have committed nonfelony-level traffic offenses after age 16; authorizing the juvenile court to require parents to attend delinquency hearings; providing for the sharing of certain data collected or maintained on juveniles; requiring county attorneys to establish juvenile diversion programs; providing mandatory minimum sentences for drive-by shooting crimes; expanding the crime relating to the possession of dangerous weapons on school property; increasing penalties for certain firearms offenses involving youth; establishing a task force on juvenile justice programming evaluation and planning; requiring that the department of corrections provide programming for serious and repeat juvenile offenders; appropriating money; amending Minnesota Statutes 1992, sections 13.99, subdivision 79; 242.31, subdivision 1; 242.32; 260.015, subdivision 5; 260.111, by adding a subdivision; 260.115, subdivision 1; 260.121, subdivision 3; 260.125; 260.131, by adding a subdivision; 260.132; 260.155, subdivision 2, and by adding a subdivision; 260.161, subdivisions 1a, 2, and by adding a subdivision; 260.181, subdivision 4; 260.185, subdivision 3; 260.193, subdivisions 1, 3, 4, 6, and by adding a

subdivision; 260.211, subdivision 1; 260.215, subdivision 1; 260.291; 268.31; 609.055, subdivision 2; 611.15; 611.19; 611.25, subdivision 1; 611A.02, by adding a subdivision; and 611A.77, subdivision 1; Minnesota Statutes 1993 Supplement, sections 13.46, subdivision 2; 144.651, subdivisions 2, 21, and 26; 253B.03, subdivisions 3 and 4; 260.155, subdivision 1; 260.161, subdivisions 1 and 3; 299A.35, subdivisions 1 and 2; 299C.65, subdivision 1; 401.065, subdivision 1, and by adding a subdivision; 609.11, subdivision 9; 609.66, subdivision 1d; 624.713, subdivision 1; 624.7132, subdivision 15; and 624.7181, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 260; 299A; 388; and 609; repealing Minnesota Statutes 1992, section 260.125, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 2074, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 6, A senate concurrent resolution relating to adjournment for more than three days.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### SUSPENSION OF RULES

Carruthers moved that the rules be so far suspended that Senate Concurrent Resolution No. 6 be now considered and be placed upon its adoption. The motion prevailed.

#### SENATE CONCURRENT RESOLUTION NO. 6

A senate concurrent resolution relating to adjournment for more than three days.

*Be It Resolved* by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon its adjournment on March 30, 1994, or March 31, 1994, the House of Representatives may set its next day of meeting more than three days after the day of adjournment.
2. Upon its adjournment on March 30, 1994, or March 31, 1994, the Senate may set its next day of meeting more than three days after the day of adjournment.
3. Pursuant to the Minnesota Constitution, Article IV, Section 12, the Senate and House of Representatives each consent to the adjournment of the other for more than three days.

Carruthers moved that Senate Concurrent Resolution No. 6 be now adopted. The motion prevailed and Senate Concurrent Resolution No. 6 was adopted.

Mr. Speaker:

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

S. F. Nos. 2415, 1968, 1983, 2522 and 2425.

PATRICK E. FLAHAVEN, Secretary of the Senate

**FIRST READING OF SENATE BILLS**

S. F. No. 2415, A bill for an act relating to traffic regulations; increasing from \$500 to \$1,000 the threshold level of reportable motor vehicle accidents; amending Minnesota Statutes 1993 Supplement, section 169.09, subdivision 7.

The bill was read for the first time.

Carlson moved that S. F. No. 2415 and H. F. No. 2630, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1968, A bill for an act relating to veterans; extending eligibility for special veterans' license plates to allied veterans; amending Minnesota Statutes 1992, section 168.123, subdivisions 1 and 2.

The bill was read for the first time.

Trimble moved that S. F. No. 1968 and H. F. No. 2105, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1983, A bill for an act relating to economic development; clarifying applications and criteria for Minnesota companies to participate in the international business partnership program; amending Minnesota Statutes 1992, section 116J.974.

The bill was read for the first time.

Rhodes moved that S. F. No. 1983 and H. F. No. 2415, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2522, A bill for an act relating to Wadena county; permitting the consolidation of the offices of auditor and treasurer.

The bill was read for the first time.

Nelson moved that S. F. No. 2522 and H. F. No. 2705, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2425, A bill for an act relating to occupations and professions; requiring the state fire marshal to conduct a study on fireworks safety and operator qualifications.

The bill was read for the first time.

Bauerly moved that S. F. No. 2425 and H. F. No. 2836, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

**CONSENT CALENDAR**

H. F. No. 1829, A bill for an act relating to housing; requiring copies of evacuation plans for residents of manufactured home parks; amending Minnesota Statutes 1992, sections 290A.19; and 327C.02, subdivision 5, and by adding a subdivision; Minnesota Statutes 1993 Supplement, section 327.20, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frerichs              Krinkie

The bill was passed and its title agreed to.

H. F. No. 1881, A bill for an act relating to the city of Red Wing; authorizing certain police officers to elect retirement coverage by the public employees police and fire fund.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1913, A bill for an act relating to retirement; St. Paul police consolidation account; authorizing the payment of refunds to the estates of certain deceased police officers.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2178, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water in Meeker county.

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

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

Those who voted in the affirmative were:

Abrams	Dehler	Hugoson	Lasley	Neary	Rest	Van Dellen
Anderson, R.	Delmont	Huntley	Leppik	Nelson	Rhodes	Van Engen
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	Long	Olson, M.	Sarna	Waltman
Bergson	Farrell	Johnson, A.	Lourey	Onnen	Seagren	Weaver
Bertram	Finseth	Johnson, R.	Luther	Opatz	Sekhon	Wejcman
Bettermann	Frerichs	Johnson, V.	Lynch	Orenstein	Simoneau	Wenzel
Bishop	Garcia	Kahn	Macklin	Orfield	Skoglund	Winter
Brown, C.	Girard	Kalis	Mahon	Osthoff	Smith	Wolf
Brown, K.	Goodno	Kelley	Mariani	Ostrom	Solberg	Worke
Carlson	Greenfield	Kelso	McCollum	Ozment	Stanis	Workman
Carruthers	Greiling	Kinkel	McGuire	Pauly	Steensma	Spk. Anderson, I.
Clark	Gruenes	Klinzing	Milbert	Pawlenty	Sviggum	
Commers	Gutknecht	Knickerbocker	Molnau	Pelowski	Swenson	
Cooper	Hasskamp	Knight	Morrison	Perlt	Tomassoni	
Dauner	Haukoos	Koppendrayner	Mosel	Peterson	Tompkins	
Davids	Hausman	Krinkie	Munger	Pugh	Trimble	
Dawkins	Holsten	Krueger	Murphy	Reding	Tunheim	

The bill was passed and its title agreed to.



The Speaker called Bauerly to the Chair.

H. F. No. 2187, A bill for an act relating to state lands; authorizing the sale of certain lands in Mille Lacs county to resolve a trespass situation.

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

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

Those who voted in the affirmative were:

Abrams	Dehler	Hugoson	Lasley	Neary	Rest	Van Dellen
Anderson, R.	Delmont	Huntley	Leppik	Nelson	Rhodes	Van Engen
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	Long	Olson, M.	Sarna	Waltman
Bergson	Farrell	Johnson, A.	Lourey	Onnen	Seagren	Weaver
Bertram	Finseth	Johnson, R.	Luther	Opatz	Sekhon	Wejzman
Bettermann	Frerichs	Johnson, V.	Lynch	Orenstein	Simoneau	Wenzel
Bishop	Garcia	Kahn	Macklin	Orfield	Skoglund	Winter
Brown, C.	Girard	Kalis	Mahon	Osthoff	Smith	Wolf
Brown, K.	Goodno	Kelley	Mariani	Ostrom	Solberg	Worke
Carlson	Greenfield	Kelso	McCollum	Ozment	Stanius	Workman
Carruthers	Greiling	Kinkel	McGuire	Pauly	Steensma	Spk. Anderson, I.
Clark	Gruenes	Klinzing	Milbert	Pawlenty	Sviggum	
Commers	Gutknecht	Knickerbocker	Molnau	Pelowski	Swenson	
Cooper	Hasskamp	Knight	Morrison	Perlt	Tomassoni	
Dauner	Haukoos	Koppendrayner	Mosel	Peterson	Tompkins	
Davids	Hausman	Krinkie	Munger	Pugh	Trimble	
Dawkins	Holsten	Krueger	Murphy	Reding	Tunheim	

The bill was passed and its title agreed to.

H. F. No. 2321 was reported to the House.

Dauner moved to amend H. F. No. 2321 as follows:

Page 2, line 17, delete "26" and insert "27"

The motion prevailed and the amendment was adopted.

H. F. No. 2321, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Clay and Wilkin counties.

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

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

Those who voted in the affirmative were:

Abrams	Bauerly	Bettermann	Carlson	Cooper	Dehler	Erhardt
Anderson, R.	Beard	Bishop	Carruthers	Dauner	Delmont	Evans
Asch	Bergson	Brown, C.	Clark	Davids	Dempsey	Farrell
Battaglia	Bertram	Brown, K.	Commers	Dawkins	Dorn	Finseth

Frerichs	Jefferson	Lasley	Morrison	Ozment	Simoneau	Wagenius
Garcia	Jennings	Leppik	Mosel	Pauly	Skoglund	Waltman
Girard	Johnson, A.	Lieder	Munger	Pawlenty	Smith	Weaver
Goodno	Johnson, R.	Limmer	Murphy	Pelowski	Solberg	Wejcman
Greenfield	Johnson, V.	Lindner	Neary	Perlt	Stanius	Wenzel
Greiling	Kahn	Long	Nelson	Peterson	Steensma	Winter
Gruenes	Kalis	Lourey	Ness	Pugh	Sviggum	Wolf
Gutknecht	Kelley	Luther	Olson, E.	Reding	Swenson	Worke
Hasskamp	Kelso	Lynch	Olson, K.	Rest	Tomassoni	Workman
Haukoos	Kinkel	Macklin	Olson, M.	Rhodes	Tompkins	Spk. Anderson, I.
Hausman	Klinzing	Mahon	Onnen	Rice	Trimble	
Holsten	Knickerbocker	Mariani	Opatz	Rodosovich	Tunheim	
Hugoson	Knight	McCollum	Orenstein	Rukavina	Van Dellen	
Huntley	Koppendraye	McGuire	Orfield	Sarna	Van Engen	
Jacobs	Krinkie	Milbert	Ostho	Seagren	Vellenga	
Jaros	Krueger	Molnau	Ostrom	Sekhon	Vickerman	

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

H. F. No. 2567, A bill for an act relating to state government; permitting state employees to donate vacation leave for the benefit of a certain state employee.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2622 was reported to the House.

Anderson, I., moved that H. F. No. 2622 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 2675, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public waters in Aitkin county.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2680, A bill for an act relating to charitable organizations; changing definitions; modifying registration requirements; amending Minnesota Statutes 1993 Supplement, section 309.501, subdivisions 1 and 3.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

H. F. No. 2692, A bill for an act relating to state lands; authorizing private sale of certain state land in Crow Wing county to resolve an encroachment situation.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2095 was reported to the House.

Orenstein moved to amend S. F. No. 2095, the unofficial engrossment, as follows:

Page 1, line 25, after "effective" insert "the day following final enactment and applies"

Page 2, line 1, delete "that date" and insert "July 1, 1993"

The motion prevailed and the amendment was adopted.

S. F. No. 2095, A bill for an act relating to employment; modifying provisions relating to the public employee vacation donation program; amending Minnesota Statutes 1992, section 43A.181, subdivision 3.

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

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

Those who voted in the affirmative were:

Abrams	Bergson	Carlson	Dauids	Erhardt	Girard	Hasskamp
Anderson, R.	Bertram	Carruthers	Dawkins	Evans	Goodno	Haukoos
Asch	Bettermann	Clark	Dehler	Farrell	Greenfield	Hausman
Battaglia	Bishop	Commers	Delmont	Finseth	Greiling	Holsten
Bauerly	Brown, C.	Cooper	Dempsey	Frerichs	Gruenes	Hugoson
Beard	Brown, K.	Dauner	Dorn	Garcia	Gutknecht	Huntley

Jacobs	Knight	Macklin	Ness	Perlt	Skoglund	Vellenga
Jefferson	Koppendrayner	Mahon	Olson, E.	Peterson	Smith	Vickerman
Jennings	Krinkie	Mariani	Olson, K.	Pugh	Solberg	Wagenius
Johnson, A.	Krueger	McCollum	Olson, M.	Reding	Stanius	Waltman
Johnson, R.	Lasley	McGuire	Onnen	Rest	Steensma	Weaver
Johnson, V.	Leppik	Milbert	Opatz	Rhodes	Sviggum	Wejcman
Kahn	Lieder	Molnau	Orenstein	Rice	Swenson	Wenzel
Kalis	Limmer	Morrison	Osthoﬀ	Rodosovich	Tomassori	Winter
Kelley	Lindner	Mosel	Ostrom	Rukavina	Tompkins	Wolf
Kelso	Long	Munger	Ozment	Sarna	Trimble	Worke
Kinkel	Lourey	Murphy	Pauly	Seagren	Tunheim	Workman
Klinzing	Luther	Neary	Pawlenty	Sekhon	Van Dellen	Spk. Anderson, I.
Knickerbocker	Lynch	Nelson	Pelowski	Simoneau	Van Engen	

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

S. F. No. 2274, A bill for an act relating to Freeborn county; permitting the appointment of the recorder and auditor/treasurer; authorizing the reorganization of county offices.

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 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Beard	Kalis	Perlt
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The bill was passed and its title agreed to.

Haukoos was excused between the hours of 3:20 p.m. and 4:20 p.m.

H. F. No. 985, A bill for an act relating to retirement; public employees police and fire fund; modifying the disability benefit limitation for reemployed disabilitants; amending Minnesota Statutes 1992, section 353.656, subdivision 4.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

H. F. No. 1416, A bill for an act relating to retirement; Austin fire department relief association; modifying health insurance benefit coverage for the spouses of certain retired firefighters; providing survivor benefit coverage for the spouses of certain retired firefighters; amending Laws 1992, chapter 455, section 2.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2363 was reported to the House.

Neary moved that H. F. No. 2363 be stricken from the Consent Calendar and be placed on General Orders. The motion prevailed.

H. F. No. 2623, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Itasca county.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2770 was reported to the House.

Wejcman moved that H. F. No. 2770 be continued on the Consent Calendar. The motion prevailed.

The following Conference Committee Report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 1094

A bill for an act relating to insurance; regulating fees, data collection, coverages, notice provisions, enforcement provisions, the Minnesota joint underwriting association, and the liquor liability assigned risk plan; enacting the NAIC model regulation relating to reporting requirements for licensees seeking to do business with certain unauthorized multiple employer welfare arrangements; making various technical changes; appropriating money; amending Minnesota Statutes 1992, sections 13.71, by adding subdivisions; 45.024, subdivision 2; 59A.12, by adding a subdivision; 60A.02, by adding a subdivision; 60A.03, subdivisions 5 and 6; 60A.052, subdivision 2; 60A.082; 60A.085; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.36, by adding a subdivision; 60C.22; 60K.06; 60K.14, subdivision 4; 60K.19, subdivision 5; 61A.02, subdivision 2; 61A.031; 61A.04; 61A.07; 61A.071; 61A.073; 61A.074, subdivision 1; 61A.08; 61A.09, subdivision 1; 61A.092, by adding a subdivision; 61A.12, subdivision 1; 61A.282, subdivision 2; 62A.047; 62A.148; 62A.153; 62A.43, subdivision 4; 62E.19, subdivision 1; 62H.01; 62I.02; 62I.03; 62I.07; 62I.13, subdivisions 1 and 2; 62I.20; 65A.01, subdivision 1; 65A.29, subdivision 7; 65B.49,

subdivision 3; 72A.20, subdivision 29, and by adding a subdivision; 72A.201, subdivision 9; 72A.41, subdivision 1; 72B.03, subdivision 1; 72B.04, subdivision 2; 176.181, subdivision 2; and 340A.409, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 45; 61A; 62A; and 62H; repealing Minnesota Statutes 1992, sections 70A.06, subdivision 5; 72A.45; and 72B.07; Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100.

March 18, 1994

The Honorable Irv Anderson  
Speaker of the House of Representatives

The Honorable Allan H. Spear  
President of the Senate

We, the undersigned conferees for H. F. No. 1094, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 1094 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [45.015] [PROOF OF MAILING.]

In any provision of law related to the duties and responsibilities entrusted to the commissioner, and unless a different method is specified, when a person is required to provide notice or perform a similar act, this action may be accomplished by mail, and proof of mailing is sufficient to prove compliance with the requirement.

Sec. 2. Minnesota Statutes 1992, section 45.024, subdivision 2, is amended to read:

Subd. 2. [DELEGATION.] The commissioner of commerce may delegate to a deputy commissioner, assistant commissioner, or director the exercise of the commissioner's statutory powers and duties, including the authority to decide and issue final orders in contested cases, rulemaking proceedings, and other hearings held under chapter 14.

This delegation is in addition to, and does not in any way limit, the commissioner's authority to delegate pursuant to section 15.06, subdivision 6, or any other law.

Sec. 3. Minnesota Statutes 1992, section 59A.12, is amended by adding a subdivision to read:

Subd. 5. Whenever an insurer, after having been advised that an insurance policy has been financed by a premium finance agreement, returns an unearned premium on such a policy, the insurer shall deliver or mail to the policyholder a notice that includes the following information: the amount of premium paid, the term of the policy, the date coverage began and ceased, the amount of the unearned premium, the name of the party receiving the funds, and a statement of the obligation of the premium finance company to return within 30 days of receipt of the unearned premium any amount of the unearned premium in excess of the amount owed by the policyholder to the premium finance company.

Sec. 4. Minnesota Statutes 1992, section 60A.02, is amended by adding a subdivision to read:

Subd. 28. [GROUP INSURANCE.] "Group insurance" means that form of insurance coverage sponsored by:

(1) an employer covering not less than two employees and which may include the employees' dependents, consisting of husband, wife, children, and actual dependents residing in the household, written under a master policy issued to any employer, or group of employers who have joined into an arrangement for the purposes of providing the employees insurance for their individual benefit. Employees' dependents, consisting of husband, wife, children, and actual dependents residing in the same household, are not employees for purposes of this definition except for a spouse employed on a regular full-time basis by the same employer. This clause does not apply to chapter 62L;

(2) an association to provide insurance to its members; or



(3) a creditor to provide life insurance to insure its debtors in connection with real estate mortgage loans, in an amount not to exceed the actual or scheduled amount of their indebtedness.

Sec. 5. Minnesota Statutes 1992, section 60A.03, subdivision 5, is amended to read:

Subd. 5. [EXAMINATION FEES AND EXPENSES.] When any visitation, examination, or appraisal is made by order of the commissioner, the company being examined, visited, or appraised, including, but not limited to, fraternal, township mutuals, reciprocal exchanges, nonprofit service plan corporations, health maintenance organizations, vendors of risk management services licensed under section 60A.23, or self-insurance plans or pools established under section 176.181 or 471.982, shall pay to the department of commerce the necessary expenses of the persons engaged in the examination, visit, appraisal, or desk audits of annual statements and records performed by the department other than on the company premises plus the per diem salary fees of the employees of the department of commerce who are conducting or participating in the examination, visitation, appraisal, or desk audit. The per diem salary fees may be based upon the approved examination fee schedules of the National Association of Insurance Commissioners or otherwise determined by the commissioner. All of these fees and expenses must be paid into the department of commerce revolving fund.

Sec. 6. Minnesota Statutes 1992, section 60A.052, subdivision 2, is amended to read:

Subd. 2. [SUMMARY SUSPENSION OR REVOCATION OF AUTHORITY OR CENSURE.] If the commissioner determines that one of the conditions listed in subdivision 1 exists, the commissioner may issue an order requiring the insurance company to show cause why any or all of the following should not occur: (1) revocation or suspension of any or all certificates of authority granted to the foreign or domestic insurance company or its agent; (2) censuring of the insurance company; or (3) the imposition of a civil penalty. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. The commissioner may by order summarily suspend or revoke a certificate pending final determination of any order to show cause. If a certificate is suspended or revoked pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the summary order. All hearings shall be conducted in accordance with chapter 14. The insurer may waive its right to the hearing. If the insurer is under the supervision or control of the insurance department of the insurer's state of domicile, that insurance department, acting on behalf of the insurer, may waive the insurer's right to the hearing. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the insurance company fails to appear at a hearing after having been duly notified of it, the company shall be considered in default, and the proceeding may be determined against the company upon consideration of the order to show cause, the allegations of which may be considered to be true.

Sec. 7. Minnesota Statutes 1992, section 60A.082, is amended to read:

60A.082 [GROUP INSURANCE; BENEFITS CONTINUED IF INSURER CHANGED.]

A person covered under group life, group accidental death and dismemberment, group disability income or group medical expense insurance, shall not be denied benefits to which the person is otherwise entitled solely because of a change in the insurance company writing the coverage or in the group contract applicable to the person. In the case of one or more carriers replacing or remaining in place after one or more plans have been discontinued, each carrier shall accept any person who was covered under the discontinued plan or plans without denial of benefits to which other persons in the group covered by that carrier are entitled. "Insurance company" shall include a service plan corporation under chapter 62C or 62D.

For purposes of satisfying any preexisting condition limitation, the insurance company shall credit the period of time the person was covered by the prior plan, if the person has maintained continuous coverage.

The commissioner shall promulgate rules to carry out this section. Nothing in this section shall preclude an employer, union or association from reducing the level of benefits under any group insurance policy or plan.

Sec. 8. Minnesota Statutes 1992, section 60A.085, is amended to read:

60A.085 [CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO COVERED PERSONS.]

(a) No cancellation of any group life, group accidental death and dismemberment, group disability income, or group medical expense policy, plan, or contract is effective unless the insurer has made a good faith effort to notify all covered persons of the cancellation at least 30 days before the effective cancellation date. For purposes of this

section, an insurer has made a good faith effort to notify all covered persons if the insurer has notified all the persons included on the list required by paragraph (b) at the home address given and only if the list has been updated within the last 12 months.

(b) At the time of the application for coverage subject to paragraph (a), the insurer shall obtain an accurate list of the names and home addresses of all persons to be covered. ~~The insurer shall obtain an update of the list at least once during each subsequent 12-month period while the policy, plan, or contract is in force.~~

(c) Paragraph (a) does not apply if the group policy, plan, or contract is replaced by a substantially similar policy, plan, or contract.

Sec. 9. Minnesota Statutes 1992, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

- (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;
- (2) for filing annual statements, \$15;
- (3) for each annual certificate of authority, \$15;
- (4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

- (1) for filing certified copy of certificate of articles of incorporation, \$100;
- (2) for filing annual statement, \$225;
- (3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;
- (4) for filing bylaws, \$75 or amendments thereto, \$75;
- (5) for each company's certificate of authority, \$575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$25;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, \$575;

~~(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;~~

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

~~(6)~~ (5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

~~(7) for issuing an initial license to an individual agent, \$30 per license, for issuing an initial agent's license to a partnership or corporation, \$100, and for issuing an amendment (variable annuity) to a license, \$50, and for renewal of amendment, \$25;~~

~~(8) (6) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;~~

~~(9) for renewing an individual agent's license, \$30 per year per license, and for renewing a license issued to a corporation or partnership, \$60 per year;~~

~~(10) for issuing and renewing a surplus lines agent's license, \$250;~~

~~(11) for issuing duplicate licenses, \$10;~~

~~(12) for issuing licensing histories, \$20;~~

~~(13) (7) for filing forms and rates, \$50 per filing;~~

~~(14) (8) for annual renewal of surplus lines insurer license, \$300.~~

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 10. Minnesota Statutes 1992, section 60A.19, subdivision 4, is amended to read:

Subd. 4. [FEES SERVICE OF PROCESS.] ~~The commissioner shall be entitled to charge and receive a fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4), for each notice, proof of loss, summons, or other process served under the provisions of this subdivision and subdivision 3, to be paid by the persons serving the same. The service of process authorized by this section shall be made in compliance with section 45.028, subdivision 2.~~

Sec. 11. Minnesota Statutes 1992, section 60A.206, subdivision 3, is amended to read:

Subd. 3. [STANDARDS TO BE MET BY INSURERS.] (a) The commissioner shall recognize the insurer as an eligible surplus lines insurer when satisfied that the insurer is in a stable, unimpaired financial condition and that the insurer is qualified to provide coverage in compliance with sections 60A.195 to 60A.209. If filed with full supporting documentation before July 1 of any year, applications submitted under subdivision 2 shall be acted upon by the commissioner before December 31 of the year of submission.

(b) The commissioner shall not authorize an insurer as an eligible surplus lines insurer unless the insurer continuously maintains capital and surplus of at least \$3,000,000 and transaction of business by the insurer is not hazardous, financially or otherwise, to its policyholders, its creditors, or the public. Each alien surplus lines insurer shall have current financial data filed with the National Association of Insurance Commissioners Nonadmitted Insurers Information Office.

(c) Eligible surplus lines insurers domiciled within the United States shall file an annual statement and an annual financial audit, under the terms and conditions of section 60A.13, subdivisions 1, 3a, and 6, and are subject to the penalties of section 72A.061, and are subject to section 60A.03, subdivision 5, in regard to those requirements. The commissioner also has the powers provided in section 60A.13, subdivision 2, in regard to eligible surplus lines insurers.

(d) Eligible surplus lines insurers domiciled outside the United States shall file an annual statement on the standard nonadmitted insurers information office financial reporting format as prescribed by the National Association of Insurance Commissioners and an annual financial audit performed by an independent accounting firm.

Sec. 12. Minnesota Statutes 1992, section 60A.21, subdivision 2, is amended to read:

Subd. 2. [SERVICE OF PROCESS UPON UNAUTHORIZED INSURER.] (1) Any of the following acts in this state effected by mail or otherwise by an unauthorized foreign or alien insurer: (a) the issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein; (b) the solicitation of applications for such contracts; (c) the collection of premiums, membership fees, assessments, or other considerations for such contracts; or (d) any other transaction of insurance business, is equivalent to and shall constitute an

appointment by such insurer of the commissioner of commerce and the commissioner's successor or successors in office to be its true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such contract of insurance and any such act shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such insurer.

(2) Such service of process shall be made in compliance with section 45.028, subdivision 2 and the payment of a filing fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4).

(3) Service of process in any such action, suit, or proceeding shall in addition to the manner provided in clause (2) of this subdivision be valid if served upon any person within this state who, in this state on behalf of such insurer, is: (a) soliciting insurance, or (b) making, issuing, or delivering any contract of insurance, or (c) collecting or receiving any premium, membership fee, assessment, or other consideration for insurance; and if a copy of such process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant and the defendant's receipt, or the receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(4) No plaintiff or complainant shall be entitled to a judgment by default under this subdivision until the expiration of 30 days from the date of the filing of the affidavit of compliance.

(5) Nothing in this subdivision contained shall limit or abridge the right to serve any process, notice, or demand upon any insurer in any other manner now or hereafter permitted by law.

(6) The provisions of this section shall not apply to surplus line insurance lawfully effectuated under Minnesota law, or to reinsurance, nor to any action or proceeding against an unauthorized insurer arising out of:

(a) Wet marine and transportation insurance;

(b) Insurance on or with respect to subjects located, resident, or to be performed wholly outside this state, or on or with respect to vehicles or aircraft owned and principally garaged outside this state;

(c) Insurance on property or operations of railroads engaged in interstate commerce; or

(d) Insurance on aircraft or cargo of such aircraft, or against liability, other than employer's liability, arising out of the ownership, maintenance, or use of such aircraft, where the policy or contract contains a provision designating the commissioner as its attorney for the acceptance of service of lawful process in any action or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such policy, or where the insurer enters a general appearance in any such action.

Sec. 13. Minnesota Statutes 1992, section 60A.36, is amended by adding a subdivision to read:

Subd. 5. [RESCISSION.] (a) No insurer may rescind or void a contract of liability or property insurance unless there was material misrepresentation, material omission, or fraud made by or with the knowledge of the insured in obtaining the contract or in pursuing a claim under the policy.

(b) No misrepresentation or omission shall be material unless knowledge by the insurer of the facts misrepresented or omitted would have led to a refusal by the insurer to make such a contract. In determining the question of materiality, evidence of the practice of the insurer with respect to the acceptance or rejection of similar risks shall be admissible.

(c) For purposes of this section, a representation is a statement as to past or present fact, made to an insurer or the insurer's agent by the applicant as an inducement for issuing a contract of commercial liability or property insurance. A misrepresentation is a false representation, and the facts misrepresented are those facts which make the representation false.

(d) This subdivision does not limit the right to cancel the policy prospectively for the reasons stated in subdivision 1, clause (2).

Sec. 14. Minnesota Statutes 1992, section 60K.06, is amended to read:

**60K.06 [RENEWAL FEE FEES.]**

Subdivision 1. [RENEWAL FEES.] (a) Each agent licensed pursuant to section 60K.03 shall annually pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (10).

(b) Every agent, corporation, and partnership license expires on October 31 of the year for which period a license is issued.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

~~(d) The commissioner may issue licenses for agents, corporations, or partnerships for a three year period. If three year licenses are issued, the fee is three times the annual license fee.~~

Subd. 2. [LICENSING FEES.] (a) In addition to the fees and charges provided for examinations, each agent licensed pursuant to section 60K.03 shall pay to the commissioner:

(1) for issuing an initial license to an individual agent, \$30 per year;

(2) for issuing an initial agent's license to a partnership or corporation, \$100 per year;

(3) for issuing an amendment (variable annuity) to a license, \$50 per year;

(4) for renewing an amendment, \$25 per year;

(5) for renewing an individual agent's license, \$30 per year;

(6) for renewing a license issued to a corporation or partnership, \$60 per year;

(7) for issuing and renewing a surplus lines agent's license, \$250 per year;

(8) for issuing duplicate licenses, \$10.

(b) Every agent, corporation, and partnership license expires on October 31.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

(d) All fees shall be retained by the commissioner and shall be nonreturnable, except that an overpayment of any fee shall be the subject of a refund upon proper application.

Sec. 15. Minnesota Statutes 1992, section 60K.14, subdivision 4, is amended to read:

Subd. 4. [SUITABILITY OF INSURANCE.] In recommending the purchase of any life, endowment, individual accident and sickness, long-term care, annuity, life-endowment, or Medicare supplement insurance to a customer, an agent must have reasonable grounds for believing that the recommendation is suitable for the customer and must make reasonable inquiries to determine suitability. The suitability of a recommended purchase of insurance will be determined by reference to the totality of the particular customer's circumstances, including, but not limited to, the customer's income, the customer's need for insurance, and the values, benefits, and costs of the customer's existing insurance program, if any, when compared to the values, benefits, and costs of the recommended policy or policies.

Sec. 16. Minnesota Statutes 1993 Supplement, section 61A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL REQUIRED.] No policy or certificate of life insurance or annuity contract, issued to an individual, group, or multiple employer trust, 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, certificates, or similar evidence of coverage issued or delivered in this state.

This section applies to a policy, certificate of insurance, or similar evidence of coverage issued to a Minnesota resident or issued to provide coverage to a Minnesota resident. This section does not apply to a certificate of insurance or similar evidence of coverage that meets the conditions of section 61A.093, subdivision 2.

Sec. 17. Minnesota Statutes 1992, section 61A.07, is amended to read:

61A.07 [PROHIBITED PROVISIONS.]

No policy of life insurance shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, if it contains a provision:

(1) for forfeiture of the policy for failure to repay any loan on the policy or to pay interest on such loan while the total indebtedness on the policy is less than the loan value thereof; or for forfeiture for failure to repay any such loan or to pay interest thereon, unless such provision contain a stipulation that no such forfeiture shall occur until at least one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any, notice of whose address and contract of the assignment has been filed with the company, at its home office; or

(2) in a life policy or annuity contract, limiting the time within which any action at law or in equity may be commenced to less than five years after the cause of action shall accrue; or

(3) by which the policy shall purport to be issued or to take effect more than six months before the original application for the insurance was made; or

(4) for any mode of settlement at maturity of less value than the amount insured on the face of the policy plus any dividend additions, less any indebtedness to the company on the policy, and less any premium that may be deducted by the terms of the policy.

Sec. 18. Minnesota Statutes 1992, section 61A.071, is amended to read:

61A.071 [APPLICATIONS.]

No individual life insurance policy, ~~except mass marketed life insurance as defined in section 72A.13, subdivision 2~~ except life insurance marketed on a direct response basis, shall be issued or delivered in this state to a person age 65 or older unless a signed and completed copy of the application for insurance is left with the applicant at the time application is made. However, where an individual life policy is marketed on a direct response basis, a copy of any application signed by the applicant shall be delivered to the insured along with, or as part of, the policy.

Sec. 19. Minnesota Statutes 1992, section 61A.074, subdivision 1, is amended to read:

Subdivision 1. [CORPORATION OR TRUSTEE.] A corporation or the trustee of a trust providing life, annuity, health, disability, retirement, or similar benefits to employees of one or more corporations, and acting in a fiduciary capacity with respect to the employees, retired employees, or their dependents or beneficiaries, has an insurable interest in the lives of employees for whom the benefits are to be provided. The written consent of the insured is required if the insurance purchased under this subdivision is payable to the corporation or to the trustee.

Sec. 20. Minnesota Statutes 1992, section 61A.08, is amended to read:

61A.08 [EXCEPTIONS.]

Sections 61A.02, 61A.03, 61A.07, 61A.23, and 61A.25 shall not, except as expressly provided in this chapter, apply to ~~annuities, industrial or group term policies, or to corporations or associations operating on the assessment or fraternal plan, and in every case where a contract provides for both insurance and annuities, sections 61A.02, 61A.03 and 61A.07 shall apply only to that part of the contract which provides for insurance, but every contract issued prior~~

to the operative date specified in section 61A.245 containing a provision for a deferred annuity on the life of the insured only, unless paid for by a single premium, shall provide that, in event of the nonpayment of any premium after three full years' premium shall have been paid, the annuity shall automatically become converted into a paid-up annuity for that proportion of the original annuity as the number of completed years' premiums paid bears to the total number of premiums required under the contract.

Sec. 21. Minnesota Statutes 1992, section 61A.09, subdivision 1, is amended to read:

Subdivision 1. No group life insurance policy or group annuity shall be issued for delivery in this state until the form thereof and the form of any certificates issued thereunder have been filed in accordance with and subject to the provisions of section 61A.02. Each person insured under such a group life insurance policy (excepting policies which insure the lives of debtors of a creditor or vendor to secure payment of indebtedness) shall be furnished a certificate of insurance issued by the insurer and containing the following:

- (a) Name and location of the insurance company;
- (b) A statement as to the insurance protection to which the certificate holder is entitled, including any changes in such protection depending on the age of the person whose life is insured;
- (c) Any and all provisions regarding the termination or reduction of the certificate holder's insurance protection;
- (d) A statement that the master group policy may be examined at a reasonably accessible place;
- (e) The maximum rate of contribution to be paid by the certificate holder;
- (f) Beneficiary and method required to change such beneficiary;
- (g) In the case of a group term insurance policy if the policy provides that insurance of the certificate holder will terminate, in case of a policy issued to an employer, by reason of termination of the certificate holder's employment, or in case of a policy issued to an organization of which the certificate holder is a member, by reason of termination of membership, a provision to the effect that in case of termination of employment or membership, or in case of termination of the group policy, the certificate holder shall be entitled to have issued by the insurer, without evidence of insurability, upon application made to the insurer within 31 days after the termination of employment or membership, and upon payment of the premium applicable to the class of risk to which that person belongs and to the form and amount of the policy at that person's then attained age, a policy of life insurance only, in any one of the forms customarily issued by the insurer except term insurance, in an amount equal to the amount of the life insurance protection under such group insurance policy at the time of such termination; and shall contain a further provision to the effect that upon the death of the certificate holder during such 31-day period and before any such individual policy has become effective, the amount of insurance for which the certificate holder was entitled to make application shall be payable as a death benefit by the insurer.

This section applies to a policy, certificate of insurance, or similar evidence of coverage issued to a Minnesota resident or issued to provide coverage to a Minnesota resident. This section does not apply to a certificate of insurance or similar evidence of coverage that meets the conditions of section 61A.093, subdivision 2.

Sec. 22. Minnesota Statutes 1992, section 61A.092, is amended by adding a subdivision to read:

Subd. 6. [APPLICATION.] This section applies to a policy, certificate of insurance, or similar evidence of coverage issued to a Minnesota resident or issued to provide coverage to a Minnesota resident. This section does not apply to a certificate of insurance or similar evidence of coverage that meets the conditions of section 61A.093, subdivision 2.

Sec. 23. [61A.093] [CERTIFICATE OF INSURANCE.]

Subdivision 1. [COVERAGE.] A certificate of insurance or similar evidence of coverage issued to a Minnesota resident shall provide coverage for all benefits required to be covered in group policies in Minnesota by this chapter.

This subdivision supersedes any inconsistent provision of this chapter.

A policy of life insurance that is issued or delivered in this state and that covers a person residing in another state may provide coverage or contain provisions that are less favorable to that person than required by this chapter. Less favorable coverages or provisions must meet the requirements that the state in which the person resides would have required had the policy been issued or delivered in that state.

Subd. 2. [NONAPPLICATION.] Subdivision 1 does not apply to certificates issued in regard to a master policy issued outside the state of Minnesota if all of the following are true:

- (1) the policyholder or certificate holder exists primarily for purposes other than to obtain insurance;
- (2) the policyholder or certificate holder is not a Minnesota corporation and does not have its principal office in Minnesota;
- (3) the policy or certificate covers fewer than 25 persons who are residents of Minnesota and the Minnesota residents represent less than 25 percent of all covered persons; and
- (4) on request of the commissioner, the issuer files with the commissioner a copy of the policy and a copy of each form of certificate.

Subd. 3. [RELATION TO OTHER LAW.] Section 60A.08, subdivision 4, shall not be construed as requiring a certificate of insurance or similar evidence of insurance that meets the conditions of subdivision 2 to comply with this chapter.

Sec. 24. Minnesota Statutes 1992, section 61A.12, subdivision 1, is amended to read:

Subdivision 1. [PROCEEDS OF LIFE POLICY OR ANNUITY, WHO ENTITLED TO.] When any insurance is effected in favor of another, the beneficiary shall be entitled to its proceeds against the creditors and representatives of the person effecting the same. All premiums paid for insurance in fraud of creditors, with interest thereon, shall inure to their benefit from the proceeds of the policy, if the company be specifically notified thereof, in writing, before payment.

Sec. 25. Minnesota Statutes 1992, section 61A.282, subdivision 2, is amended to read:

Subd. 2. [LENDING OF SECURITIES.] A company may loan securities held by it under this chapter to a broker-dealer registered under the Securities and Exchange Act of 1934 or to a bank which is a member of the Federal Reserve System, under the following conditions:

(a) The market value of loaned securities outstanding at any one time, excluding securities held in a separate account established pursuant to section 61A.14, subdivision 1, or 61A.275, shall not exceed 50 40 percent of the company's capital and surplus admitted assets as of the December 31 immediately preceding.

(b) The company is limited to no more than two percent of its admitted assets as of the December 31 immediately preceding being subject to lending of securities with any one borrower.

(c) Each loan must be evidenced by a written agreement which provides:

(a) (1) that the loan will be fully collateralized by cash or obligations issued or guaranteed by the United States or an agency or an instrumentality thereof, and that the collateral will be adjusted each business day during the term of the loan to maintain the required collateral in the event of market value changes in the loaned securities or collateral;

(b) (2) that the loan may be terminated by the company at any time, and that the borrower must return the loaned securities or their equivalent within five business days after termination;

(c) (3) that the company has the right to retain the collateral or to use the collateral to purchase securities equivalent to the loaned securities if the borrower defaults under the terms of the agreement; and

(d) (4) that the borrower remains liable for any losses and expenses, not covered by the collateral, which are incurred by the company due to default.

Sec. 26. Minnesota Statutes 1992, section 62A.047, is amended to read:

62A.047 [CHILDREN'S HEALTH SUPERVISION SERVICES AND PRENATAL CARE SERVICES.]

A policy of individual or group health and accident insurance regulated under this chapter, or individual or group subscriber contract regulated under chapter 62C, health maintenance contract regulated under chapter 62D, or health benefit certificate regulated under chapter 64B, issued, renewed, or continued to provide coverage to a Minnesota



resident, must provide coverage for child health supervision services and prenatal care services. The policy, contract, or certificate must specifically exempt reasonable and customary charges for child health supervision services and prenatal care services from a deductible, copayment, or other coinsurance or dollar limitation requirement. ~~For individual policies,~~ This section does not prohibit the use of policy waiting periods or preexisting condition limitations for these services. Minimum benefits may be limited to one visit payable to one provider for all of the services provided at each visit cited in this section subject to the schedule set forth in this section. Nothing in this section applies to a commercial health insurance policy issued as a companion to a health maintenance organization contract, a policy designed primarily to provide coverage payable on a per diem, fixed indemnity, or nonexpense incurred basis, or a policy that provides only accident coverage.

"Child health supervision services" means pediatric preventive services, appropriate immunizations, developmental assessments, and laboratory services appropriate to the age of a child from birth to age six as defined by Standards of Child Health Care issued by the American Academy of Pediatrics. Reimbursement must be made for at least five child health supervision visits from birth to 12 months, three child health supervision visits from 12 months to 24 months, once a year from 24 months to 72 months.

"Prenatal care services" means the comprehensive package of medical and psychosocial support provided throughout the pregnancy, including risk assessment, serial surveillance, prenatal education, and use of specialized skills and technology, when needed, as defined by Standards for Obstetric-Gynecologic Services issued by the American College of Obstetricians and Gynecologists.

Sec. 27. [62A.105] [COVERAGES; TRANSFERS TO SUBSTANTIALLY SIMILAR PRODUCTS.]

Subdivision 1. [SCOPE.] No individual policy of accident and sickness regulated under this chapter or subscriber contract regulated under chapter 62C shall be issued, renewed, or continued to provide coverage to a Minnesota resident unless it satisfies the requirements of subdivision 2.

Subd. 2. [REQUIREMENT.] If an issuer of policies or plans referred to in subdivision 1 ceases to offer a particular policy or subscriber contract to the general public or otherwise stops adding new insureds to the group of covered persons, the issuer shall allow any covered person to transfer to another substantially similar policy or contract currently being sold by the issuer. The issuer shall permit the transfer without any preexisting condition limitation, waiting period, or other restriction of any type other than those which applied to the insured under the prior policy or contract. This section does not apply to persons who were covered under an individual policy or contract prior to July 1, 1994.

Sec. 28. [62A.136] [DENTAL AND VISION PLANS.]

The following provisions do not apply to health plans providing dental or vision coverage only: sections 62A.041, 62A.047, 62A.149, 62A.151, 62A.152, 62A.154, 62A.155, 62A.26, 62A.28, and 62A.30.

Sec. 29. Minnesota Statutes 1992, section 62A.148, is amended to read:

62A.148 [GROUP INSURANCE; PROVISION OF BENEFITS FOR DISABLED EMPLOYEES.]

No employer or insurer of that employer shall terminate, suspend or otherwise restrict the participation in or the receipt of benefits otherwise payable under any program or policy of group insurance to any covered employee who becomes totally disabled while employed by the employer solely on account of absence caused by such total disability. This includes coverage of dependents of the employee. If the employee is required to pay all or any part of the premium for the extension of coverage, payment shall be made to the employer, by the employee.

Sec. 30. Minnesota Statutes 1992, section 62A.153, is amended to read:

62A.153 [~~FREE-STANDING AMBULATORY SURGICAL CENTERS~~ OUTPATIENT MEDICAL AND SURGICAL SERVICES.]

No policy or plan of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, or subscriber contract provided by a nonprofit health service plan corporation regulated under chapter 62C that provides coverage for services in a hospital shall be issued, renewed, continued, delivered, issued for delivery or executed in this state, or approved for issuance or renewal in this state by the commissioner of commerce unless the policy, plan or contract specifically provides coverage for a health care treatment or ~~service rendered by a free~~

~~standing ambulatory surgical center or facilities offering ambulatory medical service 24 hours a day seven days a week, which are not part of a hospital, but have been reviewed and approved by the state commissioner of health to provide the treatment or service, surgery on an outpatient basis at a facility equipped to perform these services, whether or not the facility is part of a hospital. Coverage shall be on the same basis as coverage provided for the same health care treatment or service rendered by in a hospital.~~

Sec. 31. Minnesota Statutes 1992, section 62A.43, subdivision 4, is amended to read:

Subd. 4. [OTHER POLICIES NOT PROHIBITED.] The prohibition in this section or the requirements of section 62A.31, subdivision 1, against the sale of duplicate Medicare supplement coverage ~~does do~~ not preclude the sale of insurance coverage, such as travel, accident and sickness coverage, the effect or purpose of which is not to supplement Medicare coverage. Notwithstanding this provision, if the commissioner determines that the coverage being sold is in fact Medicare supplement insurance, the commissioner shall notify the insurer in writing of the determination. If the insurer does not thereafter comply with sections 62A.31 to 62A.44, the commissioner may, pursuant to chapter 14, revoke or suspend the insurer's authority to sell accident and health insurance in this state or impose a civil penalty not to exceed \$10,000, or both.

Sec. 32. [62A.49] [HOME CARE SERVICES COVERAGE.]

Subdivision 1. [GENERALLY.] Section 62A.48 does not prohibit the sale of policies, certificates, subscriber contracts, or other evidences of coverage that provide home care services only. This does not, however, remove the requirement that home care service benefits must be provided as part of a long-term care policy pursuant to that section. Home care services only policies may be sold, provided that they meet the requirements set forth in sections 62A.46 to 62A.56, except that they do not have to meet those conditions that relate to long-term care in nursing facilities. Disclosures and representations regarding these policies must be adjusted accordingly to remove references to coverage for nursing home care.

Subd. 2. [PROVIDER NETWORKS AND MANAGED CARE.] Home health care services issued pursuant to this section may be provided through a limited provider network and may employ managed care practices. If these methods are used, they must be adequately disclosed within the policy and any advertisements or representations regarding coverage. Policies may not be sold in areas where there are not sufficient providers to meet the needs of the policyholders located in that area.

Sec. 33. [62A.615] [PREEXISTING CONDITIONS; LIMITATIONS ON CANCELLATIONS, RESCISSIONS, OR RESTRICTIONS ON COVERAGE.]

No insurer may cancel or rescind a health insurance policy for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice. No insurer may restrict coverage for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice unless the coverage is restricted at the time the policy is issued and the restriction is disclosed in writing to the insured at the time the policy is issued.

Sec. 34. Minnesota Statutes 1992, section 62E.05, is amended to read:

62E.05 [CERTIFICATION OF QUALIFIED PLANS.]

Upon application by an insurer, fraternal, or employer for certification of a plan of health coverage as a qualified plan or a qualified medicare supplement plan for the purposes of sections 62E.01 to 62E.16, the commissioner shall make a determination within 90 days as to whether the plan is qualified. All plans of health coverage, except Medicare supplement policies, shall be labeled as "qualified" or "nonqualified" on the front of the policy or evidence of insurance. All qualified plans shall indicate whether they are number one, two, or three coverage plans.

Sec. 35. Minnesota Statutes 1992, section 62E.19, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER LIABILITY.] An employer is liable to the association for the costs of any preexisting conditions of the employer's former employees or their dependents during the first six months of coverage under the state comprehensive health insurance plan under the following conditions:

(1)(i) the employer has terminated or laid off employees and is required to meet the notice requirements under section 268.976, subdivision 3;

(2)(ii) the employer has failed to provide, arrange for, or make available continuation health insurance coverage required to be provided under federal or state law to employees or their dependents; and

(3) (iii) the employer's former employees or their dependents enroll in the state comprehensive health insurance plan with a waiver of the preexisting condition limitation under section 62E.14, subdivision 4a or 5; or

(4) (2)(i) the employer has terminated or allowed the employer's plan of health insurance coverage to lapse within 90 days prior to the date of termination or layoff of an employee; and

(5) (ii) the employer's former employees or their dependents enroll in the state comprehensive health insurance plan with a waiver of the preexisting condition limitation under section 62E.14, subdivision 4a or 5.

The employer shall pay a special assessment to the association for the costs of the preexisting conditions. The special assessment may be assessed before the association makes the annual determination of each contributing member's liability as required under this chapter. The association may enforce the obligation to pay the special assessment by action, as a claim in an insolvency proceeding, or by any other method not prohibited by law.

If the association makes the special assessment permitted by this subdivision, the association may also make any assessment of contributing members otherwise permitted by law, without regard to the special assessment permitted by this subdivision. Contributing members must pay the assessment, subject to refund or adjustment in the event of receipt by the association of any portion of the special assessment.

Sec. 36. Minnesota Statutes 1992, section 62H.01, is amended to read:

62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any two or more employers, excluding the state and its political subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, or short-term disability benefits, or other benefits permitted under the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq. Joint plans must have a minimum of 100 covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.

A multiple employer welfare arrangement as defined in United States Code, title 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq.

Sec. 37. [62H.10] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 62H.10 to 62H.17, the terms in this section have the meanings given them.

Subd. 2. [AGENT.] "Agent" means an agent as defined under section 60A.02, subdivision 7.

Subd. 3. [ARRANGEMENT.] "Arrangement" means a fund, trust, plan, program, or other mechanism by which a person provides, or attempts to provide, health care benefits to individuals.

Subd. 4. [BROKER.] "Broker" means an agent engaged in brokerage business pursuant to section 60K.08.

Subd. 5. [COLLECTIVELY BARGAINED ARRANGEMENT.] "Collectively bargained arrangement" means an arrangement which provides or represents that it is providing health care benefits or coverage under or pursuant to one or more collective bargaining agreements.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 7. [EMPLOYEE LEASING ARRANGEMENT.] "Employee leasing arrangement" means a labor leasing, staff leasing, employee leasing, contract labor, extended employee staffing or supply, or other arrangement, under contract or otherwise, whereby one business or entity leases or obtains all or a significant number of its workers from another business or entity.

Subd. 8. [EMPLOYEE WELFARE BENEFIT PLAN.] "Employee welfare benefit plan" means a plan, fund, or program established or maintained by an employer or by an employee organization, or by both, to the extent that the plan, fund, or program was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability, death, or unemployment.

Subd. 9. [FULLY INSURED BY A LICENSED INSURER.] "Fully insured by a licensed insurer" means that, for all of the health care benefits or coverage provided or offered by or through an arrangement:

- (1) a licensed insurer is directly obligated by contract to provide all of the coverage to or under the arrangement;
- (2) the licensed insurer assumes all of the risk for payment of all covered services or benefits; and
- (3) the liability of the licensed insurer for payment of the covered services or benefits is directly to the individual employee, member, or dependent receiving the health care services.

Subd. 10. [LICENSED INSURER.] "Licensed insurer" means an insurer having a certificate of authority to transact insurance in this state.

Subd. 11. [REPORTABLE MEWA.] "Reportable MEWA" means a person that provides health care benefits or coverage to the employees of two or more employers. Reportable MEWA does not include:

- (1) a licensed insurer;
- (2) an arrangement which is fully insured by a licensed insurer;
- (3) a collectively bargained arrangement;
- (4) an employee welfare benefit plan established or maintained by a rural electric cooperative or a rural telephone cooperative;
- (5) an employee leasing arrangement; or
- (6) a joint self-insurance employee health plan, which includes but is not limited to multiple employee welfare arrangements and multiple employer welfare arrangements (MEWAs), having a certificate of authority to transact insurance in this state pursuant to chapter 62H.

Subd. 12. [RURAL ELECTRIC COOPERATIVE.] "Rural electric cooperative" means:

- (1) an organization that is exempt from tax under United States Code, title 26, section 501(a), and which is engaged primarily in providing electric service on a mutual or cooperative basis; or
- (2) an organization described in United States Code, title 26, section 501(c), paragraph (4) or (6), which is exempt from tax under United States Code, title 26, section 501(a), and at least 80 percent of the members of which are organizations described in clause (1).

Subd. 13. [RURAL TELEPHONE COOPERATIVE.] "Rural telephone cooperative" means an organization described in United States Code, title 26, section 501(c), paragraph (4) or (6), which is exempt from tax under United States Code, title 26, section 501(a), and at least 80 percent of the members of which are organizations engaged primarily in providing telephone service to rural areas of the United States on a mutual, cooperative, or other basis.

Subd. 14. [THIRD PARTY ADMINISTRATOR.] "Third party administrator" means a vendor of risk management services or an entity administering a self-insurance or insurance plan under section 60A.23.

Sec. 38. [62H.11] [AGENTS AND BROKERS PROHIBITED FROM ASSISTING REPORTABLE MEWAS PRIOR TO FILING.]

(a) No agent or broker may solicit, advertise, or market in this state health benefits or coverage from, or accept an application for, or place coverage for a person who resides in this state with, a reportable MEWA unless the agent or broker first files with the commissioner the information required under section 62H.16.

(b) No agent or broker may solicit another agent or broker to enter into an arrangement to solicit, advertise, or market services, health benefits, or coverage of a reportable MEWA unless the agent or broker first files with the commissioner the information required under section 62H.16.

Sec. 39. [62H.12] [AGENTS AND BROKERS PROHIBITED FROM ASSISTING EMPLOYEE LEASING ARRANGEMENTS PRIOR TO FILING.]

(a) No agent or broker may solicit, advertise, or market in this state the services, health benefits, or coverage of an employee leasing arrangement or a person or arrangement which represents itself as an employee leasing arrangement unless the agent or broker first files with the commissioner the information required under section 62H.16.

(b) No agent or broker may solicit another agent or broker to enter into an arrangement to solicit, advertise, or market the services, health benefits, or coverage of an employee leasing arrangement unless the agent or broker first files with the commissioner the information required under section 62H.16.

Sec. 40. [62H.13] [AGENTS AND BROKERS PROHIBITED FROM ASSISTING COLLECTIVELY BARGAINED ARRANGEMENTS PRIOR TO FILING.]

(a) No agent or broker may solicit, advertise, or market in this state health benefits or coverage from, or accept an application for, or place coverage for a person who resides in this state with, a collectively bargained arrangement or an arrangement that represents itself as a collectively bargained arrangement unless the agent or broker first files with the commissioner the information required under section 62H.16.

(b) No agent or broker may solicit another agent or broker to enter into an arrangement to solicit, advertise, or market the health benefits or coverage of a collectively bargained arrangement unless the agent or broker first files with the commissioner the information required under section 62H.16.

Sec. 41. [62H.14] [THIRD PARTY ADMINISTRATORS AND LICENSED INSURERS PROHIBITED FROM ASSISTING REPORTABLE MEWAS PRIOR TO FILING.]

(a) No third party administrator may solicit or effect coverage of, underwrite for, collect charges or premium for, or adjust or settle claims of a resident of this state for, or enter into any agreement to perform any of those functions for, a reportable MEWA that provides coverage to residents of this state unless the third party administrator first files with the commissioner the information required under section 62H.16.

(b) No licensed insurer may solicit or effect coverage of, underwrite for, collect charges or premiums for, adjust or settle claims of a resident of this state for, or enter into any agreement to perform any of those functions for a reportable MEWA that provides coverage to residents of this state unless the insurer first files with the commissioner the information required under section 62H.16.

(c) A licensed insurer that issues or has issued any insurance coverage to a reportable MEWA that covers residents of this state, including, but not limited to, specific or aggregate stop-loss coverage, shall file with the commissioner the information required under section 62H.16 within 30 days after the coverage is issued or within 30 days after the date the reportable MEWA first provides coverage to a resident of this state, whichever is later.

Sec. 42. [62H.15] [LACK OF KNOWLEDGE NOT A DEFENSE.]

(a) Lack of knowledge or intent to deceive with respect to the organization or status of insurance coverage of a reportable MEWA, employee leasing firm, or collectively bargained arrangement is not a defense to a violation of sections 62H.10 to 62H.17.

(b) A filing under sections 62H.10 to 62H.17 is solely for the purpose of providing information to the commissioner. Sections 62H.10 to 62H.17 and a filing under those sections do not authorize or license a reportable MEWA, employee leasing firm, collectively bargained arrangement, or any other arrangement to engage in business in this state if otherwise prohibited by law.

Sec. 43. [62H.16] [INFORMATION REQUIRED TO BE FILED AND KEPT CURRENT.]

(a) An agent, broker, third party administrator, or insurer required to file under sections 62H.10 to 62H.17 shall file with the commissioner all of the following information on a form prescribed by the commissioner:

(1) a copy of the organizational documents of the reportable MEWA, employee leasing firm, or collectively bargained arrangement, including the articles of incorporation and bylaws, partnership agreement, or trust instrument;

(2) a copy of each insurance or reinsurance contract that purports to insure or guarantee all or any portion of benefits or coverage offered by the reportable MEWA, employee leasing firm, or collectively bargained arrangement to a person who resides in this state;

(3) copies of the benefit plan description and other materials intended to be distributed to potential purchasers; and

(4) the names and addresses of all persons performing or expected to perform the functions of a third party administrator for the reportable MEWA, employee leasing firm, or collectively bargained arrangement.

(b) A filing under sections 62H.10 to 62H.17 is ineffective and is not in compliance with those sections if it is incomplete or inaccurate in a material respect.

(c) A person who has made a filing under sections 62H.10 to 62H.17 shall amend the filing within 30 days of the date the person becomes aware, or exercising due diligence should have become aware, of any material change to the information required to be filed. The amended filing must accurately reflect the material change to the information originally filed.

Sec. 44. [62H.17] [LIABILITY FOR VIOLATION.]

If an arrangement that is an unauthorized insurer fails to pay a claim or loss in this state within the provisions of its contract, a person who violates sections 62H.10 to 62H.17 with respect to the arrangement is liable to the insured for the full amount of the claim or loss in the manner provided by the provisions of the insurance contract.

Sec. 45. Minnesota Statutes 1992, section 62L.02, is amended to read:

62L.02 [MINNESOTA JOINT UNDERWRITING ASSOCIATION.]

Subdivision 1. [CREATION.] The Minnesota joint underwriting association is created to provide insurance coverage to any person or entity unable to obtain insurance through ordinary methods if the insurance is required by statute, ordinance, or otherwise required by law, or is necessary to earn a livelihood or conduct a business and serves a public purpose, including, but not limited to, liquor liability. Prudent business practice or mere desire to have insurance coverage is not a sufficient standard for the association to offer insurance coverage to a person or entity. For purposes of this subdivision, directors' and officers' liability insurance is considered to be a business necessity and not merely a prudent business practice. The association shall be specifically authorized to provide insurance coverage to day care providers, foster parents, foster homes, developmental achievement centers, group homes, and rehabilitation facilities for mentally, emotionally, or physically handicapped persons, and citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383. Because the activities of certain persons or entities present a risk that is so great, the association shall not offer insurance coverage to any person or entity the board of directors of the association determines is outside the intended scope and purpose of the association because of the gravity of the risk of offering insurance coverage. The association shall not offer environmental impairment liability or product liability insurance. The association shall not offer coverage for activities that are conducted substantially outside the state of Minnesota unless the insurance is required by statute, ordinance, or otherwise required by law. Every insurer authorized to write property and casualty insurance and personal injury liability insurance in this state shall be a member of the association as a condition to obtaining and retaining a license to write insurance in this state.

Subd. 2. [DIRECTOR.] The association shall have a board of directors composed of 11 persons chosen as follows: five persons elected by members of the association at a meeting called by the commissioner; three public members, as defined in section 214.02, appointed by the commissioner; and three members, appointed by the commissioner representing groups to whom coverage has been extended by the association. The terms of the members shall be four years. Terms may be staggered so that no more than six members are appointed or elected every two years. Members may serve until their successors are appointed or elected. If at any time no coverage is currently extended by the association, then either additional public members may be appointed to fill these three positions or, at the option of the commissioner, representatives from groups who had previously been covered by the association may serve as directors.

Subd. 3. [REAUTHORIZATION.] The authorization to issue insurance to day care providers, foster parents, foster homes, developmental activity centers, group homes, and rehabilitation facilities for mentally, emotionally, or physically handicapped persons, and citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383, is valid for a period of two years from the date it was made.

The commissioner may reauthorize the issuance of insurance for these groups and other classes of business for additional two-year periods pursuant to sections 62I.21 and 62I.22. This subdivision is not a limitation on the number of times the commissioner may reauthorize the issuance of insurance.

Subd. 4. [LIQUOR LIABILITY.] Policies and contracts of coverage issued under this section for the purposes of providing liquor liability insurance must contain the usual and customary provisions of liability insurance policies, and must contain at least the minimum coverage required by section 340A.409, subdivision 1, or the local governing unit.

Subd. 5. [ACCOUNTS.] For the purposes of administration and assessment, the association shall be divided into two separate accounts: (1) the property and casualty insurance account; and (2) the personal injury liability insurance account.

Sec. 46. Minnesota Statutes 1992, section 62I.03, is amended to read:

62I.03 [DEFINITION.]

Subdivision 1. [SCOPE.] As used in sections 62I.01 to 62I.22 the following terms have the meanings given them in this section.

Subd. 2. [ASSOCIATION.] "Association" means the Minnesota joint underwriting association.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 4. [DIRECT WRITTEN PREMIUMS.] "Direct written premiums" means that amount at column (2), lines 5, 8, 9, 17, 21.2, 22, 23, 24, 25, 26, and 27, page 14, of the annual statement filed annually with the department of commerce pursuant to section 60A.13.

Subd. 5. [DEFICIT.] "Deficit" means, for a particular policy year, that amount by which total paid and outstanding losses and loss adjustment expenses exceed premium revenue, including retrospective premium revenue.

Subd. 6. [NET DIRECT PREMIUMS.] For purposes of liquor liability insurance, "net direct premiums" means gross direct premiums written on personal injury liability insurance, including the liability component of multiple peril package policies as computed by the commissioner, less return premiums for the unused or unabsorbed portions of premium deposits.

Subd. 7. [PERSONAL INJURY LIABILITY INSURANCE.] "Personal injury liability insurance" means insurance described in section 60A.06, subdivision 1, clause (13).

Sec. 47. Minnesota Statutes 1992, section 62I.07, is amended to read:

62I.07 [MEMBERSHIP ASSESSMENTS.]

Subdivision 1. [GENERAL ASSESSMENT.] Each member of the association that is authorized to write property and casualty insurance in the state shall participate in its losses and expenses in the proportion that the direct written premiums of the member on the kinds of insurance in that account bears to the total aggregate direct written premiums written in this state by all members on the kinds of insurance in that account. The members' participation in the association shall be determined annually on the direct written premiums written during the preceding calendar year as reported on the annual statements and other reports filed by the member with the commissioner.

Subd. 2. [PERSONAL INJURY LIABILITY INSURANCE ASSESSMENT.] A member of the association shall participate in its writings, expenses, servicing allowance, management fees, and losses in the proportion that the net direct premiums of the member, excluding that portion of premiums attributable to the operation of the association, written during the preceding calendar year on the kinds of insurance in that account bears to the aggregate net direct premiums written in this state by all members on the kinds of insurance in that account. The member's participation in the association shall be determined annually on the basis of net direct premiums written during the preceding calendar year, as reported in the annual statements and other reports filed by the member with the commissioner.

Sec. 48. Minnesota Statutes 1992, section 62I.13, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] To be eligible to participate in the association, an applicant must apply for coverage through the market assistance program, as required by section 62I.08. Except as provided by subdivision 4, the market assistance program has 30 days from the receipt of the application to secure an offer of coverage for the applicant.

If the market assistance program is able to secure an offer of coverage for the applicant and if the offer of coverage would not be considered a refusal for purposes of the association, then coverage may not be extended by the association. Eligibility for coverage by the association is also subject to the terms and conditions of subdivisions 2 and 3.

Sec. 49. Minnesota Statutes 1992, section 62I.13, subdivision 2, is amended to read:

Subd. 2. [MINIMUM OF QUALIFICATIONS.] Anyone who is unable to obtain insurance in the private market and who so certifies to the association in the application is eligible to make written application to the association for coverage. Payment of the applicable premium or required portion of it must be paid prior to coverage by the association. An offer of coverage at a rate in excess of the rate that would be charged by the association for similar coverage and risk shall be deemed to be a refusal of coverage for purposes of eligibility for participation in the association. It shall not be deemed to be a written notice of refusal if the rate for coverage offered is less than five percent in excess of the joint underwriting association rates for similar coverage and risk or 20 percent in excess of the joint underwriting association rates for liquor liability coverages. However, the offered rate must also be the rate that the insurer has filed with the department of commerce if the insurer is required to file its rates with the department. If the insurer is not required to file its rates with the department, the offered rate must be the rate generally charged by the insurer for similar coverage and risk.

Sec. 50. Minnesota Statutes 1992, section 62I.20, is amended to read:

62I.20 [MERGER OF OTHER PLANS.]

Upon application by the governing body of ~~the liquor liability assigned risk plan authorized by section 340A.409~~ or the joint underwriting association authorized by chapter 62F to be merged with the association, the commissioner shall, if the commissioner deems it appropriate, hold a public hearing in regard to the merger. The commissioner upon motion or upon the motion of any insured under plans shall hold a hearing. Unless it can be shown that the rights of the insured would be adversely affected by the merger or that it would be less efficient or more costly to merge the plans, the commissioner shall consent to the merger. The commissioner shall also consent to the merger at any time there are less than ten insureds in any plan.

Sec. 51. Minnesota Statutes 1992, section 65A.01, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION AND SCOPE.] The printed form of a policy of fire insurance, as set forth in subdivisions 3 and 3a, shall be known and designated as the "Minnesota standard fire insurance policy" to be used in the state of Minnesota. No policy or contract of fire insurance shall be made, issued or delivered by any insurer including reciprocals or interinsurance exchanges or any agent or representative thereof, on any property in this state, unless it shall provide the specified coverage and conform as to all provisions, stipulations, and conditions, with such form of policy, except as provided in section sections 60A.08, subdivision 9; 60A.30 to 60A.35; 65A.06; 65A.29; 72A.20, subdivision 17; and other statutes containing specific requirements that are inconsistent with the form of this policy. Any policy or contract otherwise subject to the provisions of this subdivision, subdivisions 3 and 3a which includes either on an unspecified basis as to coverage or for a single premium, coverage against the peril of fire and coverage against other perils may be issued without incorporating the exact language of the Minnesota standard fire insurance policy, provided: Such policy or contract shall, with respect to the peril of fire, afford the insured all the rights and benefits of the Minnesota standard fire insurance policy and such additional benefits as the policy provides; the provisions in relation to mortgagee interests and obligations in said Minnesota standard fire insurance policy shall be incorporated therein without change; such policy or contract is complete as to its terms of coverage; and, the commissioner is satisfied that such policy or contract complies with the provisions hereof.

Sec. 52. Minnesota Statutes 1992, section 65A.29, subdivision 7, is amended to read:

Subd. 7. [RENEWAL; NOTICE REQUIREMENT.] No insurer shall refuse to renew, or reduce limits of coverage, or eliminate any coverage in a homeowner's insurance policy unless it mails or delivers to the insured, at the address shown in the policy, at least 60 days advance notice of its intention. The notice must contain the specific underwriting or other reason or reasons for the indicated action.

Proof of mailing this notice to the insured at the address shown in the policy is sufficient proof that the notice required by this section has been given.



Sec. 53. Minnesota Statutes 1992, section 65B.49, subdivision 3, is amended to read:

Subd. 3. [RESIDUAL LIABILITY INSURANCE.] (1) Each plan of reparation security shall also contain stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is thereby granted, of not less than \$30,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than \$60,000 because of injury to two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, of not less than \$10,000 because of such injury to or destruction of property of others in any one accident.

(2) Under residual liability insurance the reparation obligor shall be liable to pay, on behalf of the insured, sums which the insured is legally obligated to pay as damages because of bodily injury and property damage arising out of the ownership, maintenance or use of a motor vehicle if the injury or damage occurs within this state, the United States of America, its territories or possessions, or Canada. A reparation obligor shall also be liable to pay sums which another reparation obligor is entitled to recover under the indemnity provisions of section 65B.53, subdivision 1.

(3) Every plan of reparation security shall be subject to the following provisions which need not be contained therein:

(a) The liability of the reparation obligor with respect to the residual liability coverage required by this clause shall become absolute whenever injury or damage occurs; such liability may not be canceled or annulled by any agreement between the reparation obligor and the insured after the occurrence of the injury or damage; no statement made by the insured or on the insured's behalf and no violation of said policy shall defeat or void said policy.

(b) The satisfaction by the insured of a judgment for such injury or damage shall not be a condition precedent to the right or duty of the reparation obligor to make payment on account of such injury or damage.

(c) The reparation obligor shall have the right to settle any claim covered by the residual liability insurance policy, and if such settlement is made in good faith, the amount thereof shall be deductible from the limits of liability for the accident out of which such claim arose.

(d) Except as provided in subdivision 5a, a residual liability insurance policy shall be excess of a nonowned vehicle policy whether the nonowned vehicle is borrowed or rented, or used for business or pleasure. A nonowned vehicle is one not used or provided on a regular basis.

Sec. 54. Minnesota Statutes 1992, section 72A.20, subdivision 29, is amended to read:

Subd. 29. [HIV TESTS; CRIME VICTIMS.] No insurer regulated under chapter 61A or 62B, or providing health, medical, hospitalization, or accident and sickness insurance regulated under chapter 62A, or nonprofit health services corporation regulated under chapter 62C, health maintenance organization regulated under chapter 62D, or fraternal benefit society regulated under chapter 64B, may:

(1) obtain or use the performance of or the results of a test to determine the presence of the human immune deficiency virus (HIV) antibody performed on an offender under section 611A.19 or performed on a crime victim who was exposed to or had contact with an offender's bodily fluids during commission of a crime that was reported to law enforcement officials, in order to make an underwriting decision, cancel, fail to renew, or take any other action with respect to a policy, plan, certificate, or contract; or

(2) ask an applicant for coverage or a person already covered whether the person has: (i) had a test performed for the reason set forth in clause (1); or (ii) been the victim of an assault or any other crime which involves bodily contact with the offender.

A question that purports to require an answer that would provide information regarding a test performed for the reason set forth in clause (1) may be interpreted as excluding this test. An answer that does not mention the test is considered to be a truthful answer for all purposes. An authorization for the release of medical records for insurance purposes must specifically exclude any test performed for the purpose set forth in clause (1) and must be read as providing this exclusion regardless of whether the exclusion is expressly stated. This subdivision does not affect tests conducted for purposes other than those described in clause (1), including any test to determine the presence of the human deficiency virus (HIV) antibody if such test was performed at the insurer's direction as part of the insurer's normal underwriting requirements.

Sec. 55. Minnesota Statutes 1992, section 72A.20, is amended by adding a subdivision to read:

Subd. 30. [RECORDS RETENTION.] An insurer shall retain copies of all underwriting documents, policy forms, and applications for three years from the effective date of the policy. This subdivision does not relieve the insurer of its obligation to produce these documents to the department after the retention period has expired in connection with an enforcement action or administrative proceeding against the insurer from whom the documents are requested, if the insurer has retained the documents. Records required to be retained by this section may be retained in paper, photograph, microprocess, magnetic, mechanical, or electronic media, or by any process which accurately reproduces or forms a durable medium for the reproduction of a record.

Sec. 56. Minnesota Statutes 1992, section 72A.201, subdivision 9, is amended to read:

Subd. 9. [STANDARDS FOR COMMUNICATIONS WITH THE DEPARTMENT.] In addition to the acts specified elsewhere in this section and section 72A.20, the following acts by an insurer, adjuster, or a self-insured or self-insurance administrator constitute unfair settlement practices:

- (1) failure to respond, within 15 working days after receipt of an inquiry from the commissioner, about a claim, to the commissioner;
- (2) failure, upon request by the commissioner, to make specific claim files available to the commissioner;
- (3) failure to include in the claim file all written communications and transactions emanating from, or received by, the insurer, as well as all notes and work papers relating to the claim. All written communications and notes referring to verbal communications must be dated by the insurer;
- (4) failure to submit to the commissioner, when requested, any summary of complaint data reasonably required;
- (5) failure to compile and maintain a file on all complaints. If the complaint deals with a loss, the file must contain adequate information so as to permit easy retrieval of the entire file. If the complaint alleges that the company, or agent of the company, or any agent producing business written by the company is engaged in any unfair, false, misleading, dishonest, fraudulent, untrustworthy, coercive, or financially irresponsible practice, or has violated any insurance law or rule, the file must indicate what investigation or action was taken by the company. The complaint file must be maintained for at least four years after the date of the complaint.

For purposes of clause (1) the term insurer includes an agent of the insurer. The insurer must have been sent a copy of any communication to an agent to be held in violation of this provision.

Sec. 57. Minnesota Statutes 1992, section 72A.41, subdivision 1, is amended to read:

Subdivision 1. It is unlawful for any company to enter into a contract of insurance as an insurer or to transact insurance business in this state, as set forth in subdivision 2, without a certificate of authority from the commissioner; provided that this subdivision does not apply to: (a) contracts of insurance procured by agents under the authority of sections 60A.195 to 60A.209; (b) contracts of reinsurance and contracts of ocean or wet marine and transportation insurance; (c) transactions in this state involving a policy lawfully solicited, written and delivered outside of this state covering only subjects of insurance not resident, located, or expressly to be performed in this state at the time of issuance and which transactions are subsequent to the issuance of the policy; (d) ~~transactions in this state involving group or blanket insurance and group annuities where the master policy of such groups was lawfully issued and delivered in a state in which the company was authorized to do an insurance business where, except for group annuities, the insurer complies with section 72A.13. The commissioner may require the insurer which has issued such master policy to submit any information as the commissioner reasonably requires in order to determine if probable cause exists to convene a hearing to determine whether the total charges for the insurance to the persons insured are unreasonable in relation to the benefits provided under the policy;~~ (e) transactions in this state involving a policy of insurance or annuity issued prior to July 1, 1967; or (f) (e) contract of insurance procured under the authority of section 60A.19, subdivision 8; or (g) (f) transactions in this state involving contracts of insurance covering property or risks not located in this state.

Sec. 58. Minnesota Statutes 1992, section 72B.03, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT; EXCEPTIONS.] Except as otherwise provided, no person shall act as an independent adjuster, public adjuster, or public adjuster solicitor for money, a commission, or any other thing of value, unless such person shall first obtain from the commissioner a license. No license shall be required for a person:

- (a) ~~Undergoing a training or education program under the guidance of a licensed adjuster and who is registered with the commissioner for a one-year temporary permit;~~

(b) (1) a person acting in a catastrophe or emergency situation, and who has registered with the commissioner for that purpose;

(c) (2) a nonresident adjuster who occasionally is in this state to adjust a single loss; provided, however, that if a nonresident adjusts more than six losses in this state in one year the adjuster must qualify for and receive a nonresident's license as provided in sections 72B.01 to 72B.14, and provided the adjuster's domiciliary state affords a like privilege.

Sec. 59. Minnesota Statutes 1992, section 72B.04, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] An applicant for licensing as an adjuster under sections 72B.01 to 72B.14 shall be at least 18 years of age, ~~and shall have one year's training and experience in adjusting insurance claims for damage or loss from risks in the field stated in the application.~~ The applicant shall be competent and trustworthy and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of the application.

An applicant for licensing as a public adjuster solicitor under sections 72B.01 to 72B.14 shall be at least 18 years of age, shall be competent and trustworthy, and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of the application.

In the case of any applicant who has been convicted of a felony within the ten years next preceding the date of the application, and who in the judgment of the commissioner, meets the other qualifications, the commissioner may impose the additional requirement of the filing of a bond in accordance with the requirements of section 72B.08, subdivision 8.

Sec. 60. Minnesota Statutes 1992, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. An employer may establish financial ability to pay compensation by: ~~(1) providing financial statements of the employer to the commissioner of commerce; or (2) filing a surety bond or bank letter of credit with the commissioner of commerce in an amount equal to the anticipated annual compensation costs of the employer, but in no event less than \$100,000.~~ Upon ten days' written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter, consistent with subdivision 2b. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require the treasurer to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed, or exempt from licensure, pursuant to section 60A.23, subdivision 8, to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

- (i) establish reporting requirements for administrators of group self-insurance plans;
- (ii) establish standards and guidelines consistent with subdivision 2b to assure the adequacy of the financing and administration of group self-insurance plans;
- (iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;
- (iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;
- (v) establish standards or guidelines governing the formation, operation, administration, and dissolution of self-insurance plans; and
- (vi) establish other reasonable requirements to further the purposes of this subdivision. The rules may not require excessive cash payments to a common claims fund by group self-insurers. However, a level of funding in the common claims fund must always be maintained at not less than one year's claim losses paid in the most recent year.

Sec. 61. Minnesota Statutes 1992, section 340A.409, subdivision 2, is amended to read:

Subd. 2. [MARKET ASSISTANCE.] ~~The commissioner of commerce shall advise licensees and municipalities subject to the financial responsibility requirements of subdivision 1 of those persons offering insurance coverage. The commissioner of commerce shall establish a program to assist licensees in obtaining insurance coverage. The program shall include a committee appointed by the commissioner of commerce that is representative of insurance carriers and producers, liquor vendors, and the public. No less than one-half of the committee members shall represent casualty insurers and surplus lines agents or brokers. The commissioner of commerce or the commissioner's designated representative shall serve as an ex officio member of the committee. The committee shall review and act upon all properly executed applications. If the committee finds that it cannot assist in securing insurance coverage, it shall notify the applicant in writing with a full explanation and recommendation for enhancing its ability to secure insurance. The commissioner of commerce shall, if necessary, establish an assigned risk plan pursuant to subdivision 3. The market assistance plan of the Minnesota joint underwriting association shall assist licensees in obtaining insurance coverage.~~

Sec. 62. Minnesota Statutes 1992, section 340A.409, subdivision 3, is amended to read:

Subd. 3. [ASSIGNED RISK PLAN MINNESOTA JOINT UNDERWRITING ASSOCIATION.] (a) ~~The purpose of the assigned risk plan is to~~ Minnesota joint underwriting association shall provide coverage required by subdivision 1 to persons rejected under this subdivision.

(b) ~~An insurer who offers liquor liability insurance that refuses to write the coverage required by subdivision 1 shall furnish the applicant with a written notice of refusal. The rejected applicant shall file a copy of the notice of refusal with the commissioner of public safety at the time of application for coverage to the assigned risk plan and the market assistance program.~~

A written notice of refusal must be provided to any applicant who has requested only liquor liability insurance if the insurer chooses to only offer liquor liability insurance in combination with other types of insurance.

A written notice of refusal must be provided by an insurer to any applicant who receives an offer of coverage from that insurer that is in excess of the rate charged by the assigned risk plan for similar coverage and risk. A notice is not required if the rate for the coverage offered is less than 20 percent in excess of the assigned risk plan rates, provided that the offered rate is the rate that the insurer has filed with the commissioner of commerce if the insurer is required to file its rates with the commissioner. If the insurer is not required to file its rates with the commissioner, the offered rate must be the rate generally charged by the insurer for similar coverage and risk.

A notice of refusal is not required to be filed if there is not an insurer offering liquor liability insurance in the state.

To be eligible to participate in the assigned risk plan an applicant must apply for coverage through the market assistance program. Application to the market assistance program must be made no later than the time of application to the assigned risk plan. If the market assistance program is unable to secure coverage then coverage may be extended by the assigned risk plan.

(e) The commissioner of commerce may enter into service contracts as necessary or beneficial to accomplish the purposes of the assigned risk plan including servicing of policies or contracts of coverage, data management, and assessment collections. Services related to the administration of policies or contracts of coverages must be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (13), or a qualified vendor of risk management services. A qualified insurer or vendor of risk management services must possess sufficient financial, professional, administrative, and personnel resources to provide the services required for operation of the plan. The cost of all services contracted for are an obligation of the assigned risk plan.

(d) The commissioner of commerce may assess all insurers licensed under section 60A.06, subdivision 1, clause (13), an amount sufficient to fully fund the obligations of the assigned risk plan if the commissioner determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer must be in a proportion equal to the proportion which the amount of insurance written as reported on page 14 of the annual statement under line 5, commercial multiperil, and line 17, other liability, during the preceding calendar year by that insurer bears to the total written by all such carriers for such lines.

(e) Policies and contracts of coverage issued under this subdivision must contain the usual and customary provisions of liability insurance policies, and must contain at least the minimum coverage required by subdivision 1 or the local governing unit.

(f) Assigned risk policies and contracts of coverage are subject to premium tax pursuant to section 60A.15.

(g) Insureds served by the assigned risk plan must be charged premiums based upon a rating plan approved by the commissioner of commerce. Assigned risk premiums must be on an actuarially sound basis. The rating plan approved by the commissioner shall provide for surcharge factors based upon claims reported and losses paid. The commissioner of commerce shall fix the compensation received by the agent of record.

(h) The rating plan may be amended by rule pursuant to chapter 14 or by the following expedited procedures:

(1) Any person may, by written petition served upon the commissioner, request that a hearing be held to amend the rating plan.

(2) The commissioner shall forward a copy of the petition to the chief administrative law judge within three business days of its receipt. The chief administrative law judge shall, within three business days of receipt of the copy of the petition or a request for a hearing by the commissioner, set a hearing date, assign an administrative law judge to hear the matter, and notify the commissioner of the hearing date and the administrative law judge assigned to hear the matter. The hearing date must be set no less than 60 days nor more than 90 days from the date of receipt of the petition by the commissioner.

(3) The commissioner of commerce shall publish a notice of the hearing in the State Register at least 30 days before the hearing date. The notice should be similar to that used for rulemaking under the administrative procedure act. Approval by the administrative law judge of the notice prior to publication is not required.

~~(4) The hearing and all matters taking place after the hearing are a contested case under chapter 14. Within 45 days from the commencement of the hearing and within 15 days of the completion of the hearing the administrative law judge shall submit a report to the commissioner of commerce. The parties, or the administrative law judge, if the parties cannot agree, shall adjust all time requirements under the contested case procedure to conform with the 45-day requirement.~~

~~(5) The commissioner shall render a decision within ten business days of the receipt of the administrative law judge's report.~~

~~(6) If all parties to the proceeding agree, any of the previous requirements may be waived or modified.~~

~~(7) A petition for a hearing to amend the rating plan received by the commissioner within 180 days of the date of the commissioner's decision in a prior proceeding to amend the rating plan is invalid and requires no action.~~

~~(4) (b) A liquor vendor shall be denied or terminated from coverage through the assigned risk plan Minnesota joint underwriting association if the liquor vendor disregards safety standards, laws, rules, or ordinances pertaining to the offer, sale, or other distribution of liquor.~~

~~The commissioner may by rule establish other conditions for denial or termination from coverage through the assigned risk plan:~~

~~(i) The commissioner of commerce shall adopt rules needed to implement this subdivision. The rules may include:~~

~~(1) appeal procedures from actions of the assigned risk plan;~~

~~(2) formation of an advisory committee composed of insurers, vendors of risk management services and licensees, to advise the commissioner of commerce regarding operation of the plan; and~~

~~(3) applicable rating plans and rating standards.~~

Sec. 63. [LIQUOR LIABILITY ASSIGNED RISK PLAN OBLIGATIONS AND LIABILITIES.]

The Minnesota joint underwriting association shall assume the obligations of existing contracts and existing liabilities of the liquor liability assigned risk plan.

Sec. 64. Laws 1993, chapter 372, section 8, is amended to read:

Sec. 8. [EFFECTIVE DATE.]

~~Sections 1 and 2 apply to all franchise contracts or franchise transfer agreements entered into or renewed on or after the effective date, and apply as of July 1, 1993, to franchise contracts in effect on the effective date that have no expiration date.~~

Sections 4 to 7 apply to all agreements for private label purchases entered into or renewed on or after July 1, 1993, and to all private label purchases occurring on or after that date.

Sec. 65. [REVISOR INSTRUCTIONS.]

(a) The revisor shall recodify Minnesota Statutes, section 72A.20, subdivision 4a, as section 72A.201, subdivision 4a.

(b) The revisor shall recodify Minnesota Statutes, section 60A.30 as section 60A.351 and section 60A.31 as section 60A.352 and correct internal references in Minnesota Statutes and Minnesota Rules.

Sec. 66. [REPEALER.]

(a) Minnesota Statutes 1992, sections 72A.45; and 72B.07, are repealed.

(b) Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100, are repealed. The rates set pursuant to these rules shall continue to apply until changed pursuant to Minnesota Statutes, section 621.06.

## Sec. 67. [EFFECTIVE DATE.]

Sections 61 to 63 and 66, paragraph (b), are effective the day following final enactment.

Section 64 is effective July 1, 1993."

Delete the title and insert:

"A bill for an act relating to insurance; regulating fees, data collection, coverages, notice provisions, enforcement provisions, the Minnesota joint underwriting association and the liquor liability assigned risk plan; enacting the NAIC model regulation relating to reporting requirements for licensees seeking to do business with certain unauthorized multiple employer welfare arrangements; making various technical changes; amending Minnesota Statutes 1992, sections 45.024, subdivision 2; 59A.12, by adding a subdivision; 60A.02, by adding a subdivision; 60A.03, subdivision 5; 60A.052, subdivision 2; 60A.082; 60A.085; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.36, by adding a subdivision; 60K.06; 60K.14, subdivision 4; 61A.07; 61A.071; 61A.074, subdivision 1; 61A.08; 61A.09, subdivision 1; 61A.092, by adding a subdivision; 61A.12, subdivision 1; 61A.282, subdivision 2; 62A.047; 62A.148; 62A.153; 62A.43, subdivision 4; 62E.05; 62E.19, subdivision 1; 62H.01; 62I.02; 62I.03; 62I.07; 62I.13, subdivisions 1 and 2; 62I.20; 65A.01, subdivision 1; 65A.29, subdivision 7; 65B.49, subdivision 3; 72A.20, subdivision 29, and by adding a subdivision; 72A.201, subdivision 9; 72A.41, subdivision 1; 72B.03, subdivision 1; 72B.04, subdivision 2; 176.181, subdivision 2; and 340A.409, subdivisions 2 and 3; Minnesota Statutes 1993 Supplement, section 61A.02, subdivision 2; Laws 1993, chapter 372, section 8; proposing coding for new law in Minnesota Statutes, chapters 45; 61A; 62A; and 62H; repealing Minnesota Statutes 1992, sections 72A.45; and 72B.07; Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100."

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

House Conferees: BRAD STANIUS, LEO J. REDING, JEFF BERTRAM, TOM OSTHOFF AND JIM FARRELL.

Senate Conferees: WILLIAM P. LUTHER, SAM G. SOLON, CAL LARSON, DEANNA WIENER AND LINDA BERGLIN.

Stanis moved that the report of the Conference Committee on H. F. No. 1094 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1094, A bill for an act relating to insurance; regulating fees, data collection, coverages, notice provisions, enforcement provisions, the Minnesota joint underwriting association, and the liquor liability assigned risk plan; enacting the NAIC model regulation relating to reporting requirements for licensees seeking to do business with certain unauthorized multiple employer welfare arrangements; making various technical changes; appropriating money; amending Minnesota Statutes 1992, sections 13.71, by adding subdivisions; 45.024, subdivision 2; 59A.12, by adding a subdivision; 60A.02, by adding a subdivision; 60A.03, subdivisions 5 and 6; 60A.052, subdivision 2; 60A.082; 60A.085; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.36, by adding a subdivision; 60C.22; 60K.06; 60K.14, subdivision 4; 60K.19, subdivision 5; 61A.02, subdivision 2; 61A.031; 61A.04; 61A.07; 61A.071; 61A.073; 61A.074, subdivision 1; 61A.08; 61A.09, subdivision 1; 61A.092, by adding a subdivision; 61A.12, subdivision 1; 61A.282, subdivision 2; 62A.047; 62A.148; 62A.153; 62A.43, subdivision 4; 62E.19, subdivision 1; 62H.01; 62I.02; 62I.03; 62I.07; 62I.13, subdivisions 1 and 2; 62I.20; 65A.01, subdivision 1; 65A.29, subdivision 7; 65B.49, subdivision 3; 72A.20, subdivision 29, and by adding a subdivision; 72A.201, subdivision 9; 72A.41, subdivision 1; 72B.03, subdivision 1; 72B.04, subdivision 2; 176.181, subdivision 2; and 340A.409, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 45; 61A; 62A; and 62H; repealing Minnesota Statutes 1992, sections 70A.06, subdivision 5; 72A.45; and 72B.07; Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100.

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

The question was taken on the repassage of the bill and the roll was called. There were 91 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Holsten	Knight	Mahon	Pugh	Tompkins
Anderson, R.	Dempsey	Hugoson	Koppendrayner	Milbert	Reding	Tunheim
Battaglia	Erhardt	Huntley	Krinkie	Molnau	Rest	Van Dellen
Bauerly	Evans	Jacobs	Krueger	Morrison	Rhodes	Van Engen
Bergson	Farrell	Jefferson	Lasley	Mosel	Rukavina	Vickerman
Bertram	Finseth	Jennings	Leppik	Munger	Seagren	Waltman
Bettermann	Frerichs	Johnson, A.	Lieder	Murphy	Smith	Weaver
Bishop	Girard	Johnson, V.	Limmer	Nelson	Solberg	Wenzel
Carlson	Goodno	Kalis	Lindner	Ness	Stanius	Winter
Commers	Greiling	Kelley	Long	Olson, M.	Steensma	Wolf
Cooper	Gruenes	Kinkel	Luther	Opatz	Sviggum	Worke
Dauner	Gutknecht	Klinzing	Lynch	Ozment	Swenson	Workman
Dauids	Hasskamp	Knickerbocker	Macklin	Pauly	Tomassoni	Spk. Anderson, I.

Those who voted in the negative were:

Asch	Dawkins	Johnson, R.	McGuire	Pelowski	Simoneau
Beard	Delmont	Kahn	Neary	Peterson	Skoglund
Brown, C.	Dorn	Kelso	Olson, E.	Rice	Trimble
Brown, K.	Garcia	Lourey	Olson, K.	Rodosovich	Vellenga
Carruthers	Greenfield	Mariani	Ornen	Sarna	Wagenius
Clark	Hausman	McCollum	Orenstein	Sekhon	Wejzman

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

## CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. No. 2311.

H. F. No. 2311, A bill for an act relating to taxation; abolishing certain local government levy limitations; amending Minnesota Statutes 1992, sections 12.26, subdivision 2; 18.022, subdivision 2; 18.111, subdivision 1; 103G.625, subdivision 3; 138.053; 164.04, subdivision 3; 164.05, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 268A.06, subdivision 2; 375.167, subdivision 1; 375A.13, subdivision 2; 383A.03, subdivision 4; 383A.411, subdivision 5; 383B.245; 383C.42, subdivision 1; 398.16; 410.06; 412.251; 412.531, subdivision 1; 449.06; 449.08; 449.09; 450.19; 459.06, subdivision 1; 459.14, subdivision 2; 465.54; 469.053, subdivision 7; 469.188; 471.191, subdivision 2; 471.24; 471.57, subdivision 1; 471.61, subdivisions 1 and 2a; 473.711, subdivision 2; Minnesota Statutes 1993 Supplement, section 88.04, subdivision 3; Laws 1933, chapter 423, section 2; Laws 1943, chapters 196, section 6, as amended; 367, section 1, as amended; 510, section 1; Laws 1947, chapters 224, section 1; 340, section 4; Laws 1949, chapters 215, section 2; 252, section 1; 668, section 1; Laws 1953, chapters 154, section 3; 545, section 2; Laws 1957, chapter 213, section 1; Laws 1959, chapters 298, section 2; 520, section 1; 556, section 1, as amended; Laws 1961, chapters 80, section 1; 81, section 1; 82, section 1; 151, section 1; 209, section 4; 317, section 1; 352, section 1, as amended; 616, section 1, subdivision 1; 643, section 1; Laws 1961, extra session chapter 33, section 3; Laws 1963, chapters 29, section 1; 56, section 1; 103, section 1; Laws 1965, chapters 6, section 2, as amended; 442, section 1; 451, section 2; 512, section 1, subdivision 1; 527, section 1; 617, section 1; Laws 1967, chapters 501, section 1; 526, section 1, subdivision 3; 611, section 1; 660, section 2, subdivision 2; 758, section 1; Laws 1969, chapters 192, section 1, as amended; 534, section 2; 538, section 6, as amended; 602, section 1, subdivision 2; 652, section 1; 659, section 3; 730, section 1; Laws 1971, chapters 404, section 1; 424, section 1; 573, section 1; 876, section 3; Laws 1973, chapter 81, section 1; Laws 1977, chapter 61, section 8; Laws 1979, chapters 1, section 3; 253, section 3; 303, article 10, section 15, subdivision 2, as amended; Laws 1981, chapter 281, section 1; Laws 1983, chapter 326, section 17, subdivision 1; Laws 1984, chapters 380, section 1; 502, article 13, section 8; Laws 1985, chapters 181, section 1; 289, sections 1, 3, 5, subdivision 1, and 6, subdivision 1; Laws 1986, chapters 392, section



1; 399, article 1, section 1, as amended; Laws 1988, chapters 517, section 1; 640, section 3; repealing Minnesota Statutes 1992, sections 373.40, subdivision 6; 471.1921; and 471.63, subdivision 2; Laws 1915, chapter 316, section 1, as amended; Laws 1939, chapter 219, section 1; Laws 1941, chapter 451, section 1; Laws 1961, chapters 30, section 1; 119, section 1; 276, section 1; 439, section 1; Laws 1963, chapter 228, section 1; Laws 1967, chapter 542, section 1, subdivision 3; Laws 1971, chapters 168; 356, section 2; 515, section 1; 770; Laws 1973, chapter 445, section 1; Laws 1974, chapter 209; Laws 1977, chapter 246; Laws 1982, chapter 523, article XII, section 8; Laws 1984, chapter 502, article 13, section 10, as amended; Laws 1986, chapter 399, article 1, section 4; Laws 1989, First Special Session chapter 1, article 5, section 50, as amended; Laws 1990, chapter 604, article 3, sections 50 and 55; and Laws 1991, chapters 3, section 2, subdivision 3; and 291, article 4, section 21.

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

The bill was passed and its title agreed to.

## SPECIAL ORDERS

H. F. No. 2200 was reported to the House.

Evans moved to amend H. F. No. 2200, the first engrossment, as follows:

Page 1, line 25, delete "of" and insert "or"

The motion prevailed and the amendment was adopted.

Tomassoni moved to amend H. F. No. 2200, the first engrossment, as amended, as follows:

Page 2, after line 4, insert:

"Sec. 2. Minnesota Statutes 1992, section 97B.055, subdivision 3, is amended to read:

Subd. 3. [HUNTING FROM VEHICLE BY DISABLED HUNTERS.] The commissioner may issue a special permit, without a fee, to discharge a firearm or bow and arrow from a stationary motor vehicle to a licensed hunter that is temporarily or permanently physically unable to walk without crutches, braces, or other mechanical support, or who

has a physical disability which substantially limits the person's ability to walk. The physical disability and the substantial inability to walk must be established by medical evidence verified in writing by a licensed physician. A person with a temporary disability may be issued an annual permit and a person with a permanent disability may be issued a permanent permit. A person, issued a special permit under this subdivision and hunting deer, may take a deer of either sex."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Rukavina, Battaglia and Murphy moved to amend H. F. No. 2200, the first engrossment, as amended, as follows:

Page 2, after line 4, insert:

"Sec. 2. [97B.313] [BAITING DEER.]

Notwithstanding section 609.68, a person may place bait to take deer and must display a tag at each site where bait is placed and register the sites. The Commissioner shall prescribe the method of tagging and registering the sites. To attract deer a person may not use a bait consisting of materials over ten gallons in size and that are not readily biodegradable."

Amend the title accordingly

A roll call was requested and properly seconded.

#### POINT OF ORDER

Gutknecht raised a point of order pursuant to rule 3.09 that the Rukavina et al amendment was not in order. Speaker pro tempore Bauerly ruled the point of order not well taken and the amendment in order.

The question recurred on the Rukavina et al amendment and the roll was called. There were 28 yeas and 100 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Brown, K.	Farrell	Goodno	Lieder	Peterson	Tomassoni
Battaglia	Dauner	Finseth	Hasskamp	Lourey	Rice	Trimble
Bauerly	Davids	Garcia	Huntley	Murphy	Rodosovich	Tunheim
Beard	Dawkins	Girard	Jefferson	Nelson	Rukavina	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Erhardt	Kahn	Long	Olson, K.	Rhodes	Vickerman
Asch	Evans	Kalis	Luther	Olson, M.	Sarna	Wagenius
Bergson	Frerichs	Kelley	Lynch	Onnen	Seagren	Waltman
Bertram	Greenfield	Kelso	Macklin	Opatz	Sekhon	Weaver
Bettermann	Greiling	Kinkel	Mahon	Orenstein	Simoneau	Wejzman
Brown, C.	Gruenes	Klinzing	Mariani	Orfield	Skoglund	Wenzel
Carlson	Gutknecht	Knickerbocker	McCollum	Osthoff	Smith	Winter
Carruthers	Hausman	Knight	McGuire	Ostrom	Stanius	Wolf
Clark	Holsten	Koppendrayer	Milbert	Ozment	Steensma	Worke
Comumers	Hugoson	Krinkie	Molnau	Pauly	Sviggum	Workman
Cooper	Jacobs	Krueger	Morrison	Pelowski	Swenson	
Dehler	Jennings	Lasley	Mosel	Perlt	Tompkins	
Delmont	Johnson, A.	Leppik	Munger	Pugh	Van Dellen	
Dempsey	Johnson, R.	Limmer	Neary	Reding	Van Engen	
Dorn	Johnson, V.	Lindner	Ness	Rest	Vellenga	

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

H. F. No. 2200, A bill for an act relating to game and fish; preference to certain aged or disabled hunters in issuance of game refuge deer permits; amending Minnesota Statutes 1992, section 97B.055, subdivision 3; Minnesota Statutes 1993 Supplement, section 97A.091, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 12 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Girard	Lindner	Sekhon	Van Dellen	Waltman
Bettermann	Gutknecht	Onnen	Tompkins	Van Engen	Worke

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

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

H. F. No. 2237 was reported to the House.

Peterson moved to amend H. F. No. 2237, the first engrossment, as follows:

Page 1, line 12, delete "week" and insert "month"

The motion prevailed and the amendment was adopted.

H. F. No. 2237, A bill for an act relating to game and fish; requiring informational meetings in a certain area prior to the regular goose season; directing a study of waterfowl pollution of certain waters; proposing coding for new law in Minnesota Statutes, chapter 97B.

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

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bertram	Clark	Dehler	Farrell	Gruenes	Jefferson
Asch	Bishop	Commers	Delmont	Finseth	Hasskamp	Jennings
Battaglia	Brown, C.	Cooper	Dempsey	Garcia	Holsten	Johnson, A.
Bauerly	Brown, K.	Dauner	Dorn	Girard	Hugoson	Johnson, R.
Beard	Carlson	Davids	Erhardt	Greenfield	Huntley	Johnson, V.
Bergson	Carruthers	Dawkins	Evans	Greiling	Jacobs	Kalis

Kelley	Long	Murphy	Osthoff	Rice	Swenson	Wenzel
Kelso	Lourey	Neary	Ostrom	Rodosovich	Tomassoni	Winter
Kinkel	Luther	Nelson	Ozment	Rukavina	Trimble	Wolf
Klinzing	Macklin	Ness	Pauly	Sarna	Tunheim	Worke
Knickerbocker	Mahon	Olson, E.	Pelowski	Seagren	Van Dellen	Spk. Anderson, I.
Knight	Mariani	Olson, K.	Perlt	Sekhon	Vellenga	
Koppendrayer	McCollum	Olson, M.	Peterson	Simoneau	Vickerman	
Krueger	McGuire	Onnen	Pugh	Skoglund	Wagenius	
Lasley	Milbert	Opatz	Reding	Solberg	Waltman	
Leppik	Morrison	Orenstein	Rest	Stanis	Weaver	
Lieder	Munger	Orfield	Rhodes	Steensma	Wejcman	

Those who voted in the negative were:

Abrams	Goodno	Limmer	Molnau	Tompkins
Bettermann	Gutknecht	Lindner	Mosel	Van Engen
Frerichs	Krinkie	Lynch	Sviggum	Workman

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

H. F. No. 2360, A bill for an act relating to transportation; authorizing commissioner of transportation to contract with state of Wisconsin to build and operate truck inspection station in Wisconsin.

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

The bill was passed and its title agreed to.

H. F. No. 2497, A bill for an act relating to game and fish; requiring availability of 24-hour angling licenses until the end of the license year; amending Minnesota Statutes 1992, section 97A.485, subdivision 8.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dehler            Ness

The bill was passed and its title agreed to.

H. F. No. 2058, A bill for an act relating to human services; removing the expiration date for the ombudsman committee for mental health and retardation; amending Minnesota Statutes 1993 Supplement, section 245.97, subdivision 6.

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

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

H. F. No. 2591, A bill for an act relating to utilities; eliminating duplicate reporting relating to energy demand forecasting information by public utilities; authorizing low-income rates in certain circumstances; establishing a pilot program; amending Minnesota Statutes 1992, sections 116C.57, subdivision 3; 216B.16, by adding a subdivision; 216B.241, subdivision 1a; and 216C.17, subdivision 2; Minnesota Statutes 1993 Supplement, sections 216B.2422, by adding a subdivision; and 216C.17, subdivision 3; repealing Minnesota Statutes 1993 Supplement, section 116C.54.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2772, A bill for an act relating to state government; public employment; establishing a pilot project in certain agencies; permitting the waiver of rules governing the classified and unclassified service of the state by joint committees.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Gruenes	Kelley	Lynch	Olson, K.	Rhodes
Anderson, R.	Dauner	Gutknecht	Kelso	Macklin	Olson, M.	Rice
Asch	Dawkins	Hasskamp	Kinkel	Mahon	Ornen	Rodosovich
Battaglia	Dehler	Haukoos	Klinzing	Mariani	Opatz	Rukavina
Bauerly	Delmont	Hausman	Knickerbocker	McCollum	Orenstein	Sarna
Beard	Dempsey	Holsten	Knight	McGuire	Orfield	Seagren
Bergson	Dorn	Hugoson	Koppendrayner	Milbert	Osthoff	Sekhon
Bertram	Erhardt	Huntley	Krueger	Molnau	Ostrom	Simoneau
Bettermann	Evans	Jacobs	Lasley	Morrison	Ozment	Skoglund
Bishop	Farrell	Jefferson	Leppik	Mosel	Pauly	Solberg
Brown, C.	Finseth	Jennings	Lieder	Munger	Pelowski	Stanius
Brown, K.	Garcia	Johnson, A.	Limmer	Murphy	Perlt	Steensma
Carlson	Girard	Johnson, R.	Lindner	Neary	Peterson	Sviggum
Carruthers	Goodno	Johnson, V.	Long	Nelson	Pugh	Swenson
Clark	Greenfield	Kahn	Lourey	Ness	Reding	Tomassoni
Commers	Greiling	Kalis	Luther	Olson, E.	Rest	Tompkins

Trimble	Van Engen	Wagenius	Wenzel	Worke
Tunheim	Vellenga	Weaver	Winter	Workman
Van Dellen	Vickerman	Wejman	Wolf	Spk. Anderson, I.

Those who voted in the negative were:

Davids	Frerichs	Krinkie	Waltman
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The bill was passed and its title agreed to.

## GENERAL ORDERS

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

## MOTIONS AND RESOLUTIONS

Knickerbocker moved that the name of Asch be added as an author on H. F. No. 2139. The motion prevailed.

Krinkie moved that his name be stricken as an author on H. F. No. 2648. The motion prevailed.

Milbert moved that the name of Asch be added as an author on H. F. No. 2784. The motion prevailed.

Wenzel moved that his name be stricken as an author on H. F. No. 2869. The motion prevailed.

Simoneau moved that the name of Greenfield be added as an author on H. F. No. 2922. The motion prevailed.

Beard moved that the name of Pugh be added as an author on H. F. No. 3099. The motion prevailed.

Simoneau moved that H. F. No. 2866 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Local Government and Metropolitan Affairs. The motion prevailed.

Osthoff moved that H. F. No. 3133 be recalled from the Committee on Environment and Natural Resources Finance and be re-referred to the Committee on Transportation and Transit. The motion prevailed.

Osthoff moved that H. F. No. 2552, now on Technical General Orders, be re-referred to the Committee on Taxes. The motion prevailed.

Rice moved that H. F. No. 2799, now on General Orders, be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance. The motion prevailed.

Neary moved that S. F. No. 1806, now on the Technical Consent Calendar, be re-referred to the Committee on Ways and Means. The motion prevailed.

Winter moved that S. F. No. 1752 be recalled from the Committee on Transportation and Transit and together with H. F. No. 1976, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

Frerichs moved that S. F. No. 1967 be recalled from the Committee on Transportation and Transit and together with H. F. No. 2418, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

McCollum moved that S. F. No. 2260 be recalled from the Committee on Transportation and Transit and together with H. F. No. 2359, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

Bishop moved that H. F. No. 2712 be returned to its author. The motion prevailed.

## ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2074:

Skoglund, Murphy, Pugh, Carruthers and Macklin.

## ADJOURNMENT

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Tuesday, March 29, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives